



Guide to the Valorisation of Typical Agri-food Products

Concepts, Methods and Tools



Regione Toscana
Diritti Valori Innovazione Sostenibilità



• Manual • English version





Regione Toscana
Diritti Valori Innovazione Sostenibilità

ARSIA - Agenzia Regionale per lo Sviluppo
e l'Innovazione nel Settore Agricolo-Forestale
[Regional Agency for Development and Innovation
in Agriculture and Forestry]
via Pietrapiana, 30 - 50121 Firenze
tel. +39 055 2755.1 fax +39 055 2755.216 - 055 2755.231
www.arsia.toscana.it
email posta@arsia.toscana.it



Dipartimento di Agronomia
e Gestione dell'Agroecosistema - DAGA
Università di Pisa
[Department of Agronomy and Agro-Ecosystem
Management - University of Pisa]
via San Michele degli Scalzi, 2 - 56100 Pisa



Dipartimento di Scienze Economiche - DSE
Università di Firenze
[Department of Economic Sciences
University of Florence]
via delle Pandette, 9 - 50127 Firenze

Publication coordination

Natale Bazzanti, Carla Lazzarotto - ARSIA

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Texts

- Alessandro Pacciani
- Giovanni Belletti
- Andrea Marescotti
- Silvia Scaramuzzi

*Dip.to di Scienze Economiche - DSE
Università di Firenze*

- Gianluca Brunori
- Raffaella Cerruti
- Adanella Rossi
- Massimo Rovai

*Dip.to di Agronomia e Gestione dell'Agroecosistema
DAGA, Università di Pisa*

Photos

- Giovanni Belletti, Giovanni Busi, Giuseppe Cannoni, Raffaella Cerruti, Enrico Genovesi, Mario Ghetti, Andrea Marescotti, Stefania Medeot, Adanella Rossi, Roberto Rossi, Michele Spinapolic, Fabrizio Tempesti
- Antonio Cimato, *CNR - Firenze*
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Introduction

Typical agri-food production and rural development are two significant and representative features of Tuscany, a region which has demonstrable potential in both areas thanks to its vast heritage of agri-food production traditions. These characteristics have emerged through the evolution of the various regulations and the implementation of EC policy regarding rural development, as well as the qualification of production, with the result that Tuscany is now one of the regions with the greatest number of DOP [Protected Designation of Origin - PDO] and IGP [Protected Geographical Indication - PGI] recognized products and the highest number of traditional agri-food products as per Italian Legislative Decree 173/98 and MIPAF [Ministry of Agricultural, Food and Forestry Policies] Decree no. 350/99. However, despite their excellent quality, many of the traditional products are restricted to more or less local consumption due to the small size of the production supply chain and presence of production systems that are often developmentally backward with respect to other rural areas in the region.

This constitutes an obstacle to the recognition of this type of production on larger markets, despite the growing interest of consumers in “niche” and quality products, and jeopardizes the actual reproducibility of the production system over time.

Based on these considerations, in 2001 it was decided to carry out a research project entitled “Typical products, perceptions of quality along the supply chain and potential for market development” which ARSIA entrusted to the Department of Agricultural Economics and Territorial Resources [*Dipartimento di Econo-*

mia Agraria e delle Risorse Territoriali] of the University of Florence, in collaboration with the Department of Agronomy and Agro-Ecosystem Management [*Dipartimento di Agronomia e Gestione dell'Agroecosistema*], the Department of Economic Sciences [*Dipartimento di Scienze Economiche*] of the University of Pisa, the Department of Economic Sciences [*Dipartimento di Scienze Economiche*] of the University of Florence, and other subjects.

This project implemented initiatives which were able to provide sector operators and the Regional Government with new information regarding the valorisation and communication of quality in the production of agri-food specialties linked to genetic resources and local production knowledge.

The process of valorising typical products should take into account the strong bonds with the production territory and, not without reason, generally has a strong impact on the local system from a socioeconomic as well as a sociocultural viewpoint. For this reason, every typical product needs to be supported by its own individual valorisation model.

These were the premises that led to the need to realize a proper “Guide” to the valorisation of traditional agri-food production. The *Guide* aims to satisfy a number of different requirements: from the cataloguing of typical, traditional or local products, to identifying the valorisation path most suited to the various aspects of the different rural situations, from verifying the product's links with the territory to the differences between origin and provenance, right up to actually defining the term valorisation, distinguishing it from the protection of typical products.

The aim of this *Guide* is, therefore, to offer support to anyone who wishes to discover how to draw up a valorisation strategy that is best suited to a specific case using methodological and operational information. Tuscany's experience will, thus, be made available to all those

who intend to assist the emergence of the characteristics and excellent qualities of our territory.

Maria Grazia Mammuccini
Director of ARSIA

Foreword

In recent years, sector operators and scholars have greatly changed their views about agriculture and the development of rural territories. We are progressively moving from a productivist to a post-productivist agricultural system. In post-productivist agriculture, activities classified as services (tourism and environmental activities, first and foremost, as well as logistical or informative-educational activities) are becoming increasingly important with respect to the production of goods. In the same way, intangible components (knowledge, reputation, relationships) have become key to the competitiveness of a farm as well as the rural territory. We have moved progressively from a purely sectorial concept of agricultural and rural development to a territorial one that tends to play on the links between truly agricultural activities and all the other activities to be found within a territory, in order to improve the working conditions and income of farmers.

The actual meaning of rural development is also changing. The initial idea of “rural” as signifying backward or “late” has been progressively replaced with the concept of rural as a resource and development model in the sense that it requires different values, a different composition of the main resources and activities and different objectives.

The shifts in society, now solidly rooted to a post-industrial model, act as a counterpoint to these changes. After the “first modernization” phase, which saw a prevalence of the industrialist model in the organization of labour as well as types of consumption and lifestyles, leading to a tendency for uniformity and standardization, we have now entered what is called the “second modernization”, where lifestyles are increasingly defined through individual pathways that benefit from the multitude of alternatives available. In the “second modernization”, the production

system is structured in such a way as to cope with the growing desire for variety, developing complex technical and organizational systems that extend their geographical field of action by playing on the constant need for technological innovation. In this phase, however, we pay for the greater amount of freedom with increased uncertainty due to the possibility of making mistakes as individuals, as well as the unexpected effects of the increasingly complex technical and organizational systems on which we depend. If we refer to the food sector, we are now very much aware, for example, that entrusting a large part of the nutritional choices to individuals in a system governed by the market – in the absence of suitable counterbalances – leads to negative results such as the growing rate of obesity amongst the population and the increase in the incidence of food-related pathologies.

Faced with increasing uncertainty, one solution is to look for simpler, more authentic and natural lifestyles. Typical agri-food products are perfectly suited to this trend. Contrary to what one may think, they do not represent a defensive rejection of the globalization of consumption and production. Instead they offer an advanced reaction to the growing search amongst consumers for variety, simplicity and authenticity. They take their competitive advantage from the industrial system’s difficulty in providing a coherent response to this search. Typical products also represent an example of how it is possible to pursue competitiveness and sustainability at the same time and promote the reconfiguration of production systems, giving farmers, craftsmen and rural groups greater contractual power.

These are the premises on which the concept of valorisation is based, starting from the assumption that every territory has physical, ecological and cultural characteristics that con-

fer specific qualities to the food stuffs produced therein, which are different from any other territory. Valorisation means to create value (and, thus, also revenue) from these characteristics, which represent the resources involved, generating products whose quality derives from the close relationship between product and territory rather than technological processes alone.

The valorisation of typical products is a particularly complex activity due to some of the characteristics of these products, starting with their collective dimension and strong links to the territory. These elements means that numerous subjects are interested in valorisation and are not limited to production companies operating in the various stages of the production process, but also include the inhabitants and local society, local institutions, consumers and their organizations. These subjects are often not solely interested in the strictly business aspects of the valorisation of a typical product, but take into consideration the effects on the local production system and, in general, on the territory of origin of the product, the identity of the population and the local culture, and even on the agro-eco-systems expressed by the typical product.

Due to this complexity it is impossible to automatically transpose the instruments of valorisation usually used for other types of products to agri-food products, resulting in the need for a *Guide* to accompany producers and other subjects involved in drawing up a valorisation strategy that highlights the specific features of typical products.

The purpose of this *Guide* is, therefore, to provide methodological and operational information to anyone wishing to follow the route of valorisation. As can be noted, this type of route is closely linked to the dynamics of rural development, of which the valorisation of typical products represents one of the most widespread instruments in Italy, particularly in Tuscany, a region where the Authors have gained a large part of their research experience, including the experiences that led to the creation of this document and on which many of the examples are based.

The *Guide* has been realized as part of the research project financed by ARSIA entitled “*Prodotti tipici, percezioni di qualità lungo la filiera e possibilità di sviluppo del mercato*” [Typical products, perceptions of quality along the supply chain and potential for market development], coordinated by Prof. Donato Romano of the Faculty of Agriculture at the University of Florence.

We would like to thank everybody – businesses, associations, institutions – who has interacted with the Authors, in various capacities, during each phase of the research project.

The *Guide* is divided into two parts.

Part I will reflect on the underlying elements of the concept of “typicality” in the agri-food field. A definition of a typical product will be proposed on this basis, a concept that expresses a strong, multi-dimensional link to the territory whilst presenting many nuances and variations. Starting from this supposition, the principles, objectives and problems of valorising typical products deriving from their close relationship to the territory will be discussed. Valorisation will be considered in a broad sense as a process made up of various phases ranging from the protection and mobilisation of the local resources on which the product’s typicality is founded, to the remuneration and reproduction of the said resources, through the qualification of the product and the marketing of the same and its integration with the territory. Sustainability and fairness are proposed as the guiding principles for drawing up valorisation strategies.

Part II will offer some instruments to support the operators involved at various levels in setting up valorisation initiatives and/or managing the same over time. After an introduction about the actions to be carried in order to set-up, plan and, subsequently, manage a valorisation process, the various strategic areas to be considered for the coherent development of the process will be studied. The aim is not to exhaustively define the possible strategic directions for valorising a typical product or to provide immediately applicable operational instructions or an instrumental handbook, but rather to offer some methodological elements regarding the fundamental steps to be taken when formulating a valorisation strategy and the main areas in which this strategy should be applied.

The intention is not, therefore, to offer a valorisation “handbook”, but an instrument to help the subjects concerned to reflect on the aspects to be taken into consideration in the course of a current or future valorisation process.

The *Guide* is mainly directed towards technicians and producers and, for this reason, the Authors have tried to use language suited to as broad a public as possible without sacrificing the need for conceptual rigour. We very much hope you enjoying reading our *Guide*.

Gianluca Brunori, Alessandro Pacciani

PART I

The Valorisation of Typical Products: the Concepts

1. The Dimensions of the Typicality of Agri-food Products

Andrea Marescotti

Università di Firenze, Dipartimento di Scienze Economiche - DSE

1.1 A preliminary indicative definition of a typical product

If we were to adhere to the normal definition of the word “typical”, we would have to agree that a product is “typical” when it *presents constant characteristics belonging to a certain category; that it is peculiar to and characteristic of the same*. However, within the sphere of agri-food products, the definition of a typical product usually refers to other characteristics which are only partly linked to the above definition. To be more precise, various definitions of a typical agri-food product can be found in academic or popular texts, but they all invariably rotate around the product’s links with its territory.

In order to provide a preliminary indicative definition, we could, therefore, state that a typical agri-food product *is a product that presents certain unique quality attributes that express the specificity of a particular territorial context*. The quality characteristics of the product cannot be reproduced in other places, i.e., outside that particular economic, environmental, social and cultural context, and are therefore unique. A typical product is thus *a specific quality product*, and derives its specificity from being intimately linked to the territory (or *terroir*, as the French would say).

The relationship with the territory and, thus, the territorial origin of the product, which is often indicated and highlighted on the label, assumes a growing importance for the consumer as it condenses a series of information regarding the specificity of the factors and production processes used in a certain production area, and the specificity of the product’s own attributes. Basically, the origin becomes an

indicator of the “quality” of the agri-food product in the eyes of the consumer and is, in any case, an important resource that producers can use to inform about and highlight the specificity and uniqueness of their products.

1.2 The product-territory relationship: the specificity of the resources

What is the nature of the product-territory relationship and how does it manifest itself? We have mentioned that typical agri-food products are the result of a production process that makes a wide use of *specific local resources* that determine the characteristics of the quality attributes. In fact, when we speak about the relationship with the territory, we often refer to certain qualitative attributes of the product that are derived from the “physical” ambient within which the product has been realized and, in particular, the presence and use of certain natural resources.

The pedo-climatic environment is undoubtedly one of the most important explanatory factors often referred to: the typicality of many agri-food products is often the result of the characteristics and seasonal trends of the temperatures, humidity, wind, sunshine, and the peculiarities of the soil and water.

- In the case of Lardo di Colonnata IGP (cured pork product), one of the various factors said to determine its typicality is the particular climate of the place in which the raw material is processed, as well as the specificity of the marble used to make the characteristic tanks in which the Lardo is cured. The geographical and climatic context described above represents the ideal premise for a natural



Foto F. Tempesti

Curing the Lardo di Colonnata

process of curing and preserving the Lardo which, in addition to requiring a certain altitude, needs the concurrence of these three additional factors, all of which can be found in Colonnata, with its excellent and unrepeatable conditions: high humidity, non excessive summer temperatures, low or limited daily and annual ranges of temperature. (...) The tubs used are tank-shaped white marble containers made with materials obtained from the «Canaloni» quarries in the Colonnata basin that present certain peculiarities of composition and structure which are essential for the optimal curing and maturation of the product.

From the Production Regulations for Lardo di Colonnata IGP (GUUE L. 324 of 27.10.2004).

- In the case of the Sorana IGP bean, mention is made of the particular nature of the surface waters of the basin used for irrigation which has lower alkalinity and lower salinity than the average values for surface waters in the province, and the local climate which is characterized by high annual rainfall that, despite being concentrated in the autumn-winter months, ensures a considerable degree of humidity in the air even during the summer. Moreover, the range of temperatures in the area is quite limited and, above all, without extremes,

thanks to the low exposure to the sun of the environment in the summer and its protection from the cold winds of the mountain passes.

- Roquefort cheese in France has to be matured for a certain amount of time in the caves located underneath the town of Roquefort-sur-Soulzon, unique ambients which have the necessary temperature and humidity levels.

Alongside the pedo-climatic characteristics, references to the specificity of the territory's *genetic resources* are also very frequent. These can constitute the very essence of the typical product, in the case of both processed and unprocessed products, or can be included as ingredients or production factors.

- In the case of the Lari cherry, the thirteen autochthonous varieties of cherry – which have been registered in the regional Directories of Autochthonous Genetic Resources as per Regional Law no. 64/2000 (formerly Regional Law no. 50/97) *Protection of the heritage of local breeds and varieties of agricultural, livestock and forestry interest* – constitute a fundamental element of the typicality of the product, since they are at risk of genetic erosion.
- With regard to raw milk Pecorino from the Mountains and Valleys of Pistoia, a factor of typicality can be attributed to the local pasturing species to be found on the slopes and around the foot of the mountains that give the cheese its particular fragrance and taste.
- The Marrone del Mugello IGP sweet chestnut derives its specificity from the particular environmental conditions and traditional production techniques that give the “Marrone Fiorentino” variety its specific quality characteristics. The “Marrone Fiorentino” variety derives from a series of eco-types currently indicated by the name of the locality and/or Municipality of origin but which are all ascribable to the “Marrone Fiorentino” variety which has been agamically propagated for centuries.

The reference to natural resources is obviously very frequent, above all for agri-food products that do not need any processing after harvesting, i.e., in cases where human intervention is perceived as a simple “accompaniment” to the natural production process. However, attributing the typicality of an agri-food prod-

uct solely to its relationship with the natural resources appears to be reductive since it is always human actions which allow the natural resources to express their potential, whether this appears to be purely an action in support of a spontaneous process, or a more marked and original intervention, i.e., that goes beyond the normal agronomical practices of breeding or cultivation.

- Spinach from the Val di Cornia owes its specificity and fame not only to the characteristics of the soil and climate found in the area but also to the peculiarities of the organization of the local production system that make it “recognizable” and unique on intermediate markets.
- In the case of the Treviso radicchio IGP, for example, the product is strongly characterized in a territorial sense by the particular cultivation techniques and operations and whitening of the radicchio, along with the specificity of certain local natural resources (temperature of the resurgent water).

The current autochthonous vegetable varieties are evidently the result of conscious selection operations set up by agricultural producers over time, as for the autochthonous animal breeds, although in the latter case it is normally more difficult to reference the relationship with the territory since breeds and breeding techniques are often the same everywhere, and the fattening phases often take place far away from where the animals were born.

- The meat of the Vitellone Bianco dell’Appennino Centrale IGP [White Calf of the Central Apennine region] derives from purely bred Chianina, Romagnola and Marchigiana breeds. The relationship with the territory (provinces located along the Apennine ridge of Central Italy) and the reputation of the product can be attributed above all to the historical origins of the breed which, over the centuries, has spread all around the world. In fact, despite the clear reference to the territory of origin, today the names of breeds cannot be protected pursuant to Regulation (EEC) 510/2006.
- In the same way, despite the references to the long Scottish tradition of rearing cattle in the wilds of the Uplands, subsequently completed on the fertile southern plains, the production regulations for Specially Selected Scotch Beef IGP, do not refer to specific breeds or special rules regarding the feeding system adopted.



Foto A. Marescotti

Autochthonous cherry varieties at Lari (Pisa) and jams



Foto A. Marescotti

Spinach from the Val di Cornia at the fruit and vegetable market of Livorno



Foto Archivio Arsia

Chianini cattle out to pasture

- Roquefort cheese is produced exclusively using raw milk obtained from Lacaune ewes, inoculated with spores of *Penicillium roqueforti*.
- Once the raw milk “Pecorino delle Montagne e Valli Pistoiesi” [from the Mountains and Valleys of Pistoia] has obtained the DOP/PDO requested, it can be made exclusively using sheep’s milk produced by “Massese” sheep, bred in the wild or semi-wild, fed mainly using forage obtained by grazing or hay from the areas on the slopes or at the foot of the mountains in the province.

In any case, human intervention is more often referred to in order to justify the specificity of processed typical products (for example, cheeses and prepared meat products). Here the references essentially concern the particular features of the *practices and techniques of conditioning and processing* of the raw material, highly specific practices which were formed and handed down over the years, and originated from the evolution of knowledge and the adaptation of processing techniques to the particular social and environmental context of the area.

- Lardo di Colonnata derives its specificity from the special curing and maturation techniques used for the raw material, as well as the mixture of flavourings and salt (freshly ground pepper, fresh rosemary, peeled and roughly chopped garlic) used for curing in the tubs made of local marble, which are a jealously guarded secret of the producer.

Often there is a collection of knowledge which is mainly *contextual*, i.e. exclusive to the particular context in which it originated or developed, and of a *non-codified* type, i.e. not written but handed down orally from generation to generation, through practice and learning, and is often jealously guarded within the local community or even solely by the company or producer.

In the event that the production and processing techniques can be fixed through codification and institutionalization (for example, within a production Regulation), after a lengthy and, at times, controversial process of negotiation within the production system concerned, technological options often remain that give rise to a number of “variants” of the typical product as a result of the freedom tacitly enjoyed by each producer when realizing their own product, without spoiling its essential characteristics.

1.3 The product-territory relationship: history, tradition and identity

In the first definition of *typicality* we referred to the characteristics of a product that derive from its relationship with the territory without mentioning the particular historical and cultural traditions. However, in typical agri-food products, historical tradition and local culture assume a central role, at least in the meaning of typicality prevalent in Mediterranean countries, headed by Italy and France.

In fact, it is through a process of evolution that, over time, the techniques and know-how of the local actors are formed, spread, modified, perfected and adapted to the socio-economic, environmental and cultural context of the place.

History justifies the technical and organizational choices made by the local community in each specific territory. The methods of cultivation, the selection of vegetable varieties and specific breeds, the need to preserve foodstuffs over time by using local resources when access to faraway markets was still complex and not economically sustainable, the ingredients used for the processing and conditioning procedures, the processing techniques, the choice of special venues for the production and curing of foods are examples of local specificity resulting from choices made by local actors based on the characteristics and specificity of the territorial resources and the socio-economic context (distribution of property and access rights to the resources, available income, religious traditions, etc.).

This process makes it possible not only to accumulate the specific knowledge necessary for reproducing and adapting the typical product itself, but also for strengthening the relationship of identity between product and local population. In other words, it is the history of the product that becomes intimately linked to the history of the community of people who have contributed to creating it and handing it down through the years, albeit with the relevant adaptations caused by changes to the context, knowledge and regulations.

- Cherry trees have been cultivated in Lari for centuries. Over time, the local producers have learned how to adapt and select specific varieties of cherry tree whilst maintaining the characteristics of typicality, developing special techniques of cultivation, harvesting, packaging and presentation of the product. The specific characteristics have contributed to raising the



Foto G. Belletti

Old olive millstone

product's reputation in the area, accentuating the value of its identity in the local population which has increased over time also thanks to the traditional "Sagra della ciliegia" [Cherry Festival], permitting the involvement of the local community in the numerous valorisation initiatives set up.

The relationship with the territory can, therefore, also refer to aspects of *local identity and culture*. In fact, the relationship between a typical product and its territory is not solely derived from the pedo-climatic specificity and its close links with specific and localized production factors of both a tangible (e.g., vegetable varieties or local breeds) and an intangible nature (e.g., the contextual knowledge of the local actors). The relationship is also derived from the local culture where the typical product characterizes the "historical memory" of the local population and represents an element of identity for the same. The element of culture and identity thus assumes a very important role in catalyzing the desire of the local community to preserve the product, and reinforces the valorisation routes set up locally.

- The specificity of Taureau de Camargue DOP meat is based on the history of livestock farming in the Camargue area of southern France. The bulls are not traditionally reared for meat production, but for fighting in the bullring, in particular the "Course à la Cocarde", which is similar to a bullfight but the bulls are not killed at the end of the competition. The bulls which do not have the necessary requisites to take part in these traditional events are used for meat production.



Foto R. Rossi

Casentino "Prosciutto"

The reference to the relationship with time and memory, local traditions and culture, introduces a very important question about typical agri-food products, that of innovation. In fact, the relationship between product and territory is constantly reinterpreted in the light of changes in the local and global context and it is actually the local community that has to guarantee the preservation of the product's authenticity and the permanent use of the specific local resources that give the product its unique and unrepeatable character.

But how far can an innovation of a technological or organizational nature or, more simply, in the packaging and presentation of a product, be "authorized", without making a product lose its characteristics and traits of irreproducibility outside the local context? How far is it possible to modify the basic factors of typicality, i.e., the various types of relationships that exist between product and territory?

- In the case of the Corsican *Prisuttu* (raw ham), for example, there was a lot of discussion about the quantity of salt used for curing the raw material. Traditionally, in fact, *Prisuttu* is a very salty product but, by using cold storage methods, the salt can be reduced, thus enhancing the flavour, i.e., allowing the potential original aroma to fully express itself and satisfying the requirements of today's consumers who tend to prefer a milder ham. Does this innovation mean that *Prisuttu* loses its typicality? The shorter curing period possible as a result of refrigeration is an innovation that meets the need to reduce excess salt in the traditional product which is considered by the producers

themselves to be a flaw. The use of salt was, historically, linked to the high temperatures that occurred in certain periods of the year and the lack of alternative technical solutions (refrigeration). It is not, therefore, the innovation in itself that alters the typicality of the product but rather the way in which the innovation is introduced to the community of producers.

In fact, at first, the innovation appears to be incompatible with the need to respect the historical production tradition. On the other hand, it is a good idea to also take into account the fact that the product has not remained unchanged throughout its history, but has been adapted to meet various production, commercial, regulatory, environmental, social and cultural requirements. Tradition must, therefore, be reinterpreted and negotiated within the community of producers and local society, after identifying a “true core” of typicality which has to be the result of discussions between local actors.

- Two opposing sides – the craftsmen (members of the Culatello di Zibello Consortium) and the industrialists – confronted each other during the discussions leading to the approval of the production regulations for Culatello di Zibello DOP [cured pork salame]. Amongst the various points of discussion and friction, one subject considered to be particularly important regarded the production techniques, with the craftsmen insisting on a long curing period using traditional methods, and the industrialists pushing for a shorter period and the use of refrigeration and air-conditioned premises. The result of the long negotiations between local actors, with the participation of local institutions, resulted in regulations for the DOP/PDO that also permitted the use of “modern” techniques and specific regulations for members of the Consortium which only allowed traditional techniques.
- There was a different outcome for the difficult negotiations regarding the regulations for Lardo di Colonnata IGP which do not permit the use of modern curing techniques for the Lardo. In fact the production method states that processing should be seasonal (from September up to and including May), that the Lardo should rest inside tubs for a curing period of no less than six months and that the curing should take place in rooms with little ventilation and without any form of forced air-conditioning.

1.4 The product-territory relationship: the collective dimension

History and cultural traditions refer to a particular feature of the typical agri-food product: i.e., the thing that distinguishes the typical product from any other specific quality product is that its particular characteristics are the result of its relationship with a particular territory, and that relationship has been established, refined, consolidated and modified over the years within a community, meaning that it is closely linked to a community and not a single individual or company.

The particular features that arise from a product’s relationship with its place of origin are, thus, the result of a complex evolutionary process of negotiation amongst local producers, and between the same and the local community as well as, over time, when the system opens up to more distant markets, with non-local citizens and consumers. The typical product is the result of this interaction and incorporates know-how built up over time and shared within a territorialized community.

The know-how linked to the product’s characteristics and the production process necessary in order to obtain the same becomes a common heritage shared within the community of producers and local actors. This is often contextual and uncoded knowledge, the reproduction over time of which is made possible through informal mechanisms of oral communication by direct learning; it is knowledge that can only be partially coded within valorisation processes and, in particular, through qualification.

The process of accumulating knowledge and local settlement through interaction allows the product to become the expression of the local society in its organization, values, traditions and tastes which are adapted to the environmental, economic, social and cultural context of the place. In this regard, we often speak about the *dimension of a typical product’s heritage*: the product, and the method used to produce, preserve, distribute, consume and appreciate the same become part of the heritage of the local community which, alone, is justified in using the same for economic, social and cultural purposes. In fact, we can say that typicality is not based solely on the characteristics of the production process and the product, but on the relations between the actors in the system.

**Family of producers
of Raveggiolo cheese
from the Appennino
Tosco-Romagnolo**



Foto M. Ghetti

A typical product thus represents a potential resource for the local community, to the degree that aggregative dynamics are determined and projects are created by the actors in the territory which are based on the same with the aim of creating value around the product itself.

The collective dimension of the typical product has important implications in terms of the modalities of economic utilization of the product's reputation in relation to its territorial origin. In other words, the fact that a typical product belongs to the local collective heritage leads to problems regarding the property rights of the "geographical denomination" of the asset and the identification of the limitations to the use of the same.

Due to its identifying and collective nature, actors who may also be very disparate in terms of typology are usually involved in the valorisation process of a typical product. For example, actors can be involved more or less directly in the production and distribution of the product (in the "supply chain"), they can have an individual or collective nature and, if collective, they can be institutional bodies (local authorities) or intermediary institutions (organizations of companies, Pro Loco - organizations for the promotion of the territory, consumer associations, etc.). Moreover, as a result of the possible definitions the typical product itself, not all the actors will necessarily be within and embedded in the local community: for example, there could be non-local supply chain operators (such as processing or distribution companies), scientific institutions, public institutions, national consumer associations, etc.

Each actor has his own "vision" of the typical product according to his own interests (economic, social, political, scientific etc.). The diversity of actors thus gives rise to a diversity of the objectives to be achieved locally through the valorisation of the product.

1.5 Towards a more complete definition of typical agri-food products

At this point we can attempt to provide a more complete definition of a typical agri-food product that takes into account the various dimensions we have mentioned. *A typical agri-food product is, therefore, the result of an historical collective and localized process of accumulation of contextual knowledge based on a combination of specific territorial resources of both a physical and anthropic nature which gives rise to a strong, unique and unrepeatable relationship with the territory of origin.*

The relationship with the territory should, therefore, be established according to the product in question and should draw on various components and aspects of the typicality that refer to the environmental dimension and the specific local resources, the production, conditioning and processing techniques, the local social and cultural aspects, as well as the historical factors accompanying the evolutionary trajectories of the product itself. The relationship with the territory should also be seen as dynamic and not static or unchanging.

Table 1 – Conceptual differences between a typical product and other “similar” terms

	Home grown	Local	Traditional	Typical
Specificity of the resources			*	***
History and tradition	*	*	***	***
Community and shared knowledge	*			**

There are basically four important dimensions for determining the typicality of an agri-food product:

1. the specificity of the local resources (natural and human) used in the production process;
2. the production tradition and history;
3. the collective dimension and the presence of shared knowledge on a local level;
4. the relationship with the geographical environment.

The “ideal” typical product is a product that reaches the maximum levels with regard to the four dimensions mentioned. Based on these coordinates we can therefore specify more clearly certain conceptual differences with respect to the vast terminology currently used to indicate products which are “similar” to typical products.

Traditional products: our current language also uses the term “traditional” to refer to typical products. Italian Legislative Decree 173/98 contributed to this terminological confusion by introducing into Italian regulations the definition of a traditional product that was fully comparable with a “typical” product. However, *typical and traditional* are terms which should have very different meanings. Literally, the term “traditional” refers to the use of production methods which have been in place over time and are the opposite of “modern” and “industrial”. The term “typical” refers more directly to the origin of a product from a

certain area, with features that are characteristic of the production of that particular product. The term traditional thus underlines the product’s connections with the past, with an historical production tradition that has chosen not to “adapt” to modern techniques, whereas the relationship with the territory is more blurred. Typical products are, thus, also traditional, but the reverse is not necessarily true, in the sense that a traditional product can lack the qualitative specificity arising from a special relationship with the territory.

Local products: these are products that come from a certain locality and geographical area. In this case, no reference is made to any particular specificity and exclusivity regarding the characteristics of the product. The reference here is limited to the product’s “provenance” from a geographical location, without emphasizing any connection between the said geographical location and the particular qualities and specificity of the product itself.

For *home grown products* reference is made to the “identifying” component (the product belongs to our food, production and, sometimes, cultural tradition) but, also in this case, there may be no specificity and irreproducibility of the product outside its territorial context. So these are local products according to the local population, even though they often evoke an idea of genuineness and freshness which cannot always be verified.

2. The Valorisation of Typical Products: Principles, Objectives and Problems

Giovanni Belletti

Università di Firenze, Dipartimento di Scienze Economiche - DSE

The concept of valorisation is in itself very complex and can be examined from various angles. In the case of a typical product, the picture includes numerous elements of complexity derived essentially from the product's relationships with local resources and from its collective dimension.

This chapter will attempt to discuss the concept of valorisation in a gradual way, starting with a definition of the concept of valorisation in relation to a generic product. Subsequently the elements that make it possible to explore the concept of "value" in reference to a typical product will be individually introduced.

The objective is to obtain some information about the principles and criteria to be used to construct a valorisation strategy for a typical product which will be the subject of the second part of the volume.

2.1 What does the "valorisation" of a product mean?

Currently, the "valorisation" of a product refers to any activity aimed at increasing the price the said product can obtain on the market. This is, obviously, only a partial view: if the increase in price corresponds to a more than proportional reduction in the quantities sold on the market and/or a greater increase in costs, is it still possible to talk about the "valorisation of the product"? Valorisation only corresponds to an increase in sale price if other conditions are equal and, in particular, where the said increase does not negatively affect the volumes sold and production costs.

In more general terms, valorisation indicates an improvement in the overall position of a product on the market resulting in *an increase*

in the net income obtained by the producer due to the increase in the sale price of the product and/or the volume of company sales.

Therefore, valorisation lies at the heart of the vitality and evolution of a company and, consequently, the territorial systems of companies, as it permits the remuneration of the production factors and resources used in the production process of the products themselves.

However, the importance of the term "valorisation" goes beyond the simple business dimension. In fact, if "to valorise" means to *increase the value of goods*, a reflection on the meaning of the term "valorisation" implies a reflection on the meaning of "value". This is a reflection which, throughout the history of philosophy as well as the history of economic thought, has attempted to answer complex questions: how do we determine the value of goods? From which point of view should value be studied? Do goods have an intrinsic value or is the level determined solely by the scarcity of the same, through the interaction of supply and demand?

By limiting ourselves to a brief consideration which will, however, turn out to be useful in the following pages, it is possible to state that the creation of value is based on a complex and on-going dialectic between the production world and the requirements expressed by society. The production world incorporates the resources, and thus the *cost-values*, of the product, whereas society mainly recognizes the *use values* of the product, as well as (particularly in certain cases) other value components not necessarily linked to the direct and immediate use of the product. The market transforms use values into *exchange values*, but it is too restrictive to reduce the concept of the "value" of a product according to the concept of the "price" of the product itself.

The recognition of quality and, thus, the creation of value on the market through exchange, is the final phase of an encounter between two distinct processes, one culminating in the act of production by the company and the other in the act of purchase by the consumer, which is an expression of social feeling. These are two very complex processes, the determination of which involves numerous components not just of an individual and subjective nature (such as the consumer's preference or the entrepreneur's skill), but also of a social and general nature (such as socio-economic evolution and technological innovation).

Both production and consumption are, however, subject to big transformations, which means that the "value" of an asset is also subject to considerable evolution over time. In a dynamic perspective, the valorisation of a product thus involves a series of activities aimed at harmonizing the requirements of production as well as those of consumption and society as a whole.

By extension, the term "valorisation" is also used to indicate a whole set of instrumental objectives used to pursue the general objective of increasing the value of an asset and the activities which permit the achievement of the same. Instrumental objectives include, for example:

- the definition and raising of the quality of a product, also by modifying its attributes and controlling the same throughout the production process;
- the improvement of the overall perception of the quality of a product by society and the consumer world, also through the use of quality guarantees;
- the improvement of the attitude towards the product by retailers and other subjects located between the producer and end consumer.

One final consideration refers to the subjects of valorisation. Valorisation is an objective which is normally pursued by an individual company, but often the term refers to actions carried out by collective subjects ("the valorisation of product X by the Consortium") or public authorities ("with this initiative the Provincial Administration aims to valorise the products of companies in the food sector ...") that replace or complete the actions of the companies, often pursuing their own interests which do not immediately coincide with those of the individual firms.

This brief discussion has highlighted numerous aspects of valorisation which are relevant to our purposes and could be summarized by the following definition:

- the *valorisation of a product* consists of a series of strategic and operational activities aimed at improving the creation of value of the product by acting on two different fronts: the attribution of value by the consumer and society, and the efficacy of the production processes of the entrepreneurial system. These activities are carried out by economic agents (companies), as well as non-economic agents (such as public authorities and associations) which are interested, in particular, in the fact that the resources used for producing the product are suitably remunerated and can thus be reproduced.

The framework described above for a generic product has to be adapted and completed in order to take into account the elements of specificity of the typical products introduced in the previous chapter and, in particular, the following three elements:

- the relationship of the typical product with the territory and, above all, the importance of the territory's specific resources in the production process of a typical product;
- the collective nature arising from the involvement of a plurality of producers who are often very different in terms of objectives pursued, capacity, economic dimensions and market access;
- the relationship with the local community: the value of a typical product often goes beyond the companies marketing the same and, in general, concerns society and the local population with a multitude of different aspects.

2.2 Quality and value in typical products

As we have seen in the previous chapter, a typical product has a privileged relationship with its territory of origin that is translated into the use of resources specific to the territory itself (i.e., which cannot be reproduced outside the same). These resources are of a physical as well as an anthropic nature and condition the qualitative attributes of the typical product.

Breaking down the qualities of a typical product into various types of attributes and the correspondence of the same with the value

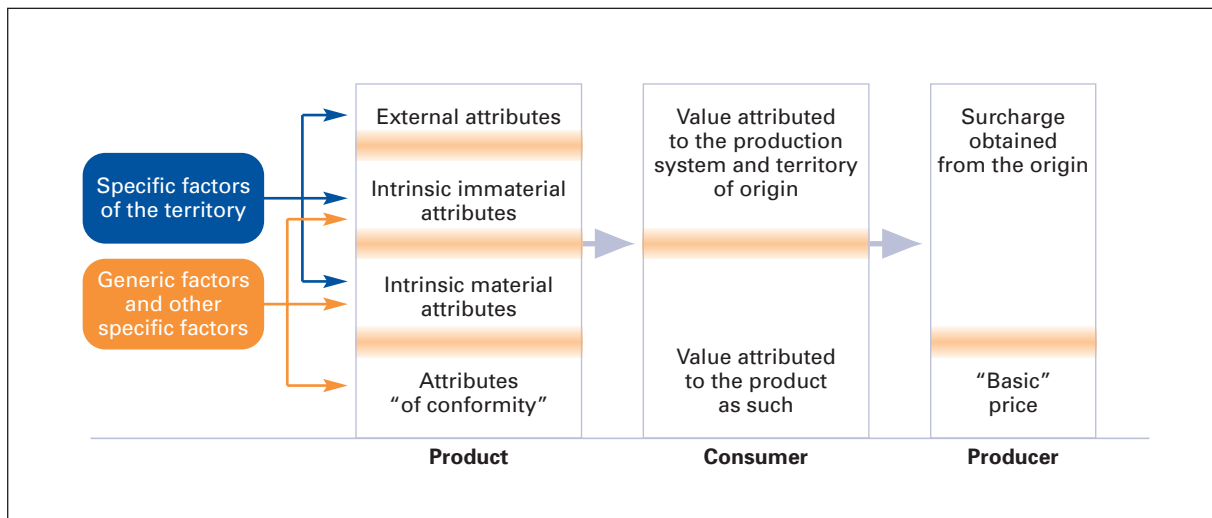


Fig. 1 - Breakdown of the value of a typical product

perceived by the consumer and society, as well as by the entrepreneurial system, helps to focus on some important aspects (*fig. 1*).

The territory contributes to the quality of a typical product firstly by characterizing its intrinsic material attributes (product appearance, chemical-physical parameters, organoleptic features) which are derived from environmental specificities (such as climatic character or soil composition), as well as the particular methods used for the processing and production processes which, in turn, are often the result of having to adapt to the characteristics of the local environment.

Moreover, the territory defines a series of intrinsic immaterial product attributes which are usually summarized by the geographical name of the product and refer to the relationship with the local culture, the natural environment, the craftsmanship and traditional nature of the production process (other intrinsic immaterial attributes – for example, respect for workers' rights – may arise from the use of specific factors not linked to the territory). The consumer exploits these attributes of a symbolic nature together with the product, thus obtaining greater satisfaction from consuming a typical product.

Certain attributes of a typical product can only be fully exploited in a strongly contextualized manner, i.e., through consumption in the place of production itself: for example, by enjoying the landscape that contributes to the cultivation of the product or through relationships with local gastronomic or folk traditions. De-

spite being inherent to the production context of the typical product, some of these attributes can be enjoyed by the consumer independently from the consumption of a typical product; they are, therefore, "external" to the product although more or less closely linked to the same.

These attributes, as a whole, generate the overall quality of the typical product which the consumer can transform into value by purchasing the product as well as certain services linked to the same (for example, local catering or guided tours of production sites).

There is a strong link, although not an absolute correspondence, between the different attribute typologies of a typical product and the value components perceived by the consumer. In fact, for the consumer, the overall perceived value of an asset has two elements: the value of the product as such, derived from its ability to satisfy dietary requirements mainly of a material nature (such as nutritional content, organoleptic characteristics, healthiness), and the value deriving from specific aspects of the production process and territory of origin which involve different and more complex requirements than simply diet-nutrition.

On the supply side, the overall price obtained by the producer for a typical product can ideally be divided between the component that refers to the product's attributes of conformity, the parameters of which depend on the price of products in the same commodity category which carry out the same basic functions (for example, for Chianti Classico DOP extra-virgin olive oil, the "basic" component of the price

refers to the price of an extra-virgin olive oil with similar physical-chemical and organoleptic characteristics), and a surcharge deriving from the particular territorial origin of the product. The surcharge can thus be mainly ascribed to the presence of attributes which are intrinsic to the product of a material and immaterial nature, and/or the presence of external attributes.

Through valorisation, producers can attempt to demonstrate the product's many attributes to the consumer and encourage the same to choose to pay for the product's different quality dimensions, focusing on the specific features linked to the territory in order to enhance the product's uniqueness.

2.3 Value and "values" of typical products

The value of a typical product does not immediately correspond to the price it manages to obtain on the market at a set time. In fact, the market price of a product is mainly derived from the direct use value that the current consumer (the consumer present on the market at a set time) attributes to the same; it does not express other value components that cannot be enjoyed by the current consumer or that cannot be fully enjoyed.

A typical product can generate an *indirect use value*: this is always expressed by the price paid by a current consumer and does not refer to the product as such but to other economic activities connected to the same.

- "Lardo di Colonnata" does not just generate value through product sales but also by implementing a series of activities that benefit from the tourist flow linked to the same: catering businesses, summer fairs, tourist visits.

The typical product can generate an *hereditary value*: it is unlikely that this value, the monetary quantification of which is certainly not easy, can be paid by current consumers in the form of a higher price for the typical product, even though adequate communication to the producer making the same aware of these aspects could make a price increase possible. If, as consumers, there is a lack of willingness to pay for hereditary value, as citizens many may believe it is important to maintain a tradition, a landscape or some other aspect linked to a typical product in order to pass the same on to future generations.



Foto G. Belletti

Colonnata (Massa-Carrara)



Foto A. Marescotti

Business activities linked to "Lardo di Colonnata"

- The raw milk "Pecorino delle Montagne e Valli Pistoiesi" (from the mountains and Valleys of Pistoia) expresses a cheese-making culture linked to a local tradition and a lifestyle which, today, are "at risk of extinction".

Similarly, the typical product generates an *existence value* linked to specific resources that can be of a physical nature, such as the vegetable varieties or animal breeds at risk of genetic erosion, or of an anthropic nature, such as local culture and traditions. The value of these resources goes beyond what they contribute to the product and their existence is valuable for mankind, irrespective of any future use man may directly or indirectly make of the same.



Foto G. Cannoni

Preparation of raw sheep's milk Pecorino

- “Olivastra Seggianese” extra-virgin olive oil is obtained from a traditional olive variety specific to the area around Seggiano (Grosseto) which, until a few years ago, was considered to be of little interest by local producers with respect to other non-autochthonous varieties. However, on consumption, Olivastra olive oil presents some interesting characteristics.
- The same is true for many of the cherry varieties produced at Lari (Pisa) which could disappear because the products do not have certain characteristics required by dominant distribution channels (such as long shelf life and large sized fruits).
- The Maremmana breed of cattle which dominated the Tuscan and Lazio Maremma countryside due to its triple-purpose and ability to adapt well to difficult environments, has now almost disappeared, replaced by specialized meat or milk breeds. This animal, which provided meat with nutritional characteristics of great interest, is a very important element of the habitats located in the Maremma area.

The valorisation of typical products which makes it possible to maintain traditional sys-

tems of cultivation thus has a usefulness of a greater order that involves subjects other than the producers and consumers of the typical product, and also has an effect on future generations. Normally, however, and in this case as well, the existing consumer, even where sensitive to certain topics, cannot assume the entire monetary remuneration of this value through the price of the typical product.

It is, therefore, necessary to take into account the fact that the *total value* of the typical product goes well beyond the value incorporated within the product itself and remunerable by the price which a current consumer can pay for the product. This fact leads to two important consequences regarding possible supportive actions by public operators:

Support for the creation of markets

The public operator, often a local authority, can be justified in carrying out actions to support the valorisation processes for typical products on the end market aimed at making it possible to incorporate the various value components in the price of the product.



Foto A. Cimato

Olivastra Seggianese



Foto E. Genovesi

Maremmana breed cattle

An example of this is the supply of consultancy or financial support for realizing a collective brand or a registered designation of origin.

Remuneration through subsidies

Sometimes the valorisation of a typical product on the market is not enough to compensate producers for the production costs sustained, considering the overall benefits generated by the same. In such situations, the public operator can assess the suitability of intervening in support of the production system of the typical product through non-market mechanisms such as, for example, monetary incentives or investment aid.

For example, the Regione Toscana, using its own resources (Regional Law no. 64/2004 *The protection and valorisation of the heritage of local varieties and breeds of agricultural, livestock and forestry interest*) and EC resources (Regional Rural Development Plan), distributes subsidies for maintaining vegetable species and animal breeds at risk of erosion. These subsidies can be accompanied by initiatives supporting the creation of markets.

2.4 Valorisation and endogenous resources

In the case of typical products, valorisation is not just a single question regarding an individual company (which also affects its environment, for example in terms of the effects on

employment and income), but presents aspects of a more general nature: it can, in fact, make it possible to maintain the typical product, contribute to the remuneration of resources within the territory involved in the production system of the typical product or more or less directly involved in the same and, in this way, permit the preservation of the socioeconomic-environmental system that generates the typical product itself.

Basically, it is possible to identify a *virtuous circle* of the relations between typical product, local system and external context. Fig. 2 shows this system of relations which can be divided into a number of principal phases (construction, validation, remuneration and reproduction) and, under certain conditions, it can give rise to a virtuous circle of valorisation.

Construction

Agents (supply chain businesses as well as other subjects which are not part of the same, both companies and local actors) incorporate a series of local resources in the production process of a typical product, some of which are more specific to the territory and, due to this specificity, cannot be easily transferred to other economic activities or other uses beyond that of the production of the typical product (for example, the cellars in the town of Colonnata used for curing the Lardo, the Maremmana breed cattle or, in general, the cultivation skills and craftsmanship used to produce various typical and traditional products).

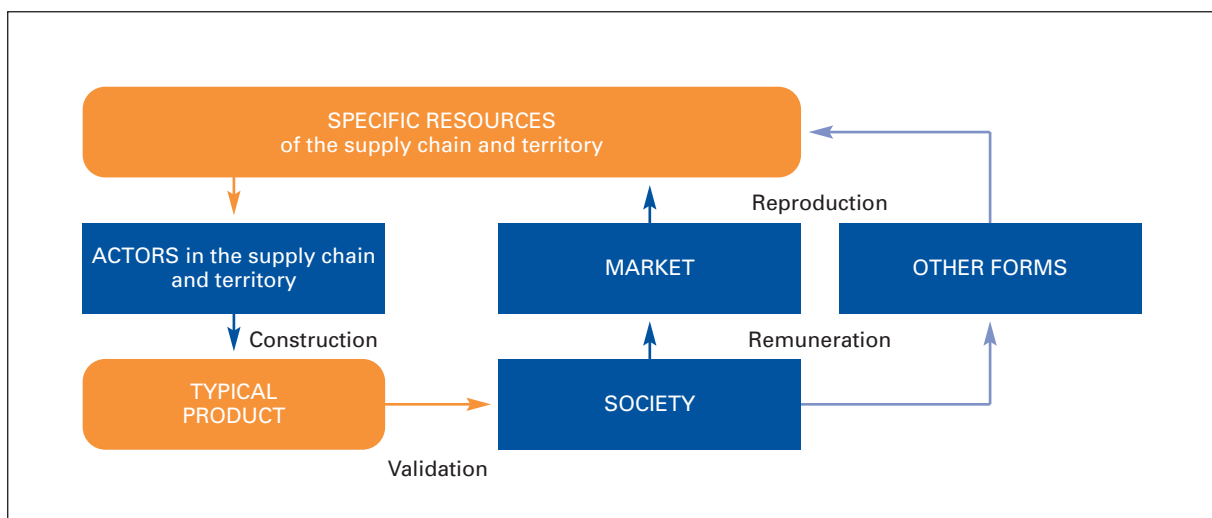


Fig. 2 - The virtuous circle of the valorisation of a typical product

**Cherry trees in bloom
in Lari (Pisa)**



In this sense, it is possible to state that a typical product is “constructed” by a series of subjects, reinterpreting the tradition and production history of the product in the light of the current situation and in relation to its own strategy. A typical product is not something permanent and unchangeable, like an archaeological find but, through valorisation, it becomes the object (as in the past) of ongoing revisitation and reconstruction by the community of local subjects, according to a (greater or lesser) continuity with the past and respecting its relationship with the territory.

The resources incorporated in a typical product for the purpose of its valorisation are not just those used in the supply chain of a typical product, but can also be other local resources connected to the product from an environmental, cultural and/or social point of view.

Validation

The validation of a product by society (by a component of the same, local and/or non-local) is a fundamental passage for ensuring that the value of the typical product, in one or more of its components, is recognized outside its production system, by consumers as well as public operators (where applicable).

Remuneration

Based on the validation, society, through the consumers, will remunerate the typical product on the market. Alongside the remuneration of the product as such, the remuneration obtained through activities connected to the product but

outside its supply chain can also assume great importance, such as local catering, hospitality services carried out by farms and other businesses, services for enjoying the natural environment or cultural services.

As we have seen, remuneration may all or partly occur through forms other than the market where the positive effects of a general nature (external effects) generated by the production system for the typical product are recognized.

Reproduction

The valorisation on the market of a typical product may make it possible to remunerate and reproduce specific local resources and the production practices connected to the same, laying down the foundations for reproducing the system. Of particular importance for guaranteeing the possibility of reproduction are the mechanisms used to distribute the value generated by the typical product, mechanisms which often tend to reward the subjects located more downstream in the production and distribution process of the product.

The ability of the typical product system to remunerate endogenous resources and, thus to reproduce itself, and the effects on the external environment depend on two central aspects of the valorisation process:

- the way in which the agents (businesses and other subjects) incorporate local resources into the typical product and, in particular, specific resources;

- the fact that the consumers, or other subjects outside the system, attribute value to the characteristics of the typical product that derive from these specific local resources.

The task of initiatives which aim to valorise typical products is to bring these two aspects together.

2.5 Stakeholders and the collective dimension in the valorisation of a typical product

Given the typical product's close links with specific local resources that refer to the business community and, sometimes the local community as a whole, it is obvious that its valorisation poses problems of a collective nature which interact in a complex way with the individual business aspects.

The presence of a particularly intense relationship with the territory leads to a broadening of the subjects potentially interested in valorisation. The potential stakeholders in a typical product are not just a number of different companies but also a collection of non-business subjects: local and supra-local authorities, local community associations, as well as subjects external to the local system belonging to the business world (e.g., large-scale distribution chains), the scientific world and civil society (consumer, cultural associations, etc.).

- For example, in the case of Lardo di Colonnata, various types of actors were involved in the process of defining the Regulations for the recognition of the IGP logo [Protected Geographical Indication - PGI], each of which had their own specific role (*diagram A*).

Diagram A – Actors involved in the procedure for the IGP (PGI) recognition of Lardo di Colonnata	
Actor	Role
LOCAL PRODUCERS: * for own consumption * for sales in own local stores	Production for own consumption. Slowly disappearing. Production and direct sales in local farm shops along with other products, including non-food items
* for sales using other commercial channels	Production for grocery shops (brief circuits) outside the town
Association for the protection of Lardo di Colonnata	Product promotion
Pro Loco Colonnata (organization for the promotion of the territory)	Organization of the Lardo di Colonnata festival
Neighbouring producers	Lardo production using different methods, in some cases with forced air conditioning of the environment and without marble tubs
LOCAL BODIES: * Municipality of Carrara * Province of Massa-Carrara	Support of initiatives for the valorisation of the relevant territory
Regione Toscana (Regional Government of Tuscany)	Screening of initiatives for the protection of the name "Lardo" (cured pork product) and positive assessment regarding the restriction of the territory of geographical indication to Colonnata
Local Health Authority	Assessment of compliance with health and hygiene regulations
Slow Food	Promotion of the image of the product as being at risk of extinction, using existing networks
Wholesalers	Distribution of the product outside the town
Large scale retail trade	Differentiated roles according to the subjects: * Promotion and distribution using the product's image * Distribution of the product outside the town
Retailers outside the area	Sale of the product outside the town. Communicating the product's fame outside the town
Universities	Technical-scientific and historical-literary support

Cinta Senese piglets



Extending the subjects interested in valorisation also extends the objectives it is intended to pursue through the same. There follow some examples of objectives that can be pursued through the valorisation of a typical product:

- revitalization of production sectors and product supply chains which have been caught off guard by the evolution of new technologies and markets;
- creation of new business opportunities;
- preservation and development of employment and income in the production area;
- revitalization of rural areas as a whole, beyond the supply chains involved and the strictly economic aspects;
- valorisation and reproduction of specific resources and/or traditional systems of cultivation and processing.

In general, in the case of typical products, the purely “commercial” aspect, linked to the sale of the product as such, cannot be the only thing to be taken into consideration. In fact, it should always be seen as a necessary means for achieving other objectives.

The collective dimension and disparate nature of the interests of the various subjects can also be seen *in the production supply chain for the typical product*, both within the individual production phases (realization of specific production methods, cultivation or stock farming, processing, etc.) as well as in the relations between the aforementioned phases.

To create the value of a typical product it is necessary to establish relationships between the businesses involved at the various stages of the

production process. These relationships will be of a competitive nature (distribution of added value within the supply chain) and a collaborative nature (creation of a unitary product identity and competitive advantage with respect to substitute products).

The company that valorises the product, for example, may need the collaboration of its suppliers for certain aspects of the quality of its product, or of its distributors, in order to make sure that certain product information is passed on correctly. Even companies at the same stage of the production supply chain of the typical product (e.g., processing) have a competitive relationship (the companies may compete with each other for placement on a certain sales channel or with a certain client), but collaborative relationships are also necessary in order to devise a valorisation strategy for the typical product (for example, setting up a collective brand, requesting DOP [PDO] or IGP [PGI] recognition, organizing a promotional campaign or festival or other event).

The setting up of forms of coordination between businesses is, therefore, a central factor for the valorisation of a typical product, around which a network of agents is created, characterized by different interests and objectives and different visions of the typical product which are sensitive to different interpretations of its “value”. These visions and objectives may not be compatible with each other and, therefore, in the absence of suitable mediation, conflicts may arise that could compromise the evolution of the production system of the typical product.

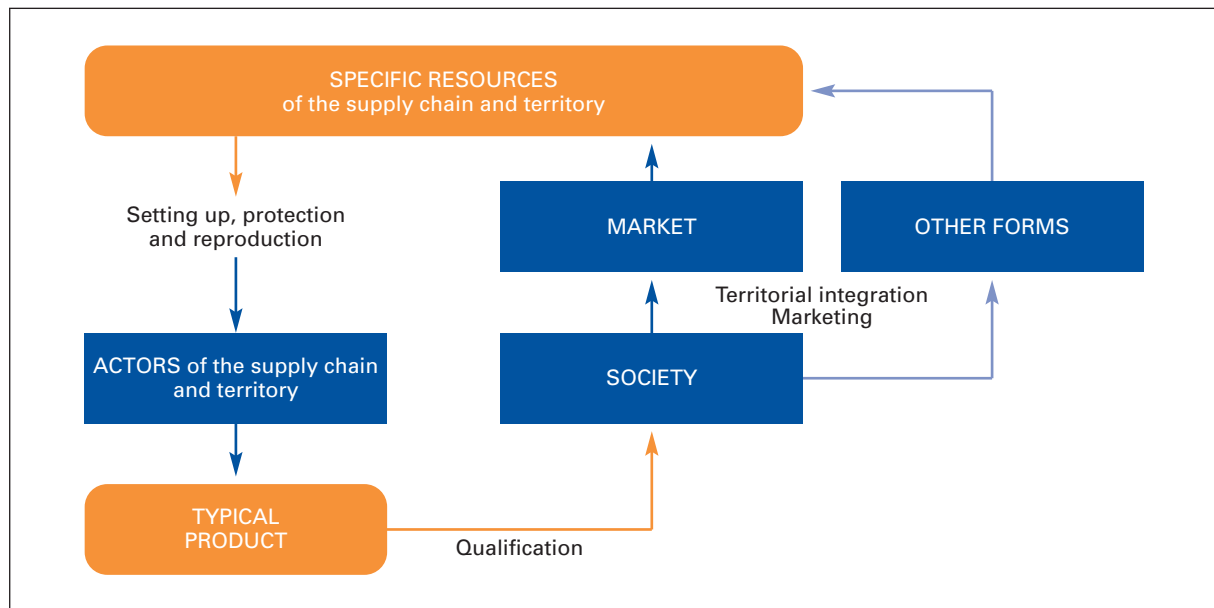


Fig. 3 - The strategic areas of the valorisation of a typical product

2.6 Valorisation as a process

The valorisation of a typical product and, in particular, setting up the virtuous circle of valorisation, requires a series of decisions and activities that are connected with each other and interdependent. This process of valorisation is the result of a strategy of the actors involved in the typical product and can ideally be broken down into a number of strategic areas which are closely linked to each other but not necessarily consecutive, each of which is characterized by a general objective that can, in turn, be organized into a number of sub-phases and possible actions and initiatives (*fig. 3*).

The strategic area related to *setting up, protection and reproduction* refers to the series of specific resources on which the existence of the typical product itself is based, resources that are often threatened by the certification of the production methods of the cultural and consumption models. The central resource in this area is, obviously, human capital, i.e., the producers of the typical product and the other subjects connected to the typical product under an economic or socio-cultural profile. Therefore, first of all, it is necessary to support these subjects during the process of reflection and raising awareness about the value of the product and rediscovering the relationship between the same and local resources. In some cases it will be necessary to carry out actions to protect the

product, and the resources on which it is based, in order to avoid the definitive loss of the same.

The *qualification* of a typical product consists of a series of activities aimed at ensuring that the product is precisely defined on a general level and correctly identified by the protagonists of the transaction with respect to other similar and substitute products and, in the final analysis, validated by society. The qualification of a product by a company (or a group of companies in coordination with each other), consists of the planning, specification and modulation of the quality attributes of the product itself for the purpose of its positioning outside the production system that normally (but not necessarily) will be realized through the market.

The qualification of a product consists of an “internal” quality management phase within the production process and an “external” phase aimed at creating the conditions for a relationship between the product and the market. This requires skill and technical knowledge, availability of material resources, installations and equipment (for example, company laboratories for processing meat from pigs which are typical of the production area, as well as infrastructures such as slaughterhouses and legally compliant cutting plants where the animals can be slaughtered in the production area), as well as an institutional and transnational tool that makes it possible to establish a relationship of trust with potential clients and product users (such as, for example, the use of quality management systems, geographical

Grapes from the 2005 harvest, Bolgheri (Livorno)



brands, guarantee and certification systems for the various aspects of the production process).

The entire qualification process cannot be carried out within an individual company, but it has a strong inter-subjective and collective nature that requires the mobilization of the resources of the production system for the typical product.

The strategic area of product *marketing* comprises all the activities aimed at promoting and placing the typical product with the intermediate and final consumer, ranging from the selection of the commercial channel, to advertising, to the management of the sale price. Often all the attention of operators and literature is focused on this phase, forgetting that it is just one moment in a much more complex process and that, to a certain extent, it is the result of two other strategic phases of the valorisation process: the setting up, protection and reproduction of resources, and the qualification of the product.

As we shall see, product valorisation does not automatically implicate the remuneration of resources and even if the same are remunerated, it does not mean that their reproduction will respect the particular characteristics.

Broadly speaking, the valorisation of a product should not always been seen in terms of the remuneration of the typical product on the market. Frequently specific resources are linked to the production systems of typical products that are extraneous to the commercial valorisa-

tion circuits of the product and probably will never enter the same, even in the future. In these cases, the suitability of using other forms of product remuneration that contribute to maintaining the different values (even of non-use) connected to the product should be assessed, even through public intervention.

The strategic area of *territorial integration* concerns the various methods in which actors in the local system can create or strengthen links between the typical product and other resources and activities present in the territory. A typical product is, in fact, linked to the territory in two ways. The first is the way in which the product can be constructed and qualified by incorporating resources found in the territory. The second is the way in which the territory (and, thus the activities carried out therein) is enriched by the typical product. In this case it is, therefore, necessary on the one hand to encourage local communities to rediscover and reinterpret these links and, on the other, to learn to communicate the same to the exterior in an integrated manner.

2.7 The effects of valorisation: sustainability and fairness

Since it is deeply rooted in the local context, the production system of a typical product has a direct economic effect on the strictly commercial aspects whilst it has indirect positive

and negative effects on the accumulation of the various other types of capitals involved: natural capital, social capital (trust, organizational ability, regulations and institutions), human capital (skills and knowledge), physical capital (non-renewable resources and technologies). These capitals affect the workings of other local and non-local production systems and, in general, condition the quality of life of the local population, as well as that of the subjects directly involved in the production process.

The valorisation of a typical product should, therefore, not only take into account the economic effects of a monetary nature, but also the external effects and other non-economic effects generated on the various types of capital.

The setting up of a valorisation initiative normally involves modifying the typical product's existing "valorisation circuit". This has an effect on the workings of a complex system of relations between product, production process and the specific resources used in the same. These effects can also affect relations between the companies that make the typical product.

Being able to guarantee the remuneration of the resources used during the valorisation process is, therefore, only one aspect of the *sustainability of the valorisation* of a typical product, which affects numerous aspects including:

- possible expropriation of certain subjects from the possibility of valorising the product (exclusion effects);
- emergence of possible conflicts within the production territory;
- inclusion of external subjects with a conflictual vision with respect to that of the local subjects;
- loosening or elimination of the (real) links between product and specific local resources, leading to the risk of "de-typicalisation" and, in the medium-long term, loss of product identity;
- possible changes to the equilibrium between the production system of the typical product and its natural environment.

Therefore, the sustainability of a valorisation process and the individual initiatives set up within the same should be considered in the context of its economic, social, cultural and environmental profiles.

One aspect to be highlighted is that of the *fairness of the valorisation process* which, in the final analysis, is part of an extended definition of sustainability. In fact, the setting up of valorisation initiatives for a typical product often

involves the reassignment of the property rights to the product itself, its geographical name, the resources connected to the same and, consequently, a change in the distribution of the economic and non-economic benefits.

Therefore, the following aspects, in particular, should be taken into account:

- distribution of the benefits to the majority of the rural population and between the companies, and not just to the individual entrepreneurs;
- vertical distribution of the value created on the market (product price) between agents located at various stages of the supply chain: producers of the agricultural raw materials, processing companies, business concerns. Often operators at the upstream phases of the supply chain, further away from the end market, are subject to the expropriation of the added value created in the typical product;
- the effects on the quality of life of the local community, taking into account the multiple effects caused by the valorisation of a typical product.

To conclude this chapter, without providing an exhaustive definition, for our purposes we can refer to the valorisation of a typical product as

a process aimed at increasing the value of the product, in the broadest definition of its total value, from a perspective of fairness and sustainability in the use of resources.

2.8 The role of the consumer

Raffaella Cerruti, DAGA-Pisa

One of the prerequisites for setting up valorisation strategies for typical products is consumer awareness of such products and the values associated with the same. This is even more true where, as proposed in this chapter, the valorisation of typical products is viewed in its broadest definition, i.e. in the collective dimension, since it is a process that involves many different actors and interests.

Concluding this chapter it is, therefore, very important to underline certain aspects that characterize the world of consumption and, in particular, the motives behind consumer behaviour, the role played by the same and the way in which they interact, or can interact with other actors involved in the valorisation process.

It is common knowledge that, in economi-

cally developed countries, food consumption is no longer a simple act aimed at satisfying a nutritional need, but has become a complex activity resulting from choices dictated by many different motives and factors.

Generally speaking, food consumption models reflect the evolutionary trends of society. The current phase, defined by literature as post-modern, is interpreted as a period where consumption is characterized by what is defined as mass individualization: in fact, despite being included within a global context, consumers are manifesting strongly individualistic demands, with increasing conviction.

However, attempts at social re-aggregation are evident in this evolutionary phase, based on the need for social links where the individual is able to establish his or her own subjectivity. With these trends, consumption plays an important role: it becomes a way of creating links with other individuals and the product becomes a support for this search.

Moreover, the process of globalization of the economy and society, which tends to render individual identities more fragile and precarious is, at the same time, accelerating a reverse movement directed towards the quest for stability and roots. This has led to a growing interest in “local” things, in terms of the material and intangible expressions of the same.

In the case of food products, the establishment of the subject of quality and greater awareness about the multidimensionality of this concept have resulted in these trends becoming increasingly evident. In this sense, whilst the modernization of the agri-food system has led to the individualization of food consumption, the “move towards quality” of the production and consumption processes favours the re-incorporation of food within social networks.



Foto A. Marescotti

Sign of the Association of Local Product Tasters, Corte (France)

In this context, food assumes a strong “relational value” in terms of its ability to promote the construction and strengthening of links between individuals. Albeit within a more complex relational context, these trends involve consumers in specific ways and they tend to recognize themselves and regroup around shared definitions of food attributes. The need for roots is also expressed in the rediscovery of local gastronomic traditions.

Keeping these trends in mind, in the specific case of typical products, it is possible to identify some broad motivational areas that guide the choice of the consumption of the same:

The search for subjective wellbeing

In the climate of uncertainty and distrust that has grown up amongst consumers as a result of the food crises of recent years (BSE, contaminated food products, etc.), consumers are trying to protect their health by demanding greater authenticity and naturalness in food production. This often results in a rediscovery of traditional or typical products which are perceived as offering greater guarantees in terms of authenticity and healthiness by virtue of the strong links with the territory in which they are produced.

Assertion of own personality and quest for a local dimension

The consumption of typical products responds to the new quest for a social dimension as a place for asserting oneself due to the high symbolic content of typical products and their ability to create opportunities for sociality and conviviality, as well as, to a certain extent, to act as an instrument for bonding with the community of subjects that have participated in creating the products. The latter aspect is also common to the quest for a local dimension through the consumption of typical products: the consumer does not just choose the product but also the “community of the place” (by virtue of the specific values incorporated in the product and perceived by the same) and the act of consumption makes it possible to identify oneself more or less strongly with a local community.

Attention to socio-environmental balance

The consumption of typical products highlights the widespread awareness of consumers about the role played by rural communities and, thus, the importance of their preservation and

development. It also expresses a greater sensitivity towards the need to preserve and guarantee the reproduction of natural resources. The consumption of these products thus responds to the intention or (more vaguely) the idea of contributing to maintaining local production systems, with their social structures and cultural/traditional heritages (the latter of which find their optimum expression in gastronomic traditions) and, being the result of traditional production systems, to contribute to safeguarding the relevant environmental contexts (hydro-geological maintenance of the territory and other positive impacts that derive from good farming practices).

These motives can deeply influence the nature of consumer preferences and even invert a value scale based exclusively on the organoleptic aspects of the product, emphasizing the

strategic importance of actions involving intangible components in the realization of valorisation initiatives for typical products.

In this regard, it is important to note that, due to the more complex value attributed to such products, the role of consumers has changed with regard to their relationship with the production world. The motives set out above are often translated into a search for a relationship which is as direct and diverse as possible with the authors of the products, based on reciprocity, trust and shared values, in order to achieve a proactive attitude to the valorisation strategies used. In the latter case, an important role is played by consumer associations which, where visible and authoritative, are able to direct the development processes of the individual agri-food networks and can influence policies throughout the whole agri-food system.

PART II

The Valorisation of Typical Products: Operational Aspects

3. The Strategy of Valorisation and Strategic Areas

Gianluca Brunori

Università di Pisa, Dipartimento di Agronomia e Gestione dell'Agroecosistema - DAGA

3.1 Introduction

As illustrated in *Part I* of this volume, the valorisation of typical agri-food products is a complex process involving a plurality of actors, stakeholders with specific interests and thus potentially pursuing different objectives and individual strategies (which at times may even be contrasting). Further upstream is the close and deep-rooted relationship of a typical product and its production system with the territory, a relationship that involves a variety of “capitals” – natural capital, cultural capital, human capital and social capital – on which the functioning of the production system and consumption have both positive and negative effects.

This complexity means that the valorisation of typical products assumes a significance and, thus, a value that goes beyond simple commercialization, becoming a process that is capable of creating a more complex value that also includes extra-economic components. Within this process it is also important to assess the indirect effects and, as we have seen, that implies the adoption of a perspective of fairness and sustainability in the use of resources and the setting-up of “valorisation circuits”.

Starting from this conceptual background, in *Part II* of this volume we propose to provide some support instruments to the operators involved at various levels in setting up valorisation initiatives and/or managing the same over time, addressing economic operators as well as subjects offering technical-organizational support, administrators, consumer organizations and other associations that are involved in the promotion of local rural development.

First we will look at the actions to be undertaken in order to set up, plan and subsequently manage the valorisation process (see section 3.2). Then we will examine the various strategic areas that need to be considered so that the process develops coherently (see subsequent chapters). Finally, we will describe some instruments that can be used to acquire more knowledge about the production systems which may potentially be involved in a valorisation process (see Chapter 9. *Instruments of identification, analysis and representation*).

The aim is not to exhaustively define the possible strategic directions for valorising a typical product, nor to provide immediately applicable operational instructions or a “menu” of strategies and actions from which the most suitable measures can be chosen. In fact, the various aspects of true life cases are extremely disparate, from the nature of the typical product to the starting conditions of the production system, to the types of actors present and, consequently, the objectives to be pursued.

The objective of *Part II* of this *Guide* is to provide some methodological elements regarding the steps to be taken during the setting up of a valorisation strategy and the principal areas on which the strategy should focus.

Our intention is not to provide a list of the instruments for each area that are available and can be adopted but to discuss the opportunities for and limits to the use of some of them (chosen for their representativeness within the strategic area). Therefore, we do not intend to offer a valorisation “handbook” but an instrument to help the subjects concerned reflect on the various aspects to be taken into consideration in a valorisation process that is planned or has already begun.

In order to suitably direct the reader, it would be a good idea to clarify the meaning of a number of terms that will be widely used in the following sections:

- a *strategic area* is an aspect of the valorisation process about which decisions of particular importance have to be made;
- an *instrument of valorisation* is any “tool” or “device” necessary in order to develop a valorisation initiative;
- a *valorisation initiative* is a series of coordinated actions that normally require the use of several valorisation instruments and may even involve different strategic areas (e.g.: a “product name protection” initiative may require the setting up of “local promotion + research + DOP/PDO” instruments);
- the *strategic valorisation plan* is the document that contains a “formalized” summary of the choices made by the promoters of the product valorisation which should specify the *initiatives* and *instruments of valorisation* with reference to the various *strategic areas*, relating them to the different resources available.

In defining and implementing a *strategic valorisation plan* it is important to acquire adequate knowledge of the production system concerned, with particular reference to the actors involved in the same and their organizational methods, the characteristics of the product and the commercial channels utilized, as well as the ability of the actors to develop collective actions and synergic relationships with other actors in the local and/or external socio-economic system.

For this purpose, we felt it would be useful to include in Chapter 9. *Instruments of identification, analysis and representation* a brief description of some *instruments of identification, analysis and representation* – to be used jointly or separately – that could facilitate the acquisition of knowledge about the local production system. We are referring, in particular, to the means and methods of investigating the entity concerned and its relationship with the external context; the instruments used to analyze the relationships between the subjects involved, those of a more strictly technical-economic nature (supply chain analysis), as well as those linked to the more general interactions within the production system and between the latter and the territory (analysis of relationship networks).

3.2 The definition and setting-up of a strategic valorisation plan

Valorisation has already been described as a complex process in terms of the definitions and values represented, that involves a plurality of actors who need to share the same values and objectives. In this section we will discuss the various steps that need to be taken in order to define a valorisation strategy so that, in the following section, we can outline the principal elements of the implementation plan for this strategy (the strategic valorisation plan).

From the analyses carried out on various local production systems that have set up valorisation strategies, it can be seen that, in the early phases of the process, although not as a rule, the initiative is often taken by a small group of actors (made up exclusively or jointly of producers, technicians, local institutions, etc.), actors who belong to the territory or who may even come from outside the same but who are in some way interested or involved in the production-consumption process of the typical product.

In a valorisation process which is entered into and shared effectively, the group of “promoters” should work towards extending the concept to other actors, searching for “alliances” (i.e., active participation) in the territory and, above all, avoid or suitably manage any potential “conflicts” that may arise with other local actors who have a different view of the strategies to be brought forward.

The latter aspect regarding “conflict management” represents a crucial part of the valorisation process not just due to its repercussions on the potential expansion and consolidation of the specific production system and the relationships between local and non-local actors, but also due to its effects on the integration of the valorisation strategy with broader strategies for the promotion of local resources. In fact, in such cases, the typical product, with the symbolic burden it carries due to its close links with the territory, can become a “catalyst” for other local promotional initiatives.

In the light of these brief initial considerations, a possible rule for defining a valorisation strategy could be developed by answering the following “key” questions:

- *who are we? what have we got?*
- *what is our current situation?*
- *where do we want to go?*
- *how do we want to get there?*

For each of the following questions we will highlight the main points on which to focus whilst underlining, once again, that the process of defining a valorisation strategy is a complex one, within which the various actors involved have to interact with each other, pooling their knowledge, opinions and interests, thus initiating a learning process that will lead to an increased awareness of their own means as well as a shared vision of their own situation. This fundamental premise is necessary in order to be able to identify common objectives and plan actions to be carried out with reference to the various strategic areas that, as we mentioned in the introduction to *Part II* of the *Guide*, have to be taken into consideration.

***Who are we? What have we got?
The construction of a shared base
of values and definitions for the product***

The implementation of a valorisation process in the broadest sense of the same should, in the first place, include a comparison of the various perceptions of value attributable to the realization of the typical product. This first phase is aimed at generating or strengthening, within the local production system, an awareness of the values incorporated or which could potentially be incorporated in the product, paying particular attention to the possibility/need to guarantee the protection and reproduction of the natural and cultural resources of the territory, through the production and promotion of the products.

The analysis should begin with agreement about the elements that characterize the local identity: *history, geographical identification, characteristics of the local resources*. A systematic recognition of these aspects represents the starting point for the selection of possible actions.

History

History offers a wealth of resources: the study of history may bring to light practices, products and past methods of interaction that could be retrieved and revived. Moreover, history makes it possible to justify and legitimize valorisation initiatives (the past existence of some practices is, in fact, proof that certain initiatives can work). History links present and future aspects and creates better understanding and acceptance of certain objectives amongst both local and external actors.

Geographical identification

The definition of the geographical production area is a very delicate phase as it defines the level of diversity characterizing the identity of a production territory. Since this is an inclusion/exclusion operation involving locations as well as their content (businesses, actors, cultural and historical symbols, etc.), it is a very delicate phase that can give rise to moments of tension/breakdowns between the actors involved in the valorisation process.

Local resources

According to recent literature, local resources are a “territorial capital” that, if opportunely utilized, can help the promotion of new opportunities for employment and an increase in local income. In many contexts these elements are still not clearly perceived and it is thus necessary to help the awareness of the same to “mature” and “grow” amongst local actors. In this regard, the exchange of experiences with similar entities who have already begun the valorisation process is very important.

What is our current situation?

***The formation of a common framework
with regard to the current situation***

The purpose of this question is to make actors reflect on the current situation of the production system and its development potential using a method that will make it possible to get the actors themselves to agree on a common interpretational framework. In this way it will be possible to obtain all the elements of knowledge necessary in order to take more effective decisions about product valorisation.

Chapter 9 provides an overall picture of some of the instruments that can be used to acquire greater knowledge about the situation of the production system and promote an exchange of information between the actors involved in the valorisation process.

As we have mentioned several times already, the valorisation of a product on a territorial basis requires the involvement of a plurality of “stakeholders”: alongside the businesses directly involved in the production process there are companies that belong to other sectors but are still interested in the promotion of typical products, as well as other subjects, such as Local and supra-local Authorities and other

public institutions, organizations which constitute an expression of the local community or, more generally speaking, civil society (consumer, cultural associations, etc.), organizations that support local development, etc.

Therefore the acquisition of knowledge and the construction of a common interpretative framework have a dual purpose. On the one hand, they make it possible to identify the strengths and weaknesses of the system itself, as well as any opportunities and threats and, as we shall discuss later, to define the framework of initiatives with a greater probability of success. On the other hand, they bring the interested subjects into contact with each other, making it possible to measure their organization and coordination skills and to understand whether a “space” exists for creating synergies between all the actors involved.

In order for a territorial diagnosis to be carried out fully and efficiently, it is suggested that rural coordinators and/or experts be involved who have the necessary skills to be able to investigate the production system as well as to lead the discussion within the group interested in valorisation and, above all, to draw up reports highlighting the various steps of the process undertaken.

Without the presence of these “experts”, this phase is often carried out in an informal manner with the dual possibility that the opinion of only one or just a few actors will predominate and, above all, that the knowledge acquired by these persons will not be “shared” with the others. These persons could be given strong decisional power within restricted groups of subjects, with the risk of reaching only a partial or superficial territorial diagnosis. This eventuality is more probable in territorial situations characterized by production systems which are small or apparently simple.

Basically, the lack of a careful analysis of the characteristics of the production system through the drawing up of written documents can constitute a weakness that will affect the success of the subsequent planning and realization phases of the valorisation process.

However, we should not underestimate the risk that entrusting the analysis to external experts could cause local actors interested in valorisation to lose their sense of responsibility and end up delegating the resolution of their problems to an expert, without contributing to the knowledge about the characteristics of the local production system and the drawing up of strategies.

It is, therefore, essential to ensure that there is strong interaction between the experts and local actors so that the analysis represents an important opportunity for sharing objectives and values and, at the same time, an occasion for communicating the existence of a project that involves the local community.

Where do we want to go?

The definition of shared objectives

The next phase involves the identification of the objectives of the valorisation strategy: the information acquired is now used by the actors involved to define and agree upon the goals it is proposed to achieve which will be described in the strategic valorisation plan.

From an operational point of view, it is possible to distinguish between *general objectives* and *specific objectives*:

The wide range of objectives that can be pursued

Based on a broad understanding of the valorisation process, in relation to the plurality of values attributable to the typical product due to the particular relationship it has with the specific resources of the territory (see *Part I* of this *Guide*), the drawing up of a valorisation plan should take into account:

- the overall framework of the objectives that can be pursued which goes far beyond the simple commercial valorisation of the specific resources;
- the diversity of the subjects involved/that could become involved which are also not limited solely to economic subjects or, in any case, do not exclusively belong to the specific production system.

In *Part I* of the *Guide* we saw that, by passing from an individual dimension to a collective one, and from a sectorial dimension to a territorial one, the objectives that can be pursued (mainly closely integrated objectives) may include:

- the creation of new business opportunities;
- the preservation and development of employment and income;
- the preservation and revitalization of specific production systems;
- the revitalization of rural areas in their social and economic dimension;
- the reproduction and valorisation of the specific local resources affected by the products (environmental, cultural).

Zerasca lambs (Massa Carrara)

Foto Archivio Arsia

The definition of specific objectives

Once these general objectives have been defined it is necessary to also identify more specific objectives that can be used to formulate the strategic valorisation plan. The transition from the common framework of the current situation (diagnosis) to the definition of the specific objectives can be summarized as follows:

<i>Diagnosis</i>	<i>Specific objectives</i>
Strengths	Play on strengths
Weaknesses	Act on weaknesses
Opportunities	Exploit opportunities
Threats	Prepare to tackle threats

How do we want to get there?

The definition and realization of the strategic valorisation plan

Raffaella Cerruti, DAGA-Pisa

Once the specific objectives to be pursued have been defined, the group of subjects created to valorise the product should define and schedule the initiatives to be realized.

From a “conventional” marketing perspective, the preparation of a *strategic valorisation plan* consists of identifying a coherent series of actions, referable to the *marketing mix*, through which the objectives can be achieved, suitably differentiating the product according to the consumer target group chosen.

With regard to the characteristics of the valorisation process, it is important to keep in

mind the various strategic areas in which it may be necessary to intervene. These include the areas linked purely to the qualification of the product/production system, commercialization and communication, as well as the areas dedicated to the mobilisation and protection of local resources and interaction with the territory’s individual production system.

Alongside the actions aimed at improving the relationship between producers and consumers and placing the products on the market, we believe it is also important to consider all the actions that are directed towards creating the right conditions for mobilising local resources and preserving/reproducing the same over time, as well as any actions that promote integration between individual initiatives within a broader rural development plan for the territory.

With these premises, in order to define the *strategic valorisation plan* it is necessary, first of all, to select the initiatives (and, thus, the series of instruments) which are most suitable for valorising the product (these may range from forms of product quality certification to promotional activities in the territory). Using the “valorisation process” structure detailed in Chapter 2 as our reference, these initiatives can be grouped into the following *strategic areas of intervention*:

Mobilisation of local resources

Initiatives aimed at valorising typical production are based on the mobilisation of specific local resources and, for this reason, it is

important to pay attention to the protection and reproduction of these resources. Considering the “structural” weakness of these production systems it is necessary to include actions that are directed, first and foremost, towards strengthening the self-esteem and sense of identity of the businesses and other local actors, subsequently implementing actions aimed at improving the ability of local actors to organize themselves and to constantly assess the sustainability of the valorisation process.

Product qualification

This area should develop initiatives directed towards identifying and defining the constituent elements of the specific quality of the product and initiatives that make it possible to clearly differentiate the product from similar products on commercial channels.

Product commercialization

Commercialization, which includes all the activities involved in placing the typical product on the market, represents the strategic area of the valorisation process when (in a more or less direct form) the production system (integrated in the territory) meets the consumer. The specific requisites of the product need to comply with the methods of communication, favouring instruments that make it possible to establish as direct a relationship as possible between producers and consumers and that can lead to a sharing of the knowledge and values attributed to the product.

Setting-up synergies with other territorial components

The valorisation of typical products finds the necessary conditions as well as the maximum efficiency in a collective and territorial dimension. It is, therefore, a good idea to include it in a broader valorisation project involving local resources, based on the close interaction between the various actors involved in the production system and between the latter and the territory.

For each of these strategic areas, illustrated in the subsequent chapters (from 4 to 7), we will discuss the significance represented by the same, the objectives pursued, the conditions to be created, the steps to be taken and any prob-

lematic aspects. The description of each area will be supported by examples taken from real life cases (provided in a visible form within the text) and in-depth studies of specific aspects, which will be suitably highlighted in the text.

It is important to remember that the initiatives contained in the various strategic areas are heavily interdependent and, thus, should be combined in a coherent and complementary way within the strategic valorisation plan according to the prearranged objectives.

Moreover, for each action it is important to define the instruments to be used, the timing of the implementation process and the necessary resources, remembering with regard to the latter that it is necessary to assess the availability and use of financial resources as well as human and social resources (knowledge, professional skills, relationships, organizational skills, etc.), as well as the possibility of accessing resources even outside the territory.

It is also a good idea to include the setting up of procedures for monitoring the outcome of the actions set up over time. This aspect is not only important in order to assess the degree to which the objectives have been achieved but also to verify the effects of these actions on the specific resources involved and make the necessary adjustments in the event of the appearance of negative effects or the emergence of new conditions (for example, the possibility of negative impacts from certain production processes on environmental resources or the weakening/loss of identity of the local production system following the development of the valorisation initiative).

There follows a schematic description of a *strategic valorisation plan* in which, for purely illustrative purposes, some possible initiatives that could be used at each strategic area level are described, with the relevant implementation instruments and resources necessary for realizing the same. Obviously, the initiatives, instruments and resources to be set up will depend on the actual situation of the typical product at the centre of the valorisation strategy, including the characteristics of the product, the characteristics of the producers and the local production system, the relationship between the product and other activities in the territory and previous strategies and initiatives.

Objective: valorisation of typical product A				
Strategic areas	Initiatives	Possible instruments	Implementation times	Resources necessary
Mobilisation of local resources	Involvement of producers	• Meetings between producers • Opportunities for making comparisons with producers of other projects which have already "taken off" • Setting up of an association • ...	...	• Financial • Human: skills and knowledge present inside and outside the area • Social: consolidated forms of interaction, presence/role of "leader" figures
	Involvement of the local population	• Training/educational initiatives in schools • Study clubs for rediscovering traditions linked to the product • ...	...	
	Technical training assistance	• Collaboration with research institutes • Meetings between producers and experts • Professional training and requalification courses • ...	...	
	Creation of a network of guardian farmers	• Collaboration with research institutes, ARSIA etc. • Meetings between producers and experts • Training courses, seminars, etc. • ...	...	
	• ...	• ...	...	
Product qualification	Reflections about and agreement on the product and production techniques	• Historical research, studies of product characteristics and relations with the production process • Meetings between producers • Codification of the product and production techniques (example: drawing up of regulations) • ...	...	• Financial: private and public • Human: skills and knowledge present inside and outside the area • Social: consolidated forms of interaction, presence/role of "leader" figures • Institutional support
	Establishment of relations with external networks	• Analysis of opportunities, strengths and weaknesses • Meetings with external producers, representatives of networks/initiatives • Stipulation of agreements • ...		
	Identification of suitable forms of protection	• Collective geographical brand • DOP [PDO]-IGP [PGI] • ...		
	...	...	...	
Commercialization	Identification of the most appropriate channels	• Supply chain analysis • SWOT analysis for potential channels • Definition of sales strategies • ...	...	• Financial • Human: skills and knowledge present inside and outside the area • Institutional support • Organizational-relational • Marketing skills
	Information: direct and indirect communication with the consumer	• Study of product packaging • Creation of advertising materials • Definition of a communication plan c/o relational sales outlets (tasting sessions, demonstrations, etc.) • ...		

continued >

Objective: valorisation of typical product A				
Strategic areas	Initiatives	Possible instruments	Implementation times	Resources necessary
Commercialization	Consumer education (in schools, at public events, in companies ...)	• Definition of training models to "educate and raise the awareness" of students • Definition of a communication plan c/o sales outlets (tasting sessions, demonstrations, etc.) • ...	...	
	Participation in promotional events (fairs, festivals, shows) and forms of collective promotion	• Identification of the most effective promotional events for valorising the product • Financial involvement of local public institutions • Definition of initiatives to be carried out at promotional events • Utilization of more efficient instruments of communication (brochures, tasting sessions, etc.) • ...	...	
Integration with the territory	Setting up of / participation in themed itineraries	• Meetings with trade associations in various sectors • Meetings with potentially interested companies • Opportunities for making comparisons with other projects which have already "taken off" • Establishment of an <i>ad hoc</i> form of organization (Consortium, Company, Association, etc.) and definition of the implementation regulations • Creation of <i>ad hoc</i> information materials (brochures, websites, etc.) • ...	...	• Financial: private and public • Human: skills and knowledge present inside and outside the area • Social: consolidated forms of interaction, presence/role of "leader figures" • Institutional support • Organizational-relational • Marketing skills
	Setting up of / participation in local promotional circuits (local product baskets)	• Promotion of meetings between public institutional subjects and interested entrepreneurial entities • Opportunities for making comparisons with other projects which have already "taken off" • Establishment of an <i>ad hoc</i> form of organization (Consortium, Company, Association, etc.) • Definition of the production regulations of the products and implementation regulations • Creation of <i>ad hoc</i> information materials (brochures, websites, etc.) • ...	...	
	Participation in collective promotional events	• Identification of the most effective promotional events for valorising the territorial context • Financial involvement of local public institutions	...	

continued ›

Objective: valorisation of typical product A				
Strategic areas	Initiatives	Possible instruments	Implementation times	Resources necessary
Integration with the territory	Participation in collective promotional events	• Definition of the initiatives to be set up at promotional events • Use of the most efficient communication instruments (brochures, tasting sessions etc.) • ...	...	
	Setting up of umbrella brands with territorial value	• Promotion of meetings between public institutional subjects and the entrepreneurial contexts concerned • Opportunities for making comparisons with other projects which have already "taken off" • Identification of an <i>ad hoc</i> form of organization (Consortium, Company, Association, etc.) • Definition of production regulations for the products and regulations regarding the use of the brand • Creation of <i>ad hoc</i> information materials (brochures, websites, etc.) • ...	...	
	• ...	• ...		

4. The Mobilisation of Local Resources

Gianluca Brunori

Università di Pisa, Dipartimento di Agronomia e Gestione dell'Agroecosistema - DAGA

4.1 What does the mobilisation of local resources mean?

Today, one of the factors contributing to the success of a typical product is that of being recognized by consumers as different from other products, or even unique. Diversity can, in fact, lead to a desire to learn more about, experiment with and, finally, appreciate the product, increasing its value, since its very diversity makes it more difficult to substitute.

In the case of typical products, the diversity depends on the specific natural and cultural conditions of a territory which are directly incorporated in the product, such as – for example – a breed or variety, a traditional production recipe, as well as the conditions which are indirectly linked to the product, such as a particular landscape (the Chianti hills, the quarries of Colonnata) or the history and legends of a certain territory.

The concept of “mobilisation” thus begins with the premise that each rural area has specific resources distinguishing it from other areas and

that, in order to valorise a typical product, it is necessary to establish and strengthen the links between these resources and the product.

- The “Pecorino a latte crudo delle Montagne e Valli Pistoiesi” – raw sheep’s milk cheese from the Mountains and Valleys of Pistoia – is a product which has always been present on the table of every consumer in the area: it is what we would call a “normal” product. Local consumers did not consider it to be “different”: it was just a local product. However, when the producers decided to look for new markets with consumers who had a choice of many different types of cheeses, they had to make the product’s relationship with the territory explicit: the pasturage, the Massese breed and the production process carried out by the shepherd.

In many cases, local resources are little known and appreciated even by the local community and often need to be rebuilt, defended from possible aggression and developed through appropriate actions.



Raw sheep’s milk Pecorino curd from the Mountains and Valleys of Pistoia



Raw sheep’s milk Pecorino from the Mountains and Valleys of Pistoia, matured in different ways

4.2 Which local resources are affected by mobilisation?

Local resources can be grouped into four categories:

- natural capital;
- cultural capital;
- human capital;
- social capital.

Natural capital includes breeds and autochthonous varieties, landscapes, air and water quality, soil fertility, particular micro-climates (that permit the optimum maturing of cold meats or cheeses, for example) and mineral resources that characterize the production process (marble, in the case of the Lardo di Colonnata).

The *cultural capital* does not just include monuments and historical finds but also traditional recipes, local stories, lifestyles, clothing, craft products, music and musical instruments, production techniques, etc.

Human capital is a series of skills that can be found in individuals: specific arts and crafts, knowledge about natural phenomena and local ecological mechanisms, the ability to organize and communicate, etc.

- › “Norcineria” (pork butchery) is an historically male sector: when the family pig was slaughtered the job was carried out exclusively by the men. Many of them became specialized in this art which continues to be practiced all over central Italy by excellent professionals to this day. However, there was one exception, in Garfagnana: the pig’s head was handed over to the women of the house. In fact, this part of the animal had to be boiled for two lengthy periods of time and only the women could keep an eye on a boiling pan for six or seven hours at a time while they got on with their chores. It is no coincidence the main advocates of the revival of the “Biroldo” sausage is an entire family of women (following in the solid matriarchal tradition of Garfagnan society). In fact, Ilaria Bosi and her sister, Paola, have begun to produce “Biroldo” again, using the methods taught to them by their mother, Margherita.

Carlo Bogliotti, *Donne norcine*

Social capital is the potential collective action linked to local networks: the family, the neighbourhood, associations. In general, the presence of social capital is a fundamental condition for mobilisation as it provides structures

of communication than can promote the circulation of ideas and the realization of projects.

- › Many initiatives aimed at valorising typical products originate from pre-existing local groups (Pro Loco - organizations for the promotion of the territory, cultural associations, youth groups) that concentrate their efforts on a product as a factor of local promotion and represent the organizational nucleus on which promotional actions, such as festivals, should be based. This is a common story for products such as the Bigliolo Bean, the Tre-schietto Onion, the Lari Cherry, etc.

4.3 Why is the mobilisation of resources necessary?

The purpose of the mobilisation process is to incorporate local resources into the product. This occurs when:

- the distinctive characteristics of the product clearly derive from local resources;
- external observers and consumers, in particular, clearly and permanently associate the product (and its name or brand) with the specificity of the local resources.

- › Bigliolo beans are a climbing variety cultivated in the traditional manner, in full respect of the environment and using only natural fertilizers. Currently, the production area extends as far as the hamlet of Bigliolo in the municipality of Aulla in Lunigiana, in the province of Massa Carrara, and cultivation is carried out by small family-run farms. Bigliolo is located in a southward facing valley which is very sunny and protected from the Tramontana northerly winds by the foothills of the Apennines. The highly fertile alluvial soil is well drained and poor in calcium. This latter characteristic, along with the use of irrigation water which tends not to be very hard, gives the Bigliolo bean its thin, almost imperceptible skin and very sweet taste. The Bigliolo bean is extremely tender compared to beans cultivated in other places. It has always been grown in Bigliolo with loving care and, in ancient times, was sown along watercourses. Only after the practice of channelling water along the furrows for irrigation became widespread was there an increase in production. The beans are sown on the wheat “stubble”, and the land is only worked after the cereal has been harvested, in the period from 23rd - 30th June, i.e. between the feasts of St. John and St. Peter. The plants grow vigorously in double rows, supported by Turkey oak, hazel

and ash branches, the so-called “stakes” that are gathered during the winter. This means that, during the period in which the beans are cultivated, the countryside takes on a very special appearance.

From: *brochure about the Bigliolo bean, produced by the Province of Massa Carrara.*

Moreover, the mobilisation of local resources is necessary in order to guarantee the evolution of the product within a changing market context. Typical products are not “living fossils”, leftovers from the past constantly being kept alive through reanimation. In order to achieve continuity on the market, they need to be able to evolve and guarantee a pathway that, by safeguarding the fundamental principles of the tradition, can guarantee innovation.

- Parmigiano Reggiano (parmesan cheese) is considered to be a “mass” typical product due to its large scale production dimension. Its diversity, particularly with regard to its main competitor (Grana Padano), lies in a series of very strict production regulations. The fact of being increasingly considered a “mass” product has, however created tensions on the market resulting in a trend towards lower prices. In order to strengthen its image, Parmigiano Reggiano producers have identified a number of factors that reinforce the diversity of at least one part of the product: the Romagnola breed, with production in mountain areas.

Mobilisation is, therefore, the basis for a process of innovation founded on reclaiming a tradition: it is an ongoing process that aspires to maintain and increase the product’s diversity and uniqueness within a constantly changing context (and, as such, characterized by inevitable attempts at imitation).

4.4 Which steps should be followed in order to mobilise resources?

The mobilisation of local resources is translated into a series of activities that can be classified as follows:

- a. Acquisition of knowledge;
- b. Development of awareness within the community;
- c. Development of awareness outside the community;
- d. Organizational consolidation and creation of know how;

- e. Critical reflection on mobilisation activities.

All these activities have a strongly collective dimension. Mobilisation generally begins with groups or individuals, initially in quite small numbers that, starting from a common perception of the importance of a product, progressively raise the awareness of the local population, institutions and external observers.

a. Acquisition of knowledge

Communities often have extremely fragmentary knowledge about local resources, obtained from oral tradition. Through the systematic collection of stories, historical documents, images and physical evidence it is possible to get a more precise picture of the characteristics of the local resources and their importance in the area.

- Cetica is a hamlet in the municipality of San Niccolò, in the Casentino mountains (Arezzo). During the years of economic development (60s-70s) many people left the area to find employment elsewhere. The depopulation and decline of the environmental resources and landscape caused by this phenomenon contributed to the erosion of social relations and the local identity. In 1997, some residents of Cetica began a process of recognition of local resources: the chestnut, with its products and recipes, the production of coal, the “red potato” and local stories.

From: F. Di Iacovo, P. Pieroni, *Cetica, la storia di una comunità capace di comunicare valori*
[Cetica: the story of a community capable of transmitting values]

In many cases the acquisition of knowledge involves the collaboration of experts, preferably residents or “friends” of the place, that can offer their own experience, data gathering methods and knowledge of similar elements in other areas.

- The “patata rossa” [red potato] of Cetica was about to become extinct but, thanks to a project involving the University of Florence, it was rescued and can now be cultivated again.

b. Development of awareness within the community

A necessary step for transforming a local resource into an economic activity is the generalization of awareness about the value of the resource in question by the local population.



The “patata rossa”
[red potato]
of Cetica (Arezzo)

Foto Archivio Arsia

This makes it possible for an individual initiative to draw on a common reserve of knowledge.

- In Cetica, the inhabitants began to record their own traditions regarding the cultivation of the chestnut, with its products and recipes, the production of coal and other traditional activities. These elements became the basis for the Museo del Carbonaio [Coalman's Museum], featuring photos and texts describing the coal production cycle and the lives of the people linked to this product.

The development of an internal awareness is based on “*promotional*” initiatives, i.e., the creation of opportunities for encounter and reflection within the local community. Of particular importance is the role played by schools which can facilitate relations between different generations, or “Pro Loco” organizations for the promotion of the territory, voluntary associations and cultural associations. In this regard, mention should be made of the initiatives and projects aimed at identifying, retrieving and preserving ancient vegetable varieties and breeds at risk of extinction, favouring their reintroduction to the market. Since 1997, the Regione Toscana has regulated the protection of its heritage of local vegetable varieties and animal breeds of agricultural, livestock and forestry interest, first with Regional Law no. 50 of 16th July 1997 and subsequently, with Regional Law no. 64 of 16th November 2004.

The activities carried out since 1997 have made it possible, in 13 years of activity, to identify over 700 vegetable varieties in the territory, including fruit-bearing, vegetable, for-

age and cereal species, ornamental plants and forestry species.

These have been the subject of morphological characterization and historical-bibliographical research and submitted for examination by special technical-scientific Committees, expert in various sectors, who have been charged with offering an opinion regarding the registration of the same in the Regional Directory of Autochthonous Genetic Resources (Regional Law 50/97). (www.arsia.toscana.it under the heading “Local breeds and varieties”).

With the advent of Regional Law 64/04, the Regione Toscana set up a system that begins with the local breed or variety recognized (entered on the Regional Directory), followed by the setting up of a system of preservation both *in situ* and through Guardian Farmers, as well as *ex situ* through the sections of the regional Germplasm Bank, ending up with the valorisation of the “seeds”, through the regional Register of Conservation Varieties, as well as the products for direct consumption, through a regional brand.

c. Development of awareness outside the community

External awareness is the first step towards creating a market. Actions related to awareness are more effective when there is a strongly coherent awareness within the community: in such cases, each individual in the community can transmit a vision and an opinion to the outside world that is similar to that of the rest of the community, reinforcing the conviction in the eyes of the external observer that the specificity of the local resource is genuine.

- The experience acquired in recent years shows that the role of the Provincial authorities has been fundamental for consolidating the awareness of citizen consumers about the value of typical products. The Province of Pisa, for example, has created the concept of the “Pisa basket” in order to cover, with its promotional activities, all the characteristic products of the province, building a series of themed and product events around the same.
- Similarly, the Province of Massa has supported the initiatives of local groups promoting the Bigliolo bean and Treschietto onion, financing the printing of brochures and participating in or organizing various local fairs.

Often, however, internal awareness and external awareness are mutually strengthened. On occasions when the rural community communicates with the outside (e.g., country fairs or festivals), questions from visitors raise aspects that encourage the interlocutors to specify their own position and awareness and to clarify things that were previously taken for granted.

d. Organizational consolidation and creation of know how

A successful initiative goes through a growth process which, in turn, gives rise to an organizational change. This change should be suitably monitored in order to guarantee its continuity with the values that led to the initiation of the mobilisation process.

- Many successful examples of typical product valorisation revolve around events like festivals. A festival, in fact, becomes a moment of collective reflection about local resources. This gives the festival a new meaning and it assumes features that make it unique in the eye of the external observer. Consumer interest in the festival encourages product growth and makes progressive organizational adjustment necessary.

In many cases, the traditional production process has all but disappeared or is not suited to the development of markets that are wider than the domestic one. In order to consolidate a commercial activity based on a typical resource it is necessary to solve any problems linked to the availability of the resource within the time frames and in the forms required, the practices necessary for conserving and reproducing the same, compliance with current regulations and the rules of access to the resource.

e. Critical reflection on the process

The relationship between local resources and typical product requires a collective reflection on the initiatives set up, looking at the effects of these initiative on the resources involved (for example: what impact do valorisation initiatives have on the producers' motivation? And product quality?), in terms of the effects on distribution (e.g., how are the benefits of the price increase of a product deriving from the improvement of its image distributed between producers, intermediaries and retailers?), and the multiplying effects (how does the economic growth of the sector benefit the rest of the local economy?).

4.5 Which are the mistakes to be avoided when mobilising resources?

Our experience shows that there are various mistakes to be avoided during mobilisation processes, for example:

- choosing themes that divide rather than unite the community. The mobilisation process is not exempt from conflict but sometimes the conflicts are artificially amplified by political or party divisions;
- setting up communication with the outside too early, before there is sufficient agreement on the inside;
- overplaying the situation in relation to communication with the outside, with the risk of creating expectations that cannot be satisfied;
- failing to make comparisons with other situations and thus believing your resources to be unique when in fact they are not.

The presence in the territory of a consolidated experience of interaction and cooperation is undoubtedly important for mobilisation, particularly if it is specifically oriented towards the management of rural development processes (one example of this is the activities of the Local Action Groups in the LEADER programme). In the presence of difficulties in developing a common awareness, lack of initiative or problems with interaction and coordination, the establishment of actions of rural promotion, information and training and technical assistance becomes very important and a substantial contribution can also come from actors outside the system, including institutions,

public agencies supporting rural development, or the various organizations involved in the promotion of the different rural resources, in-

cluding those from outside the rural world (refer, for example, to the role played by associations such as Slow Food).

5. The Qualification of Typical Products

Giovanni Belletti

Università di Firenze, Dipartimento di Scienze Economiche - DSE

5.1 What is the “qualification” of a typical product?

Qualification is the strategic area in which the actors of the valorisation process define the identity of the typical product and “construct” its quality, thus creating the conditions for the product to be able to relate to the outside, also through promotional and marketing activities.

Qualification consists of two logically connected phases:

- an “internal” phase focusing on the definition and management of quality within the production process that involves not just individual businesses but the business community and the subjects involved in the product’s production system;
- an “external” phase which aims to create the most appropriate relational conditions between the product (and the producer, or the system of producers) and the market (in more general terms, the external context).

The choices that have to be made during both phases are closely linked: the internal phase may be completely ineffective for valorisation purposes if it is not functionally connected to the external phase; and, in the same way, the external phase will have no effect if it is not based on an “internal” qualification of the product. The two phases should, therefore, be examined jointly in order to ensure that they are coherent.

In the case of typical products, qualification presents certain aspects of particular complexity since they have a strong relationship with the territory (in its multiple configurations, physical and anthropic), albeit with varying intensity, they are the result of a process that involves myriad subjects, they use specific resources in the territory and are characterized by the pres-

ence of a variety of values in addition to the use value (see Chapter 2. *The valorisation of typical products: principles, objectives and problems*).

In the case of typical products, qualification does not end at company level since the typical product is the result of the commitment and heritage of both a community of businesses and, more in general, of a local society. Two levels of qualification therefore need to be considered:

- an individual level, related to the individual company;
- a collective level, that refers to the system of companies and subjects involved in the production system and in the local system expressed by the typical product.

The collective level presupposes that some form of agreement has been reached between the companies regarding the definition of the quality of the typical product.

5.2 Why is the qualification of a typical product necessary?

The awareness of the deep roots that a typical product has in the territory and the specificity it presents with respect to standard products often leads the actors involved in the valorisation of a typical product to commit two fundamental errors.

The first error is to assume that, by virtue of its typicality, the product has its own well-defined identity which is fully shared by all the producers (and other subjects involved in the valorisation process).

In reality, the identity of a product has to be redefined, starting with its relationship with local resources; in the event that the valorisation

process involves a plurality of companies and other subjects (as usually happens), this redefinition is the result of a process of interaction and mediation between subjects with different views about the product and the content of its typicality, inspired, in each individual case, by history, tradition, relations with local gastronomy, the naturalness and other specific features of the production process, the organoleptic features and other quality attributes of the product, etc.

The failure to consider these aspects or to search for solutions which are shared as much as possible amongst the various concepts of quality, is often one of the causes of the lack of success or breakdown of valorisation initiatives for typical products. On the other hand, it is not always possible to mediate between the various concepts of quality and the interests of the different groups of actors involved; in such cases the result of the process may be a war between opposing groups or a halt of the valorisation process, but in both cases there will be winners and losers.

The second error that is often made by the subjects involved in the valorisation process is to believe that the “qualities” of the typical product can – and should – be automatically understood and appreciated on the outside. If this does not happen, the blame is placed on the use of the wrong instruments of communication or simply not having put enough financial resources into promotional and advertising actions.

The problem is actually often due to the fact that the two parties in the relationship (and, possibly, the potential exchange) are on two different wavelengths, i.e., that the typical product is not adequately “qualified” in the eyes of society and the consumer and not deemed to be potentially suitable for satisfying a certain need (beyond the quality attributes it actually possesses). In other cases, the producers and the market are on the same “wavelength”, but communication is “disturbed” by other distorting signals, such as the presence of imitations of the product.

Actions in the strategic area of qualification aim to ensure that the local actors (businesses and other subjects) organize the technologies, resources and quality attributes of the product around a well-defined project that makes it possible to specify the identity of the product itself, particularly in the eyes of the actors in the territory of origin.



Lardo di Colonnata

- What makes the Lardo from Colonnata typical? The quality of the raw material selected for processing? The type and quality of the flavourings used for curing? The particular material of the containers used for curing? The natural microclimate of the curing environment? The length of curing? The links with tradition? One of these factors in particular, or all of them? And which characteristics should Lardo produced in Colonnata have? How thick should it be? What colour? Should there be “infiltrations” of lean meat?

These are some of the questions that producers in the town of Colonnata, a hamlet in the municipality of Carrara, had to ask themselves in order to make it possible to valorise their product. Despite being aware of the importance of tradition, the producers in the town of Colonnata also knew that, in terms of intrinsic quality, the product needed some improvements as well as some adaptations as a result of consumer evolution (for example, less garlic in the curing phase). So the producers identified some elements deemed to be essential to the identity of the typical product, coming to an agreement which was subsequently codified in the production Regulations on the basis of which the Protected Geographical Indication (PGI) was requested and obtained.

Similar problems can also arise for products with a less complex production process such as fresh fruit and vegetables.

What are the Lari cherries? Only the cherries obtained from the area's numerous traditional varieties, many of which are at risk of extinction? Or also the varieties which have been introduced more recently?

Do the cultivation techniques have any specific features? What other elements of the production process have to be codified?

By reflecting on and, inevitably, discussing these questions, producers are helped to increase their understanding of their product's specificity, laying the foundations for the definition of a collective external qualification strategy.

The “internal” product qualification phase, aimed at reaching an agreement between producers, thus creates the conditions for establishing an external relationship.

It is on this basis that the external subjects (or, in any case, the specific segment it is intended to target) can appreciate and assess the quality attributes of the product, also through the use of appropriate methods by the production system for transmitting information about product specificity.

5.3 The strategic choices of qualification

The qualification process requires a number of basic strategic choices to be made that concern the internal as well as the external level of qualification. These strategic choices concern all the subjects involved in the valorisation process (individual companies in the various supply chain phases, organizations, local administrations, other stakeholders) and can modify the position of individual subjects or entire categories of subjects with regard to the typical product, even excluding the right of some people to reap the benefits of the same.

It is, therefore, important that a shared process is entered into that leads to an agreement on the qualification of a typical product and the choice of the modalities with which this will be transmitted to the outside and that the various aspects of the question are taken into consideration.

The main questions to which actors in the valorisation process should respond in order to construct a qualification strategy can be distinguished between the internal phase and the external phase of qualification, whilst confirming the relationship of circularity between the two phases mentioned at the beginning of this section.

Relations within the production system

- Is there a shared concept of a typical product within the production area? Between the

different phases of the production supply chain? Between the business system and the local population?

- Which visions have inspired the businesses' various concepts of product quality?
- Is the product perceived to be “important” by businesses and the various categories of subjects? Why?
- Are the actors willing to invest financial and human resources in the product?
- Does the current situation of the production system permit the setting up of a collective strategy? Which initiatives could support a collective reflection on the qualification of the typical product?

Relations outside the production system

- Which problems will the product (and, thus, the business or system of businesses) encounter in its relations with the outside? Will its specificity be recognized on the outside? What obstacles will there be to the recognition of its specificity?
- What type of positioning do I intend to give the product on the market? What type of consumer and market segment will the typical product target?
- To which possible qualification levers is this segment sensitive (e.g., traceability, origin, quality of company organization, environmental friendliness of the production process, specificity of the organoleptic characteristics...)? Are there levers that constitute an unavoidable condition of access with respect to the market segment to be reached? (for example, today, the large-scale foreign retail trade requires suppliers to have at least an ISO 9001 certified company quality system).
- Which instruments can be used with respect to the qualification lever (or levers) used? Are there any existing instruments available that could be used (for example, international or national, EC, national or regional regulatory instruments such as PDOs-PGIs, the mark for integrated agricultural products (Agriqualità Toscana), other collective, private marks? What are the possibilities of the business (or system of businesses) preparing its own qualification instrument or adapting an existing instrument to meet its requirements?
- Which are the limits and advantages of each of the qualification instruments in relation to the characteristics of the business (or system

of businesses) that has to use the same? And which are the limits and advantages in relation to the market segment aimed at? What are the utilization costs and the expected economic benefits?

- How will the use of the various qualification instruments be organized and coordinated on an organic level?

The answers to these questions should take into account the particular features of a typical product with respect to agri-food products in general, deriving from the territorial identity attributed to the typical product by its very nature, as well as the coexistence of an individual dimension (related to the individual businesses in the production system) and a collective dimension. The results achievable from valorisation will be closely dependent on the coherence between the qualification carried out on an individual level and on a collective level, as we shall see later.

In the following paragraphs we will, firstly, define the objectives and instruments of external qualification and then, subsequently, examine some of the most commonly used instruments of qualification based on geographical origin. This analysis will make it possible, at the end of the section, to take a closer look at some particularly problematic aspects of internal qualification.

5.4 Objectives and instruments of external qualification

The external qualification of a typical product should take into account the existence of two different definitions of quality: a conformity quality, related to the access of the product itself to certain market segments or channels,

and a specific quality that, for the typical product, mainly derives from the attributes linked to origin. Each of these definitions requires the use of specific instruments of qualification.

Conformity quality refers to the compatibility of the typical product (and the businesses producing the same) with certain general requisites that are necessary in order to gain access to the market areas targeted by the valorisation strategy. Conformity quality should not be confused with threshold quality, i.e., the minimum quality required by law in order for a product to be placed on the market (for example, the application of forms of hygiene regulation self-checking according to the HACCP method).

These requisites may refer to certain macro-areas for each of which it is possible to identify one or more instruments of qualification. Normally these are *instruments whose origin is completely external* to the production system of the typical product, i.e., existing plans with predefined content with which the companies in the production system of the typical product simply have to comply. *Diagram B* presents some examples of instruments of qualification referred to the main macro-areas involved in the current evolutionary phase of the agri-food system.

Instruments of qualification of external origin can, by their very nature, help the product to enter certain market areas or channels, or even constitute a prerequisite for product access, but they are not able to exalt the specificity of a typical product.

In fact, there is a risk that, if they are not supported by other instruments of qualification, they will tend to standardize the typical product with respect to other products.

The choices to be made with regard to the qualification of the typical product should thus

Diagram B – Instruments of qualification of external origin

Macro-area of conformity quality		Examples of instruments of qualification
General reliability of production companies	→	ISO 9000
Guarantee of health-hygiene safety of the product	→	Standard BRC (British Retail Consortium)
Requisites of quality, safety and compliance with food product regulations	→	IFS International Food Standards
Traceability of the production supply chain	→	UNI standard 10939 UNI standard 11020
Participation in a control system for environmentally friendly production processes	→	Organic farming Agriqualità – Regione Toscana Eurep-Gap standards



Examples of quality marks related to conformity qualification.

On the left, the DOP/PDO and IGP/PGI logos (Ec Reg. 510/2006) and the Organic logo (Ec Reg. 834/07)

start from a fixed point: the need to exalt the *specific quality* of the product which can be the result of its relationship with the territory, with the production tradition and with the other resources present in the same.

In fact, it is these elements which, if managed properly, can distinguish the typical product on the market, also by using instruments of qualification that permit the territorial identification of the same and protect its specificity in its relations with the market.

For this purpose it is possible to adopt *instruments of qualification of internal origin*, i.e., based on completely self-directed plans: such as, for example, an ordinary collective mark or a geographical collective mark in which (after complying with the general principles required by law), the promoter has wider margins for defining the numerous operational aspects. Instruments of internal origin certainly have the advantage of maximum adaptability to the user's requirements (and thus to the situation of the typical product's production system) but, at the same time, they have the limitation of not being an instrument of qualification in the eyes of the areas of consumption involved (since they are not known to the same), and require adequate investment in order to be able to carry out their function properly.

An alternative solution is to use instruments of qualification which are halfway between an

instrument of external origin and one of internal origin which we could call *hetero-directed instruments*: these are based on a predefined reference plan within which the user can, however, define certain elements that make it possible to exalt the specificity of the product.

These "hetero-directed" instruments could, in some cases, represent a good compromise for typical products. In fact, the better known they become, the more effective an instrument of qualification they can be and the greater their reputation in the area of consumption targeted (the Protected Designation of Origin, as codified by the European Union, can be considered to be functional with respect to certain requirements expressed by modern retail chains; the Slow Food Presidia have a good reputation amongst some consumer groups). However this method also means having to sacrifice some flexibility in terms of satisfying user demands (in fact, the PDO requires certification by a third party control body; the Presidia has its own system of rules).

In operational terms, it will often be necessary for the producer of a typical product and the production system as a whole, to use a plurality of *instruments of qualification* at the same time, albeit within a uniform strategy. The choice, eventual construction or adaptation to the local situation and subsequent use of these instruments of qualification will be strongly conditioned by the collective dimension of the typical product.

5.5 Qualification based on geographical origin

Often, although not always, a typical product can be identified outside the production system by the geographical name of the production area. For this reason, it is opportune, and sometimes necessary, for the qualification strategy to exalt the territorial identity of the typical product by also using the geographical location in the brand name.

The instruments available for this purpose mainly consist of the Protected Designation of Origin [PDO], the Protected Geographical Indication [PGI] (both introduced and regulated by Regulation (EC) 510/2006) and the collective geographical brand; we shall refer to these using the generic term “geographical indicators”. The considerations arising from an analysis of the same could be extended to include other instruments of qualification based on similar principles (collective character, collective codification of the characters of the product/process).

The use of geographical indicators as instruments of qualification should absolutely not, however, be considered to be a compulsory choice in the qualification strategy of the typical product: they certainly offer many opportunities but also numerous limits and problems of application.

The opportunities and limits of the geographical indicators should be carefully assessed according to the objectives the actors of the valorisation process intend to pursue with regard to qualification, in relation to internal as well as external qualification. These objectives can be summarized as illustrated in *Diagram C*.

The objectives listed are connected to each other and are often jointly pursued by the actors, however it is a good idea to assess the effects of the initiatives adopted separately for each of one of them.

The identification of the objective it is intended to pursue through the qualification of the product is an essential phase which should be carried out using the diagnostic tools that will be presented in the next chapter.

- Tuscan extra virgin olive oil and Tuscan Pecorino cheese had a strong reputation on external markets but suffered from the unfair competition of imitations from outside the area (or inside the same, by producers who had standardized their techniques); in this case, obtaining the legal protection of the name (through the PDO or PGI) generated positive results by cleaning up the market. At the same time, since the product was reasonably disparate in terms of production techniques and/or final characteristics on consumption, the PDO - PGI made it possible to reduce this variability and helped to create a more uniform external image for the product.

Diagram C – Objectives that can be pursued through product qualification

	Objectives	Preferred instruments
External qualification	→ Protection of the geographical name from incorrect use, removing imitations of the original product from the market, restricting the use of the geographical name to users of the geographical mark only	PDO/PGI
	→ Compliance with a qualification system that has its own reputation by virtue of the presence of a codified Ec guarantee system (controls carried out by accredited bodies)	PDO/PGI
	→ Creation of collective support through which external communication actions can be set up and collective mark as well as marketing initiatives	PDO/PGI and collective mark
Internal qualification	→ Raising the average quality level of the typical product and discouraging unfair behaviour inside the area, promoting the establishment of a uniform product image	PDO/PGI
	→ Providing businesses with a reference standard with which to conform	PDO/PGI and collective mark
	→ Promoting reflection by the actors on the product, process, quality	PDO/PGI and collective mark



Example of using the name “Siena” for selling cheese

- Since the olive oil from Seggiano (Grosseto) is not very well known to the public at large, it is not negatively affected by the presence of imitations on the market. In this case, however, due to the product specificity deriving from a particular variety and a specific production micro-climate, a geographical indicator could constitute a basis on which to carry out promotional initiatives directed towards the outside. Seggiano olive oil is currently in the process of obtaining PDO recognition.

The aim of the following considerations is to discuss certain aspects regarding the use of these instruments and, in particular, the problems connected with the collective qualification (codification) of a typical product, rather than to provide a complete guide to their use. For this purpose, please refer to ARSIA publications *Valorizzazione degli alimenti e sistemi di garanzia* and *La qualità certificata. I prodotti DOP e IGP in Toscana* [The Valorisation of Foods and guarantee systems and Certified Quality. PDO and PGI products in Tuscany], as well as the websites listed in the appendix, including those of ARSIA and the European Union.

The first important point concerns the *characteristics of the Protected Designation of Origin, the Protected Geographical Indication and the collective geographical mark, and their relevant differences* in terms of legal effects, functional prerequisites and operational aspects.

Diagram D (on the next page) shows that, with respect to the collective mark, the PDO and the PGI guarantee greater safeguards and protection with regard to the use of the geographical name (due to the fact that they are granted by Public Authorities following a specific inspection process); moreover, the PDO and PGI are, in themselves, an indication of quality, at least for certain segments of the intermediate or final consumers.

On the other hand, the PDO and PGI usually require longer approval times and higher operating costs than collective geographical marks due to the greater guarantees offered to consumers because the checks are carried out by a third party body, following codified procedures. The collective geographical mark is more flexible in terms of the definition of the rules for granting the use of the same to companies and, for this reason, it can favour the inclusion of small or very small companies.

For this reason, sometimes, especially for typical products with limited overall and individual production volumes, a collective geographical mark is launched first to verify the amount of interest of producers in using the same, as well as consumer interest in the typical product. Subsequently, the procedure for obtaining PDO and PGI recognition is initiated.

The second aspect to be considered concerns an assessment of the *costs necessary for using geographical indicators* and instruments of qualification in general.

Normally, attention is focused on the *direct certification costs* to be paid to the subject charged with carrying out the checks to assess whether the typical product complies with the production regulations (Guidelines in the case of PDOs/PGIs, Regulations of Use in the case of a collective geographical mark). These costs are sustained by the individual companies, although sometimes they may obtain the support of associations or consortiums, distributing the cost throughout the supply chain and within the individual phases of the same.

However, direct certification costs are just the “tip of the iceberg” of the costs generated by adopting a geographical indicator, to which at least the following components should be added, some of which are charged directly to the individual companies whilst others are borne by the business community:

- *preliminary costs* connected to the recognition procedure: these consist of all the costs sustained

Diagram D – Comparison and analysis of the main characteristics of the PDO-PGI and the collective geographical marks for agri-food products		
	PDO (Protected Designation of Origin) PGI (Protected Geographical Indication) Private collective geographical Mark <i>Source: Reg. (EC) 510/06 and national measures of implementation</i>	PRIVATE COLLECTIVE GEOGRAPHICAL MARK <i>Source: Reg. (EC) 207/09, Law 30/05</i>
Grantor state	European Union	Italian state
Product characteristics	For PDos: products originating from a region whose quality derives from the geographical environment including natural and human factors, the production, transformation and processing of which takes place in the defined area. The PGI may be granted even if only one quality or the reputation of the product derives from the geographical area and even if only one production phase is carried out in the area. Each PDO-PGI refers to a single product	The regulations do not demand any specific requisites. The quality of the product does not have to depend on the geographical origin It may also refer to several typologies of different products (umbrella-brand)
Procedure for obtaining recognition	The registration application should be presented to the Ministry of Agriculture through the Regional Government by an association of producers and/or processors involved with the product. The application is subsequently submitted to the European Union. This procedure can take a very long time	The registration application should be forwarded to the local Chamber of Commerce by the subjects guaranteeing the origin or nature or quality of the product. The administrative procedure can be very brief
Effect of legal protection	PDO-PGI registration grants the exclusive right to use the geographical name on the product to all producers who follow the Guidelines: nobody else can use the name (e.g.: Olio Toscano/Tuscan Oil) not even inside the production area	Registration of the collective mark containing the geographical name grants exclusive rights to the mark but not the geographical name; therefore other collective marks can use the same geographical name
Type of protection	The PDO-PGI is protected as of right throughout the European Union. The protection is extended to other countries based on specific bilateral agreements	Protection is realized on the initiative of the owner of the mark. The protection is only valid in Italy; the mark can be registered in other countries according to local regulations
Subjects that can use the PDO-PGI	The PDO-PGI can be used by all those who comply with the Guidelines and submit themselves to the control system	The subject that owns the brand (association or such forth) grants the use of the same to applicants
Internal reference document	The <i>Guidelines</i> attached to the application should include: - the production area - the method of obtaining the product - the characteristics of the end product	<i>Regulations of Use</i> for the mark should be attached to the registration application; the law says nothing about the contents of the same
Consumer guarantee system	Reg. 510/06 requires that the product's compliance with the Guidelines be guaranteed by special control Bodies that can offer guarantees of objectivity and impartiality and have suitable skills and structures High level of guarantee for consumers regarding compliance of the product with the Guidelines	The Regulations of Use should specify checks and sanctions, but there are no rules governing the type of control system to be adopted (it can be set up directly by the owner of the mark). However, disassociation between owner and user is required. The guarantee offered to the consumer is very variable
Operating costs	Certification costs established by the control Body and approved by the Ministry of Agriculture (plus the cost of any analyses). The amount of the checks and costs depends on the Guidelines	Very variable, depending on the control system voluntarily selected
Body representing the producers (management of mark)	Not required by Reg. 510/06; once the PDO-PGI has been approved, the certification of the product batches can take place based on a direct producer-certifier basis. It is possible to set up a protection Consortium to assist businesses and collective promotion	The subject promoting the mark has to be living, since it is the owner and final guarantor of the application of the Regulations of Use by the users of the mark

in the phase before the proper certification mechanism enters into operation related to the series of commitments that the community of people or bodies applying for certification have to sustain in order to obtain geographical designation (e.g., costs for drawing up guidelines and for preparing technical reports in order to demonstrate the relationship between product quality and origin). These costs are often partially sustained by the public operator which aims to help local businesses enter into a mechanism that will enable them to valorise their products and that may even restore the image of the territory itself. We should not, however, forget that this category also includes the costs sustained by companies in order to reach the agreements necessary for a collective designation request;

- › *certification support costs*, deriving from the support that the production system, typically on a collective level, provides to the certifying body in the course of its activities: for example, the management of Rolls or Registers, the preparation of certification dossiers or the realization of computer systems to interface with the various supply chain operators. The level of the same can determine the amount of direct certification costs: in fact, the presence of a body that collects information related to a large number of small and very small producers can save the Certifying Body a lot of time and energy which, by collaborating with these associate entities or consortium members, could even apply lower tariffs than it normally would if it had to verify all the documentation through producer-to-producer inspections;
- › *structural adjustment and reorganization costs* necessary in order to allow the protection and guarantee system to function: these concern both the companies (e.g., the realization of separate processing and storage lines for PDO and non-PDO products) as well as the system as a whole (e.g., creation of collective methods for operating the system);
- › *operational adjustment costs*, which are necessary for managing the production process as codified by the rules established in the Guidelines or the Regulations: this category includes, above all, the higher costs of using a raw material that complies with the requirements (usually of higher quality);
- › *non-conformity costs*, linked to the failure to place on the market or the inferior market position of products which, according to the requirements of

the guidelines, do not comply with the quality standards set out in the same and which can no longer use the geographical name in their commercial title (e.g., chestnuts of a smaller size than that permitted by the Guidelines of the Mugello Chestnut PGI);

- › *complementary certification costs*, including promotional costs and – if the point of observation moves from individual companies using the PDO-PGI to the local community – other types of costs such as exclusion costs, i.e., lost income due to the possible exclusion of companies which are unable to adapt to the guidelines.

Some of these costs are proportional to the volume of the product to be marked, whereas others (either individual or collective) are fixed, and will have a higher incidence per unit of product the lower the quantity of typical product actually utilizing the geographical indicator. This could be a problem for products with a low production volume – as well as for small producers – and should be considered carefully.

- › The more complex and detailed the Guidelines (for a PDO/PGI), or internal Regulations (for a collective mark) drawn up by the producers during registration, the higher the certification costs; this means that producers have broad margins of choice. It is not so much a problem of detail but rather the costs necessary for verifying the said details. Some guidelines for protecting the quality of a typical product on the end market specify in detail a number of parameters the product should have. However, these specifications can require tasting tests to be carried out by test panels, or through laboratory analyses, to check compliance with these parameters; these tests and analyses often have quite a high fixed cost. For example, the PDO and PGI of Tuscan oils (Toscana, Chianti Classico, Terre di Siena, Lucca) require chemical-physical and tasting tests on 100% of the bottled product; this is not the case for other extra virgin olive oil PDOs, where controls are only carried out on other aspects of the process. The specification of these parameters obviously makes sense when it serves to define the actual specificity of the end product. It is also evident that the parameters levels should take into account possible inter-annual variations and exogenous occurrences. Other guidelines specify the methods of carrying out certain phases of the production process. Some of these methods are specified because of the effect they have on the end product, or to respect some



Foto Archivio Arzia

Mugello IGP [PGI] chestnuts: the products

Foto Archivio Arzia

Neccio della Garfagnana DOP [PDO] flour

Foto Archivio Arzia

Sorana IGP [PGI] beans

features linked to local tradition (for example, the characteristics of the “metato” or drying-house used to dry the chestnuts for making Neccio della Garfagnana DOP [PDO] flour). In some cases, an excessive level of specification can have a negative effect on control costs as well as the companies themselves. This was the case, for example, with the specification of the capacity of the bags to be used for packaging Mugello IGP [PGI] chestnuts which contrasted with the requirements of the end market to such an extent that the Guidelines had to be amended, a long and complex procedure.

The drawing up of Guidelines is, therefore, a critical aspect also due to the operating costs of the system. The drawing up of the Control Plan is also very important as it represents an “operational translation” of the PDO/PGI Guidelines realized by the certification Body (with the approval of the Ministry for Agricultural Policies). If it is true that: more generic requirements = lower costs, it is also true that generic requirements can result in a progressive decline in product quality to the minimum levels set down by the Guidelines (with the consequent “flight” of better products away from the use of the designation) and, over time, the loss of identity of the typical product (and the loss of the “indicating” ability of the protected geographical name). It is obvious that the Guideline requirements should be functional to the strategic objectives pursued by the community of actors involved in the valorisation process.

In any case, the costs of using an indicator of quality should be considered alongside the benefits that may derive from the use of the same, which may be of different types.

The cost-benefit analysis should be examined from the viewpoint of the individual company as well as from that of the local community involved in the product which may decide to take responsibility for some aspects themselves (also through local public authorities), given the positive economic effects that can be generated by a geographical indicator.

This often constitutes an important support that allows the initiative to take off but it obviously cannot be the only motivation. The participation of businesses and their willingness to take on the relevant costs in order to obtain the relevant benefits is the irreplaceable basis for launching an initiative.

A third aspect concerns the *potential advantages and disadvantages* that may derive from the recognition and use of a geographical indicator and, in particular a PDO/PGI.



Promotional campaign for Tuscan IGP [PGI] extra virgin olive oil

- › *Effects of removing improper products from the market*, i.e., products that use the geographical name without having the right to do so (because they come from outside the production zone or because they do not comply with the qualitative attributes or characteristics of the production process): the entity of these effects depends on the presence and effectiveness of the fraud sanctions system, the selectivity of the Guidelines, and the amount of improper products present on the market.
- › *Effects of exclusion*: not all the companies that, prior to PDO/PGI registration, used the geographical “name” of the product are able to comply with the guidelines. In fact, exclusion also refers to companies “inside” the local production system that are unable to adapt to the control system, for example due to the certification costs or the skills required by the certification process. The quantity of product entering the market will, thus, tend to decrease, with potential positive effects on prices.
- › *Effects of interdependence*: the geographical indicator (and all collective quality indicators) may reduce the perception on the part of the consumer

of the quality differences between products bearing the mark and increase interdependence amongst companies using the same. This may encourage opportunistic behaviour and businesses that have their own individual reputation and/or their own well-established mark may not be interested in using the Designation (or state their opposition to its recognition).

- › *Effects of consumer reassurance*: in the eyes of the consumer, the typical product (or some of its attributes) is transformed from a “trust asset” into a “research asset”. Therefore the choice process of the inexperienced consumer (i.e., who does not have all the elements necessary for assessing traditionality) is made simpler: the PDO/PGI “quality indicator” provides a guarantee of the “authenticity” of the typical product and this may have a “market creation” effect. This effect may also manifest itself on intermediate markets, favouring the penetration of the typical product on modern commercial channels.
- › *Effects of the creation of fame*: the collective quality indicator can become an important marketing lever for product valorisation – especially for products which are not yet well known outside the production area – also considering the growing awareness amongst consumers (and the retail world) about production method guarantees. The action of the protection Consortium will be of fundamental importance in achieving these types of effects.
- › *Effects of cohesion between producers*: the Guideline definition process may encourage the creation of collective strategies and projects by the producers involved, also through the actions of protection Consortiums, often as a reaction to the difficulties generated by the development of a competitive context dominated by big agro-industrial companies.

5.6 The collective dimension and the qualification phase within the production system

The analysis of the geographical indicators has clearly highlighted a number of aspects deriving from the collective dimension of the typical product, ensuring that qualification is the result of a process of “construction” realized not by individual companies but inside the entire production system.

This process is rooted in the phase of the valorisation process related to the setting up

and protection of local resources. It should, therefore, be based on the integration of the knowledge, practices and definitions attributed to the product by the individual companies which may not necessarily match, in fact, normally they will be different and, sometimes, quite distant from each other.

This blend of quality concepts for typical products held by companies operating in the supply chain depends on numerous factors including the stage of the supply chain in which the companies operate, the skills held by the same, the different quality level of the typical product realized, their various capacities with regard to accessing the commercial channels they have developed and, therefore, their different ways of valorising the product and, more in general, the type of strategic market orientation.

- The process for obtaining PGI recognition of Lardo from Colonnata was marked by a long dispute between producers in the town of Colonnata, for whom the Lardo represented a secondary or incidental activity with respect to others, and producers from neighbouring areas in the province of Massa Carrara, mainly cold meat producers of various sizes and, in any case, professional producers.

The biggest conflict concerned the demarcation of the production area which, in the end, was restricted to the town of Colonnata. In fact, the name of Colonnata was beginning to get quite a reputation on the domestic market as well as abroad, due to the questions about health and safety that had brought the product to the attention of the mass media.

In fact, even the concept of the product and production process was highly disputed: the practice of curing the Lardo in cellars with a natural micro climate proposed by the producers in Colonnata contrasted with the approach of the professional producers who considered curing in an air conditioned atmosphere to be the only method that suited their own production model and company organization.

It is, therefore, important to acknowledge the fact that the businesses and local institutions involved at various levels in the supply chain of the typical product have different interests. This can cause significant difficulties when it is necessary to formally codify the specific quality of the product or the boundaries

of the product's production area. In such cases it is necessary to set up a process to compare the various concepts of quality held by the different agents in the system at various levels of the production process throughout the production supply chain.

Due to the characteristics of the product's identity and its relationship with the local community, the collective dimension goes beyond that of the individual companies, involving all the other actors in the territory that contribute to the formation of the product's symbolic value, making it possible to incorporate environmental, aesthetic, cultural and ethical values in the same.

Product qualification thus satisfies a number of different requirements and approaches which can sometimes be in contrast with each other.

The first possible area of contrast regards the requirements which exclusively refer to the support of the production supply chain (commercial approaches) or are directed towards exalting the territorial identity of the typical product (identity approaches), valorising its myriad relations with the territory (diversification approaches).

- The contrast between these different approaches often affects the choice of the most suitable instrument of qualification for the purpose pursued: one example is whether a qualification action should be carried out through a PDO (commercial approach) or through the realization of a product Trail or itinerary (diversification approach). Although, in theory, these are not really two separate alternatives, in practice they might not be compatible considering the restricted resources available.

To this we should add that the same instrument of qualification can be used to pursue different objectives. Again let's take the example of a PDO.

A PDO for a certain typical product can be planned in relation to the support provided to the production supply chain, making certain choices which may deviate from the production tradition of that product, allowing it to be positioned on potentially interesting market segments: one example could be the choice to permit the curing of a salted meat product to be carried out in a modified atmosphere so that it is suitable for mass production, even if local tradition only allows for natural curing; or the choice to reduce the duration of the curing process with respect to traditional methods. The objective in these cases is to sacrifice part of

the specificity of the product processed in order to makes gains in terms of the competitiveness of the market price with respect to potential competitor products.

For the same product, a PDO could be the result of an identity-based approach: the guidelines may constitute a faithful transcription of the ancient and “original” production practices for that product. In this case, there is a risk that no company will find it economically viable to produce the same.

The construction of the PDO guidelines for the same product could also consider certain aspects of the product’s relationship with the culture, the local landscape or the natural environment: for example, cultivation using traditional methods (such as terracing) or processing carried out in buildings that respect local architectural tradition (such as the “metato” drying-houses used to dry chestnuts in the Garfagnana).

A second possible area of contrast could lie within the typical product supply chain. Qualification can, in fact, satisfy the objectives of a specific component of the supply chain (for example, the agricultural or the processing phase) at the expense of the others.

In other cases, the contrasts within the supply chain could refer to types of companies that belong to the same phase of the production process but realize the product using different approaches, for example, between companies that use craft methods or more “industrial” methods.

- Different stages of the supply chain can be identified for all the typical products processed, with interests regarding the qualification of the typical product converging to the extent that the qualification process adopted takes due account of their respective requirements, and mechanisms are subsequently put in place to share the added value of the typical product which all the various parties consider to be fair. This does not always occur: in

the case of the Pecorino Toscano DOP [PDO] for example, the satisfactory market performance of the product led to frequent disputes between live-stock farmers and dairies.

The presence of cooperatives in the processing phases of the typical product can have beneficial economic effects on the farmers producing the raw materials.

However, the drawing up of Guidelines may lead to one of the parties predominating over the others, institutionalizing the prevalence of its contribution to the construction of the quality of the typical product with respect to the other parties. Take as an example a designation request for a typical cheese in which the dairies obtain PGI recognition based on guidelines that allow the milk to be procured from a wider area than that permitted for the processing phase.

Contrasts may materialize in disputes regarding the general objectives of the qualification of the typical product or the type of instruments of qualification to be used, or with respect to the operational content to be given to these instruments, for example, regarding the codification of the production techniques or the demarcation of the production area of the typical product.

Working towards an internal mediation of the characteristics of the production process and, thus, of the specific qualitative requisites of the product represents a fundamental step for the subsequent action of qualification of the product itself in relation to the outside.

However, it is not always possible to reach an agreement between different quality concepts and qualification approaches for typical products. Sometimes various qualification initiatives are initiated for the same product which are in contrast with each other or a situation may arise in which any initiative is blocked. The role of local institutions is generally very important in such circumstances.

6. The Marketing of Typical Products

Andrea Marescotti

Università di Firenze, Dipartimento di Scienze Economiche - DSE

6.1 What is the marketing of a typical product?

The strategic area of marketing refers to the decisions that regard all the activities aimed at placing a typical product on the market (for example, the choice of the most suitable sales channels, the management of advertising actions, the choice of the price).

Through marketing activities, a product enters into a relationship with the market and is attributed an exchange value. In fact, strictly speaking, to market means to sell a product but, in a broader sense, it also means to make sure that the socio-economic system on which the production process is based obtains the necessary means for carrying out its activities over time, guaranteeing the remuneration and reproduction of all the local and non local resources used in the production process. For this reason, in accordance with our previous considerations about the concept of valorisation, marketing activities should reveal the various types of values incorporated in a typical product.

Marketing activities begin with an analysis of the past and present situation of the businesses and business system and the operating context of the same, as well as the strengths and weaknesses of the typical product in relation to the evolutionary characteristics of the market. The strategic objectives of marketing initiatives are formulated, based on this analysis, and the relevant operational strategies and instruments are drawn up.

6.2 The specificity of the marketing of typical products

The marketing of typical products presents some particular aspects in relation to the characteristics normally found in companies and production systems.

One element of specificity regards the fact that, usually, because the production processes are of a craft nature, in which human intervention plays a fundamental role preventing an over-industrialization of the processes, the production systems are mainly made up of small and medium sized businesses, which are often not specialized in the production of the typical product. This increases the problem of the availability of financial and human resources for undertaking individual and collective marketing initiatives.

In particular, one of the biggest problems encountered during the marketing phase is the lack of skills. The setting up of valorisation initiatives for typical products nearly always requires a “quality leap” in marketing through the adoption of more innovative and remunerative methods of product placement. Dealing with new and diverse interlocutors, new types of consumers and, consequently, new demands, as well as new market access and communication requirements, can often disorientate companies and discourage the use of other kinds of marketing actions, especially when the product is of little importance to the company and/or family income, such as companies that only get a small part of their total income from the typical product and/or businesses run on a part-time basis or in the owner’s free time.

This means that launching a marketing initiative requires a careful preliminary assessment

of the means available for achieving the strategic objectives. The scarcity of resources makes it necessary to plan actions by mobilising all the resources in the territory, as well as searching for the necessary skills and financial means outside the same in order to spread knowledge about the characteristics of the demand and the markets, as well as the methods of accessing public and private financial resources for the initiatives. In other words, it is necessary to build and set up a network of relations on a local level (firstly amongst the companies, but also with local public institutions, research institutes and professional organizations) and on a non local level (with public regional, national and EC institutions, banks and credit institutions, research, technical and business assistance centres).

Due to the specificity of typical products, the resources that can be mobilised may come from sources not normally available to other types of products and production systems. In fact, the concentration of businesses in the territory and the strong cultural-identity relationship with the local community makes it possible to request the direct intervention of a wide range of stakeholders, from local actors (tourist associations, Pro Loco - organizations for the promotion of the territory, territorial public bodies, local credit institutions) to non local actors, national and even international actors, according to the disparate nature of the values generated through the production process of the typical product.

- In the case of the raw sheep's milk "Pecorino" from the Mountains and Valleys of Pistoia, the local production system found a valid ally in the Slow Food association which had already launched a battle to promote the use of unpasteurized milk in dairy production as part of a more general objective of protecting tastes from the standardizations imposed by the food industry.
- The presence of numerous autochthonous varieties at risk of extinction has permitted the producers of Lari cherries to obtain the support of numerous local public and research institutions involved in safeguarding biodiversity.

Another element of specificity is the fact that marketing initiatives for typical products are often undertaken by collective agents who take it upon themselves to launch actions in an associated manner. These are normally associ-

ations of producers or consortiums or cooperatives carrying out marketing activities that include the sale of all or, more often, part of their members' production using, in particular, certain "modern" commercial channels that are geographically and culturally more distant.

This is not yet a very widespread practice also due to the traditional individuality that permeates the commercial actions of every producer, and the variety of types of businesses usually present in the production systems for typical products.

In order to be effective, a collective marketing action must be based on the presence of a credible group and involve the maximum number of producers. Launching a common marketing activity often means presenting very different products to the consumer under a single "label", a single product image. When producers take part in a collective marketing initiative to the point of selling their product under a common name, their reputation is "mutualized", i.e., made available to all the members of the group, and if the quality of the product is not guaranteed, they will not be protected from any products of inferior quality sold by the other producers. This means that collective marketing must be preceded by the "qualification" of the product, setting minimum common standards to be complied with in terms of the production process and product characteristics, including standards regarding the presentation and packaging of the same. Otherwise there is a risk that the reputation of the product will be damaged and the consumer will become disorientated with regard to the true grounds for the product's typicality, thus defeating any valorisation efforts.

On the other hand, marketing carried out collectively or in an associated form and, in particular, sales activities, are often indispensable where the sales channels selected for the valorisation initiatives require the availability of sufficiently large volumes which remain stable over time and are characterized by minimum and consistent qualitative standards such as, for example, modern retail or export channels. Naturally, the collective marketing action may also only concern the selection and management of channels, without presenting the product under a single brand, thus limiting itself purely to mediation or the promotion and supply of services, but even in this case it is necessary for the companies to reach an agreement about the product and the methods of presenting the same.

The particular nature of the production systems linked to typical products is also highlighted by the fact that the system of small and medium sized businesses is often flanked by a variety of “non-business” producers, i.e., producers whose activities are often carried out as a hobby, on a part time and occasional basis, as an “indulgence”, or to supplement their income.

The non-professional nature of one component of the production system and, more in general, the variety of the types of businesses and production organization methods makes it more difficult to realize common initiatives and, more generally speaking, to align individual behaviours with a collective approach. Whilst this particular characteristic of production systems for typical products can cause problems in all strategic valorisation plan activities and decisions, it is particularly evident within the strategic area that makes marketing decisions, since the diversity of the individual objectives can hamper the definition of a common marketing strategy.

This diversity of characteristics and objectives can generate tensions inside the system, even in the qualification phase, as the “enthusiasts” are usually more interested in respecting history and tradition in order to protect the identity and cultural origin of the product, whereas the professional companies are more concerned with adapting the characteristics of the production process and the product to suit market demands. In addition to making it difficult to come to an agreement on product qualification, this also hinders common marketing initiatives and may reduce the potential to access certain sales channels and, more in general, the possibility of realizing common actions in the fields of promotion, territorial integration, scientific research, etc.

6.3 Values of the typical product and new marketing concepts

One element of the specificity of a typical product is the presence of a solid relationship with the territory, since it is a product characterized by a history and production tradition that uses specific local resources to a greater or lesser extent. In fact, the typical product – and the production process connected to the same – derives its specificity from a series of “fixed” resources, i.e., that cannot be (easily) adapted to the evolutionary dynamics of the

market, the clients, the consumers or social demand. The history and production tradition, for example, cannot be modified for the use and consumption of market demands nor can certain cultivation and production techniques, or some of the qualitative characteristics of the product that represent elements of specificity, distinction and typicality.

Moreover, the values incorporated in the typical product cross the narrow boundary of satisfying consumer demands in terms of nutrition and flavour, to embrace values such as protection of the environment and landscape, biodiversity, territory, culture and tradition, so that, in certain cases, they become symbols of social justice and resistance to the globalization of markets, the standardization of tastes and the industrialization of processes. A collection of values on which the specificity of the typical product rests, which should be appropriately transmitted to the consumer or client.

The need to defend the typical elements of the process and product and, therefore, the series of values transmitted through the product, has evident repercussions on the nature of the marketing activities: it is not the product that has to be adapted and modified to satisfy the demands of consumers and markets, but rather the consumer who has to be informed about the specificity of the product, and convinced of the values associated with the same.

In other words, an alternative marketing approach has to be applied.

- *Cognitive marketing and radical marketing* can be considered as alternatives to *conventional marketing*.
- In *conventional marketing*, the producer gets the best results by understanding the attitudes and behaviour of the consumers and subsequently mobilising resources to satisfy the requirements of the same. The key to this activity is an ongoing process of adjustment and modification of the product for the purpose of positioning the same on specific market segments, followed by promotion and communication actions.
- *Cognitive marketing*, on the other hand, aims to change consumer preferences and, therefore, does not assume them to be unchangeable factors. Consumers have to be taught about the product and the values on which the production process is based. This means that consumers are not sold a product designed to satisfy their requirements (which involves studying the character of the consumer using

traditional instruments of consumer analysis), but to help the consumer understand the product's values, enabling the acquisition of new information and knowledge.

- *Radical marketing* goes even further and is based on the desire of producers and consumers and, more in general, groups of actors in civil society, to oppose dominant models (of production, consumption and living). The exchange of the product on the market thus becomes an action that transmits new, alternative values to those found in dominant models.

6.4 Strategic marketing choices

The identification of the most suitable marketing methods should begin with an analysis of the type of typical product in the system and, in particular, an analysis of the strengths on which to play and the values incorporated in the product. Only with these types of analyses is it possible to make a decision about the most suitable recipients of the marketing initiatives and the strategies to be pursued.

Many different values can be incorporated in the typical product and focusing decisively on one or a combination of the same will distort the strategic market picture and the choice of the best recipients for the marketing initiatives.

- In the case of Lardo from Colonnata, for example, the elements of greatest specificity are the distinctive features of the product's history (it is a food traditionally eaten by quarrymen), the containers used to cure the Lardo ("tubs" made from "Canaloni" marble) and the characteristics of the end product's flavour (quality of the raw material and the ingredients used for the brine). The symbolic value of the product is also linked to the fight against the effects of the application of recent hygiene regulations which threaten the product's distinctive features. History and fighting against the standardization of tastes, favouring a reappraisal of the flavours "of former times" linked to local traditions and knowledge, are the strengths on which to play in marketing initiatives.

The first strategic decision to make in a marketing action is to clearly identify the consumers of the typical product, i.e., what is called the "target group".

However, the idea is not to create and adapt the product for a certain target group but to identify a group of consumers and clients that

will be sensitive to and aware of the values incorporated in the product and thus more willing to understand them. The choice of the target group is the result of the prior segmentation of the market, which basically consists of identifying groups of consumers and buyers on a certain market that share similar needs and demonstrate similar purchasing behaviours.

When choosing which consumers to target, it is a good idea to identify those most sensitive to the values of typicality such as, for example, "local" consumers for whom consumption can represent a factor of identity; "connoisseur" consumers who appreciate any differences and are attentive to the various aspects of taste; "fair trade" consumers for whom the consumption of typical products is a sign of ecological and social sensitivity; "tourist" consumers who are particularly aware of the aspects linked to history and production tradition, as well as the relationship between the product and the cultural and artistic resources of the area.

Once a target group has been identified which is coherent with the characteristics of the product and the values incorporated in the same, it is often necessary to obtain more reference market knowledge using research techniques, some of which will be illustrated in the next chapter. Market knowledge should not just refer to a better definition of the characteristics and behaviour of the potential or effective consumers, but should also identify the distribution channels that may be used to reach the consumer, as well as the type of competition the typical product may have from other products and companies (in the same product or "value" category).

- In the case of Lari cherries, a number of public institutions (ARSIA, the Provincial Administration of Pisa, the Municipality of Lari) supported an experimental project for transforming local cherries into extra jams. In collaboration with the Committee for the Protection and Valorisation of the Lari cherry, the Faculty of Economics of the University of Pisa carried out a marketing survey on the Lari cherry extra jam by analyzing the current characteristics of the jam as well as the breakfast product market and, based on the strengths and value content of the Lari product, analyzed various types of sales channels (farm holiday structures, wine bars and wine shops, restaurants, modern retailers, delicatessens, traditional retailers, etc.) through interviews and focus groups involving intermediaries and potential consumers. This resulted in a seg-

mentation of the market based on the various types of values incorporated in the product and the identification of a shortlist of possible target groups on which to focus future marketing initiatives.

The identification of the target group and the in-depth knowledge obtained allows companies (individually or in association), as well as the other local and non local actors, to clarify and specify the objectives of the marketing initiatives and the relevant actions to be undertaken in order to achieve the same, playing on the traditional four operational components of the marketing mix: Product, Price, Promotion and Place.

Marketing manuals can provide more details about the characteristics and problems of the strategic decisions related to these four marketing components. We will limit ourselves to some brief general observations about the particular features of typical products.

a. The Product

The decisions to be taken about the product mainly refer to its technical (structural and functional) characteristics, its form and size, the packaging and methods of presentation (including the label and brand name), the qualitative requirements, as well as the associated services (after-sales assistance, guarantee, etc.).

As we have seen, a typical product is characterized by myriad links with the territory and often the product characteristics are codified in production regulations, through more or less detailed qualification actions. However, even within these regulations and guidelines, there are margins for manoeuvre that can be used to make the product more “manageable” and suitable for consumers and intermediate clients such as, for example, the type of packaging, or the use of certain ingredients or a mixture of the same. This means that companies have some room for manoeuvre that can be used according to the markets served and the marketing strategies pursued.

According to the marketing approach chosen, the typical product can be “adjusted” to a greater or lesser degree. In many cases these adjustments are minimal and do not prejudice the image of the product.

However, in some cases, particularly when a conventional marketing approach is adopted, the modifications made to the product can go much deeper and risk distorting the specificity and reputation of the typical product. In such

cases, giving in to the demands of the distributor or consumer can mean making compromises between tradition and innovation that exceed certain limits, altering the perception of the quality of the product and trivializing the meaning of the same through qualification actions that standardize and homogenize the production process and the product.

- The Vignola cherry in Emilia-Romagna has earned a very high reputation thanks to the strong relationship between its cultivation, the varieties of cherry and the territory. Market success has resulted in an increasingly intensive production system in terms of the cultivation methods used and the choice of the most productive and regular varieties best suited to new production and harvesting techniques and, more in general, new market conditions. The majestic trees and traditional harvesting practices using long ladders have been replaced by intensive industrial plants with smaller trees.

Moreover, the presence, under the same brand name, of a diverse range of product types and variants, risks diluting the image and reputation of the product, causing confusion amongst consumers about the authenticity of the product, its history and production tradition.

b. The Price

The sale price is one of the key elements in the marketing process. The sales volumes and profitability of the companies, as well as the degree of satisfaction of the clients and end consumers, depends on the price of the product. The determination of the price is based on the production costs as well as the characteristics of the markets (mature, growing, in decline) and the competition.

With regard to typical products, there is often a tendency to associate these products with a superior quality when they are normally products with specific characteristics that differ from other products (with regard to their tangible and intangible features), but are not necessarily “superior” in terms of the socially accepted qualitative hierarchy.

This opinion, which is particularly prevalent amongst producers, can sometimes lead to a price being set which is too high with respect to the potential market absorption and does not permit the remuneration and, thus, the reproduction of the resources utilized. This can cause companies to drastically lower their price, creating confusion amongst consumers and

sometimes unleashing a price war inside the system that can thwart any attempt to carry out collective actions aimed at promotion, qualification and integration with the territory.

Even when the high price makes it possible to position the entire production, possibly offering further growth prospects, there is another type of risk: in fact, price increases inevitably lead to a selection of the consumers and usually exclude the local consumers who are more attached to the product and who, for years, have recognized and purchased the same, increasing the diffusion of information about the same. The breakdown of this relationship would distort an element of the typical product's specificity, i.e., its relationship with the local community, offering new areas for adapting the product to meet the demands of external consumers who do not know the product well, and distributors, with the risks already mentioned above.

- In the case of raw sheep's milk "Pecorino" from the Mountains and Valleys of Pistoia, numerous producers declared that, despite the increased demand resulting from the various valorisation initiatives undertaken by the Consortium of producers with local public institutions (Mountain Communities, Chambers of Commerce) and other associations (Provincial Breeders' Association, Slow Food), they did not consider it to be a good idea to excessively raise the sale price so as not to discourage or drive away local consumers, the traditional purchasers of the product, as this would deprive them of the chance to consume their traditional cheese.

c. Advertising, information, communication

The methods of communication used should comply with the specific requisites of the product (who is communicating? to whom? what are they communicating? how are they communicating it?), favouring instruments that can establish as direct a relationship as possible between producers and consumers, ensuring that the knowledge and values attributed to the product are shared.

The actors involved in communication are, first and foremost, the companies but, considering the strong ties with the local community, it is important to also involve other local actors in the communication and information activities, such as collective organizations of producers, tourist associations and Pro Loco - organizations for the promotion of the territory, public institutions, restaurants, tourist

agencies, critics, experts and tour operators which, as nodal points in the network, can multiply the diffusion of the message, and also become allies of the valorisation project.

The communication recipients are, obviously, the consumers, but that's not all. Generally there is a tendency to neglect the vehicles used to transport the product to the consumer. These are the so-called "intermediate operators", wholesalers and retailers, modern retailers, restaurants and farm holiday companies who often have no information or knowledge about the product being marketed. For this reason it is important to set up information and promotional channels for the intermediate interlocutors as well, so that the values incorporated in the product will be correctly transmitted to the end recipient.

It may also be necessary to adapt the communication content according to the target group: not all the values of a typical product are useful/necessary to the reference target group. It is also important not to neglect another particular aspect of the communication content: very often the traditional nature of a typical product, i.e., its links with production traditions, as well as consumption practices rooted in a certain territory which have become established over time, means that, on the one hand, the methods of preparation, matching and tasting the product are taken for granted and, on the other, the adoption of innovation even in the preparation and use of the food is psychologically less acceptable to producers. Consequently it becomes particularly important to provide information not just about the product's characteristics, but about the use of the same (recipes, food matching solutions, which may even be of an innovative nature, etc.).

Various instruments can be used in this strategic area: direct communication, for example, in the field of direct sales, leaflets and brochures, presentation methods for the product and label, fairs and festivals, local advertising, organization of targeted events, sponsorships, participation in national and international fairs, etc. These instruments should be integrated with each other in order to create a coherent promotional initiative that should also align the promotional activities of the individual companies with any promotional activities carried out by associations of producers or consortiums, as well as those normally carried out by local, regional, national and EC public institutions.



Foto A. Rossi

Raw sheep's milk "Pecorino"

Foto R. Cerruti

Assortment of typical agri-food products

d. Distribution channels

The distribution phase plays a highly important role in the marketing of typical products since it considerably influences the consumer's perception of satisfaction and, thus, the attribution of value. The methods with which the product reaches the end consumer, the context and method of purchase, the methods of

preparation and packaging, the time and manner of retrieval or delivery, are in no way indifferent to the transmission of the values and information/symbolic content of the product.

The choice of the distribution channel is even more important given the rapid changes that can occur in distribution structures, with a strong growth of "modern" channels and, more recently, attention also being paid to innovative methods that are rediscovering traditional channels from a new angle.

Due to the specific requirements presented by each commercial channel in terms of quality levels, delivery, presentation and price fixing methods, as well as communication methods, it is necessary, in each individual case, to adopt the most appropriate marketing mix methods and instruments for valorising the typical product. It is possible to make a brief distinction between at least three main distributional methods.

1. *Traditional distribution* (retail or wholesale). This distributional formula is still useful for moving typical products, particularly to local connoisseur consumers. These commercial operators already know about the characteristics and methods of consumption of the product, as well as the features of the clientele served, but are generally averse to more innovative types of marketing actions and the transmission of "non-use" values. Moreover, the routine nature of their actions makes it difficult to gain space and visibility within the product range and act on the price lever. However, the growing attention of consumers to these products has led to a revaluation of this distribution method which, amongst other things, makes it possible to lower the cost of including the products in the sales range and provide information to traders.
2. *Modern distribution*. Today this is undoubtedly the most important distribution channel within the agri-food system and, in recent years, numerous modern distribution businesses (or members of the Large Scale Retail Trade) have become particularly attentive and sensitive to typical products, even creating lines dedicated to own brand products of particular quality and/or linked to the territory and gastronomic traditions (for example, Conad's "Sapori&Dintorni", Carrefour's "Terre d'Italia" and the Coop's "Fior Fiore"), organizing weeks dedicated to the promotion of the same.



Foto Archivio Arsia

Local market



Foto A. Rossi

Food and wine fair



Foto S. Medeot

Traditional distribution of typical products

- Conad-Sapori & Dintorni: this line was introduced in 2001 and groups together fresh and specialty food groceries united by their “typical” designation with strong links to the territory and gastronomic traditions. These are quality products, selected at origin according to rigorous criteria and guaranteed by the PDO brand, realized in compliance with the original recipe and technical production process. The Conad Development and Quality Division verifies the compliance of the products with the specifications and carries out inspections and controls that start with the choice of the raw materials and continues right up to when the products are placed on the supermarket shelves. Conad’s activities are not limited to the checks carried out throughout the production process, but continue at the supplier’s premises with controls that, according to the type of production, may concern the level of ripeness or the methods of treating and processing the product in accordance with hygiene regulations and the technical specifications.

In the current situation, considering the characteristics of the companies that produce typical products and the requisites of the distribution companies for accessing the market, *Modern distribution* does not appear to be the most suitable commercial channel although, obviously, a case by case assessment is necessary. The biggest problem is the business system’s difficulty in transmitting all the information and values incorporated in the typical product particularly towards a group of consumers with strongly disparate characteristics. It is also true that some of the modern distribution companies are more sensitive to these problems and show greater attention to the same, coherently with the values proposed. However there is a strong risk of the disappropriation of the product image, loss of added value and trivialization of the quality levels of the product in order to make the adjustments required in terms of volume, form, delivery methods, etc.

3. *Innovative distribution.* This category includes a wide range of distribution formulas that, in recent years, have enjoyed increasing success with consumers as well as agricultural and agri-food entrepreneurs of smaller economic dimensions. These distribution methods are united by their tendency to “shorten” both the geographical and cultural distances between the worlds of production and consumption, improving the experience of participation and the sharing of values within the channel between producers, distributors and consumers.

A primary example of this is direct sales. This distribution formula, which had become less important over the years as a result of the modernization of the distribution system, has now been considerably reappraised and renewed.

➤ Direct sales can take place on the farm itself, at the sales outlet (shop) of a producer or association of producers, or at the more or less permanent markets held by producers (farmers’ markets). The utilization of this distribution formula makes it possible to increase the added value of the company, reduce consumer prices, improve the management of the communication processes and develop greater entrepreneurial skills, getting to know clients better by establishing a relationship of trust. On the other hand, resources have to be found in order to set up this form of distribution on a single company level: financial resources for furnishing the sales outlet and tasting room, if applicable, and human resources, in terms of professional skills and time, in order to be able to keep the shop open for a sufficient number of hours per day. Associated forms of direct sales of typical products could solve some of these problems, but the direct relationship with the producer and company would then be lost.

The organization of *fairs and festivals* around the product make it possible for producers to set up forms of direct sales, although these events are often aimed at setting up promotional activities linked to the product and territory, as well as strengthening identity and local culture by involving the local population in the organization and realization of the event.

Similarly, in order to promote greater integration with territorial resources, the distributional channels particularly suited to the marketing of typical products are farm holiday businesses, restaurants, hotels, bars, wine shops, specialist or food and wine shops located in the product’s reference territory.



Foto A. Marescotti

Direct sales

Foto A. Marescotti

Lari cherry festival

Foto P. Tempesti

Advertisements for the Lardo di Colonnata festival



**"Salone del gusto"
Taste Show, Turin, 2004**

Foto A. Rossi

One particular form of direct sales that represents the evolution of mail order sales is e-commerce, which is also growing rapidly in terms of agri-food product sales.

- With e-commerce, agri-food companies and, in particular, companies supplying highly differentiated goods, have the chance to create or consolidate their position in special market niches at a relatively low cost. Other advantages of this form of sales are the possibility of receiving orders 24/7, even from clients who are geographically very far away, reducing the time dedicated to collecting information and making purchases. Internet websites are also able to offer more information about the characteristics of the company and product and can reach a vast range of potential purchasers, thus establishing new contacts. On the other hand, there are many problems associated with e-commerce, particularly with regard to the more perishable agri-food products which are heavily affected by logistical problems regarding delivery timing and methods. Consumers show a reluctance to purchase a product without trying it first and this is more prevalent for less standardized products (in such cases, qualification actions using well-known and guaranteed quality indicators such as PDOs or PGIs can be very helpful). Moreover, the low average value of the agri-food products combined with the normally very high postage and packing costs, discourage people from buying small quantities of the product.

Whilst e-commerce is the more "technically" innovative distribution formula, other forms of distribution offer more original aspects from a social and cultural viewpoint, such

as Purchasing Groups and Solidarity Purchasing Groups, fair trade movements and Community Supported Agriculture.

- *Purchasing Groups* and *Solidarity Purchasing Groups* (GAS) are groups of consumers who, united by the common desire to set up new, more "responsible" forms of supply, come together to jointly manage the selection of the suppliers (farms or agri-food companies), as well as the purchase and distribution of products among their members. In particular, the objective of the GAS is to develop and put into practice Critical Consumption, which involves greater awareness about and attention to respecting the dignity and health of both producer and consumer, the promotion of agri-food products with a low environmental impact and the search for taste, at the same time developing a solidarity with certain types of producers, socializing and valorising the local territory and small producers. These criteria are highly compatible with the characteristics of typical products and their production systems.
- Similar to the GAS experience is the *fair trade movement*, which was created to establish new forms of exchange with Developing Countries based on the principles of fair price and solidarity/support of the local community which, in recent years, has also begun to support organic farming product initiatives and small producers, as well as local and typical products that comply with their principles of fairness in terms of trade and ethnicity.
- Another example which is so far not very widespread in Italy is *Community Supported Agriculture*

Primary school children involved in the “Cultivation and Culture of the Lari Cherry” harvesting project



Foto A. Marescotti

(CSA): this consists of a partnership of mutual commitment between a farm and a community of consumers and citizens that provides a direct link between production and consumption. The supporters undertake to purchase part of the seasonal harvest and support the farm all year round, sustaining the costs and risks and partly participating in the farm work. The members help pay for the seeds, fertilizers, water, equipment, work, etc. In exchange, the farm provides a healthy supply of fresh seasonal products throughout the year. Becoming a member creates a responsible relationship between the people and the food they eat, and the land on which the same is grown. This relationship of mutual support helps to create an economically stable environment for farm operations and a high quality product, often at lower prices than found in the retail trade.

We can add another category to these three big distributional groups: the *public market*. This is quite an important channel for certain typical products and refers to the purchases made by public authorities, particularly local ones (Municipal, Provincial, Mountain Communities, Chambers of Commerce, etc.), for carrying out external promotional activities or educational and cultural activities for the local community (for example, as part of consumer education projects in schools). Evidently this is a rather specialist distribution channel but, in any case, it recognizes some of the externalities realized by the production system in relation to typical products: in fact, the promotional activities aim to help people learn more about the territory using the image of the typical product,

thus benefiting the entire local community and many of the economic activities carried out by the same; the educational and cultural activities, on the other hand, aim to strengthen identity and social cohesion, as well as the transmission of information and knowledge from generation to generation.

6.5 To sum up

When launching a marketing initiative, the subjects involved in the valorisation process (individual companies and/or production and institutional systems) must ask themselves the following questions:

- Which are the current strengths and weaknesses of our production and sales system? Which are the opportunities to grasp and the threats to beware of?
- On which specific characteristics is the reputation of the typical product we want to valorise based? What is its value content? What message do we want to give consumers and citizens? On which elements should we play?
- Based on these elements, which consumers have the greatest affinity and degree of cultural proximity to the values we intend to propose? To which consumer group do we intend to give priority in our marketing actions? What is our target group?
- Which strategic objectives do we intend to pursue with our marketing initiatives? What do we want to get out of the marketing initiatives?

- Which financial and human resources are available to us? How is it possible to mobilise other resources?
- Is there a possibility of achieving these objectives by using forms of collaboration between companies and other interested institutions?
- How do we intend to pursue our objectives and which instruments will we use? Which decisions should be taken regarding the characteristics of the product, the price, the promotion and the distribution channels (marketing mix)?
- How do we assess whether the methods used and the strategy followed are achieving our objectives? Which procedures and monitoring instruments do we intend to use for this purpose?

7. Setting Up Synergies with Other Territorial Actors and Components

Adanella Rossi

Università di Pisa, Dipartimento di Agronomia e Gestione dell'Agroecosistema - DAGA

7.1 What does it mean to “integrate” with other territorial components and what are the effects of integration?

The valorisation process for typical products has often been presented as a collective, territorial process. This is a dimension, as we have seen, that emerges even in the early stages, when the specific qualities of the products are defined based on the knowledge acquired by the local community in its interaction with its environment, and the incorporation, into the products, of resources that are collectively constructed and/or preserved (the landscape, local cultural and aesthetic values, the heritage of traditions and the historical legacy of the territory, the image and identity of the area of production, etc.).

The relationships established on a local level between the various actors involved can adopt different methods of integration that fall into three general categories:

- integration within the world of “typical product” production in a broad sense and, therefore, between farms and small and medium-sized agri-food businesses, as well as commercial enterprises and the catering sector (as the final transformation sector of agri-food products);
- integration between the world of production and operators in other sectors (for example, tourism) and the institutional agents that operate within the production process for typical products and/or are involved in promotional initiatives (various associations and agencies, local government bodies);
- integration with local consumption, with reference to initiatives that in recent years have aroused great interest due to their enormous development potential, especially

for typical niche products, and which are based on the need to safeguard the local cultural identity and gastronomic traditions.

In our case, the term “*territorial integration*” will refer, in the main, to the second point highlighted above; i.e., the various initiatives undertaken in order to valorise a specific product through actions aimed at “uniting” the product with the other components of the territory, whether these be goods or services, to trigger “virtuous circles” that can create economic and public benefits for all the actors and elements involved. However, we will also include examples of the types of integration referred to in the other points.

All development projects based on the valorisation of local resources within which the production and valorisation of typical agri-food products hold a central position are examples of the creation of strong synergies between local products and their territories. *Collective promotional initiatives* are well-known expressions of this type of integration and are generally coordinated by an institutional subject (Regional governments or Regional Agencies, Provinces, Mountain Communities, local public/private Consortiums, Local Action Groups, etc.), targeting the valorisation of “baskets” of high quality local products or, in their more complete forms, of all the territory’s resources (food and wine products as well as crafts, the environment, local culture and traditions). There are numerous examples – organized in different ways and more or less well-known – on which we can draw to illustrate how territories have promoted their quality products (or, more in general, their territorial resources) by instituting collective trademarks, setting up communication initiatives, creating themed itineraries, etc.

- › In the words of its president, the *Consorzio Lunigiana* produce is an example of “an area agri-food consortium, representative of all the territory’s agri-food potential”. The consortium proposes to commercially valorise the quality products of the territory, to promote heightened quality and an entrepreneurial culture to support it, to integrate members’ actions with the local economic fabric and, in particular, to set up synergies with the tourism and accommodation sectors. The Consortium is presented as “a challenge” through which its members intend to rediscover the intimate link that binds a product to its territory, its history, its culture, and the men and women who, over time, have taken control of the elements in this specific and harsh land and, with their capacity to produce, have handed these ancient flavours down to us. A strategy based, therefore, on the stated conviction that “preserving and valorising typical products also means valorising and safeguarding the territory as a whole,” in the knowledge of the importance of “valorising a product through the visibility of its territory of origin, activating all possible connections, public and private, in order to create a package of products and services that can succeed in expressing the value of the territory and its quality products.” The Consortium puts its strategy into practice by adopting an “umbrella” trademark, implementing specific promotional and communication initiatives in the territory, and participating in important events in the food and wine sector.
- › *Ponti nel tempo* is a promotional initiative by the Upper Versilia, Garfagnana and Valle del Serchio territories that targets the valorisation of all the territory’s resources in a key attuned to tourists. A rich, well-orchestrated program of events and activities throughout the year invites visitors to “celebrate culture, art, and tradition; (...) to stroll through centuries-old woods and the green *prade* of the parks in the Apuan Alps and Apennines; (...) to visit the old town centres, the small villages, the castles and the forts, the white marble quarries; to discover the secrets of the great karstic caverns; to refresh body and mind at the spas; to delight in ancient trades and artistic crafts; to taste the area’s typical products; to explore roads and trails by bicycle or to cross the valleys, rivers, and lakes, from the mountains to the sea, on the “Treno dei Saponi” (“Train of Flavours”).

The ideal result of such forms of interaction is to achieve full integration between the typical product and the territory. This strengthens the bonds between the typical product, the local community and other territorial resources.

Other initiatives that centre on territorial integration and that are becoming increasingly important in valorising local products are the food-and-wine itineraries (or, as they are more frequently called, the *Strade dei Saponi* or “trails of flavours”: the Wine Trail, the Oil Trail and others, each valorising a specific local product).

In this case, the aim is to “build” a territory-wide network of alliances amongst the various local subjects that in different ways are involved in the valorisation process: the producers (farms and farm holiday companies, processing companies), the various types of “distributors” (retailers, wine stores, restaurants, etc.), operators working in the tourist accommodation system, public officials and organizations involved in the valorisation of local resources, etc.

This set of subjects, united by the common objective of creating value in the territory through the “joint” offer of goods and services centring on a specific theme (for example, wine) develops a set of “structuring principles” to create:

- material and symbolic externalities which, by making it possible to differentiate the specific territory on “global” markets, create price benefits for producers, based on territorial reputation;
- networked externalities, thanks to which the producers can, for example, benefit from positive spillover on the costs of their own structures:
 - the opportunity of using marketing services (such as representation at information centres, participation in trade shows, exhibiting at themed museums) that producers would be unable to access singly;
 - the opportunity of learning about new and innovative organizational methods and technologies through interaction with the other “partners”;
 - reduced costs for organizing and managing exchanges (transaction costs).

- › The *Strade del Vino* or “Wine Trails” are the most effective example of this integrated dimension of the valorisation processes for a territory’s products. They take the form of integrated tourist offer systems that bring together numerous operators and develop around a product with strong links to local tradition, but are primarily oriented toward the valorisation of the entire territorial context – the landscape, the urban structures of the old town centres, local culture and traditions, artistic expressions, etc. – that composes the scenario in which the product is produced.

The *Strade del Vino della Toscana* (Tuscan Wine Trails) system is exemplary due to its high degree of interaction with other themed itineraries linked to the valorisation of typical products. The Province of Lucca, for example, has published a guide that shows how the *Strada del Vino delle Colline Lucchesi e di Montecarlo* intersects with other “trails” dedicated to olive oil and spelt, with natural areas, typical craft production sites and sites of historical and architectural interest.

Other advantages of territorial integration come from the opportunities to diversify the applications of a single resource (economies of scope). This is the case, for example, of many consortiums that manage themed itineraries or other collective initiatives for promoting the specific quality of local products.

- The official function of the *Consorzio della Strada del Vino Costa degli Etruschi* is to represent the members of the this “Wine Trail” consortium and to define and guarantee the application of the regulations on which the quality is based, as well as the product standards and services offered. However, the consortium has progressively extended its operations to embrace a multitude of communication activities: it organizes special events, facilitates collective participation in important sector events and handles public-relations and information – and documentation-related activities. As the activities of the farm develop under the stimulus of increasing demand, producers are often unable to effectively deal with tourist bookings, thus, the information centre accepts requests and organizes

guided tours of the farms. The information centre also carries out another vital function, that of promoting the other resources present in the territory and, in order to do so, acts as the central node of the network of existing territorial relationships.

As mentioned above, this process of integration among subjects who, in one way or another, are involved in territorial valorisation is actually a complex process that finds expression in different forms of integration, some of which represent “first steps”, i.e., actions that are still far from constituting true “collective” valorisation actions on the market but are nevertheless important as “precursor” elements that demonstrate a predilection for cooperation that is fundamental for creating broader-based forms of integration. In any case, the common element among all the different forms of integration is their ability to reinforce and support individual actions and to breathe life into true “synergies.”

Farm holiday activities, which are now widespread throughout Tuscany, are perfect examples of the integration, within the same company, of production activities and a service offer that constitutes a valid solution for enhancing and exploiting the farm’s agricultural vocation.

However, other examples of inter-company integration are now widespread on a territorial level (for example, between farms and farm holiday companies and/or shops selling local products). In these cases, both subjects benefit from integration: on the one hand, the



**A vineyard in Bolgheri
(Livorno)**

Foto A. Marescotti

companies in direct contact with the client can offer a broader range of services/products; on the other, the supplier companies can multiply their opportunities for making sales and, through this collaboration, are encouraged to “improve” their offer.

Even more important are the forms of integration between the farms that produce typical products and local tourist accommodation/service businesses (hotels, restaurants, wine-cellar, etc.), thanks to which it is possible to satisfy the tourists’ “thirst for knowledge” about the territory more efficiently and develop the symbolic externalities that are essential for creating the territory’s “reputation”.

Just as important as “precursors” to collective territorial valorisation initiatives are the actions launched by companies for realizing economies of scale, for example:

- joint purchase of equipment and systems for processing and/or packaging the products;
 - joint use of services (consulting, certification);
 - shared management of promotional and communication initiatives such as production of advertising material, participation in sector events and organization of local events;
 - initiatives that result in a de facto reduction of individual costs and above all, in many cases, help the participants to achieve better results.
- In the territory in which the *Strada del Vino Costa degli Etruschi* initiative evolved over the course of the 1990s, the availability of an itinerant bottling service, made possible thanks to the presence, in the territory, of a substantial number of farms intent on bottling their own quality wines (but unable to sustain the costs of an on-the-farm bottling plant), has represented an important development factor.

Another concrete manifestation of cooperation among local entrepreneurs for valorising one or more quality products in the territory is represented by the initiatives that have seen farmers, processing companies and distributors in various territories cooperating to create short supply chain production/distribution circuits for strengthening links with local consumers.

- The *Cooperativa Caseificio Pugliese*, which operates in the Alta Murgia area in the province of

Bari (Puglia) has 26 sales outlets owned and operated by the cooperative itself, that market dairy and cheese products and the members’ other products (including the “*Masserie dell’Alta Murgia*” product line). About 30% of the Cooperative’s overall sales are made through this sales network. The remainder of the turnover comes from sales through traditional retail outlets, large-scale distribution and the catering sector. However, about 90% of the cooperative’s products are sold on the local market.

Sponsorship of local cultural activities is especially significant in the context of links with the territory. The cooperative has also won recognition from the Slow Food movement for its work in valorising local products. The website (www.caseificiopugliese.it) offers interesting information for customers about the cooperative, its products and the initiatives carried out by the same.

In other cases, cooperation between consumers and producers takes the form of a regular collective organization based on a shared plan and vision. Of special interest in this regard is the experience of the Solidarity Purchasing Groups (Gruppi di Acquisto Solidale - GAS), discussed above in Chapter 6. *The Marketing of Typical Products*, which have achieved a form of integrated management, by the producers, of the communication and direct distribution relationship with customers. In this context, one specific aspect of the product/territory relationship should be emphasized: both parties to the transaction, producers and customers alike, belong to the same territory and, consequently, both recognize the “locality” and its resources as values to be protected and strengthened.

In short, any process of integration with other actors in a territory must start from the awareness that each company is a connection point between the local production system (all the operators involved) and the consumers and that, at the same time, each farm is dependent on the system to which it belongs in order to best manage its relationship with consumers. As we will see in the next section, a company on its own can rarely offer all the goods and services requested of it and we should also consider the existence of “public” assets such as the landscape, local culture, gastronomic traditions, the image of the area, etc., that no company can produce but that play an essential role in differentiating local offers in the eyes of the consumer.

Butteri cowboys and cattle in the Maremma



Foto E. Genovesi

7.2 What conditions can ensure successful territorial integration?

The process of valorisation of a typical product has a collective and territorial dimension that starts with the construction of the specific quality by the local community, continuing through shared actions for communicating that quality to consumers and, finally, extends to a cover a general valorisation of local resources.

The importance of this integrated dimension in valorising the products of a territory emerges with extreme clarity and force in the experiences of the food-and-wine itineraries. Creation of value around a themed route is the result of an eminently collective action. The landscape, the cultural and aesthetic values, the wealth of local traditions, the atmosphere and the historical legacy of the territory, as well as the variety and overall image of the territory's products, etc., are all resources that are incorporated into the product, that are components of its value and sought after by consumers. They are also elements that a single operator, working alone, cannot create/preserve but constitute the results of the work of all the operators and, sometimes, the community as a whole. In point of fact, a single operator can do very little about the competitiveness of a themed route: the decision to take a certain "route" is based on complex motivations linked to the attraction exerted by the context as a whole with respect to which the products/services offered by individual operators represent a small contribution.

The process of creating a themed itinerary around a product – or indeed, any collective valorisation initiative, such as the creation of a collective trademark or the promotion of a basket of local products – cannot, however, be explained purely as the sum of the work of the single agents involved. It is something much more complex. It is based, through an integrated action, on the construction and, thus, the presence of a coherent system of material and symbolic elements that reflect the local identity.

The material elements are, first of all, the characteristics of the products and services (variety, quality), but are also represented by the structural characteristics of the producing companies involved in the initiative and, more in general, of the contexts in which the products/services are offered (architectural elements, outdoor and indoor spaces) and the characteristics of the natural and built-up environment (landscape, urban centres). Cohesiveness within this set of elements is essential if it is to express the identity of the area and contribute to building its image.

There should also be coherence between this and another set of more intangible elements which refer back to all those elements that come into play for communicating the specific value of the products/services offered: the signage, tourist guides, product labels, the symbolic values incorporated in the narrative, i.e., in the way in which the territory presents itself to outsiders in one-on-one relationships as well as on public occasions.

Both sets of elements include various types of subjects: the different companies that operate in the rural areas and contribute to the valorisation process (farms, processing and farm holiday companies, craftspeople, retailers, wine shops, bars, restaurants, hotels, campsites, etc.), as well as public institutions and other organizations (exhibition and documentation centres, cultural centres, etc.). These elements also undergo a progressive growth in the relevant spheres of intervention: from private actions (by the individual farmers or farm holiday managers) to public actions (by local government officials/agencies in charge of economic activities, cultural activities, tourism, territorial planning, etc.), and the actions promoted by the various organizations working in the territory (Pro Loco - organizations for the promotion of the territory and other local associations, Local Action Groups, committees and consortiums promoting local resources and tourism, etc.).

It is the pursuit of cohesion among tangible and intangible elements at all levels that adds value to the products and services offered by individual operators and makes it possible to incorporate all the area's resources into the products: this valorises the area's entire production (creating product variety and its symbolic representation as well as the "reputation effect" which is so important for characterizing the products of certain territorial contexts), linking to the same other "public" assets sought by tourists (the landscape, the quiet of the environment, the cultural legacy, the area's identity and image), assets which thus become accessible to each individual operator where normally they would not. This coherent system underlies the creation of all the most significant synergies of which we spoke earlier.

- "Chianti" is currently one of the most widely known geographical names around the world thanks to its wine production and natural beauty which have made it the de facto emblem of the Tuscan landscape. The close relationship between wine and territory has long been central to the marketing strategies of local winemakers and farms. More recently, new market strategies to valorise other quality products (food and non-food items) have been built around this vast pool of culture, aesthetic values and product excellence associated with the name and the territory (the Consorzio del Chianti Classico has created the new "*Terre del Chianti*" trademark for this very reason).

7.3 Which steps should be taken to achieve territorial integration?

It is, therefore, necessary that the valorisation of the single products in a territory be part of a broader-based local resource valorisation project, of which the individual operators are aware and feature as co-participants. The latter aspect has important implications on an operational level, in terms of the technical and organizational factors:

- the need for coherent decisions in managing the resources involved, the production processes and the product marketing offer;
- the need to interact and cooperate with the other operators;
- the need to share the sense of belonging and territorial identity.

In the case of the food-and-wine itineraries (the *Strade del Vino* - "Wine Trails" for wine, or any other products), the collective valorisation initiative can only be managed efficiently if the operators and all the other subjects involved adhere to a shared set of rules and regulations, some formally laid down, some not. The formal rules will govern the various material aspects of the operators' participation in the "Trail", such as product marketing and communication with consumers.

- The regulations implementing Tuscan Regional Law no. 45/2003 (*Disciplina delle Strade del Vino, dell'Olio extravergine di oliva e dei Prodotti agricoli e agroalimentari di qualità* - "Guidelines for "Trails" dedicated to Wine, Extra-virgin Olive Oil and quality Agricultural and Agri-food Products") offers an excellent example of a clear expression of the formal rules that operators are expected to follow: in this case, the obligations concerning activities for visitors and the promotion of the "trail's" food-and-wine, environmental and cultural resources.

However, these rules have to be supported by another, unwritten set of rules, including a shared pride in product quality, awareness of the importance of the farm context and the landscape, development of a sense of "belonging" to a collective organization and, therefore, of reciprocity among the members, and the willingness and capacity to establish real communication with the "Trail" user, in the most basic sense, i.e., the creation of shared interests and concerns.

Just as important as the effort required of the subjects directly involved in production and marketing activities to follow these rules, is the

effort required of the other local actors (public officials, institutions and organizations of different types) to work towards creating favourable conditions for preserving and strengthening the specific local identity, for helping economic operators develop adequate organizational skills, for integrating various valorisation strategies in a complex project and for communicating the value thus created.

All this must come about as part of a progressive process of building relationships between the various subjects involved in the valorisation of the specific product and the other territorial resources, a process that takes place step by important step.

The first step is to achieve *integration* and *alignment* among the subjects, i.e., the definition of a shared set of codes (keys to interpreting the operational reality), rules (codes of conduct) and objectives. This is the basis for building and maintaining cohesion between the material and symbolic elements mentioned earlier. This is the phase during which local environmental, cultural and social resources are mobilized and incorporated, in coherent forms and through the application of shared codes and rules, into the local products (the conditions required for activating this process are discussed at length in Chapter 4. *The mobilisation of local resources*).



Bean fields in Sorana (Pistoia)

The tangible results of this phase are the well-known valorisation tools that include production guidelines, the by-laws of consortiums and other forms of associations, collective trademarks, PDO-PGI designations, etc. These tools are the concrete expressions of the processes for defining shared meanings, for identifying shared objectives and for establishing codes of conduct through which the necessary conditions can be created for valorising local resources:

- the codification of specific production practices in a set of guidelines is the result of a process of interpretation and mediation conducted by various producers which is crucial for “fixing,” preserving and communicating the product’s elements of specificity;
- the creation of a collective trademark for characterizing a specific product or basket of products expresses participation in a common identity and, at the same time, a collective valorisation project;
- the definition of by-laws and regulations of an associative nature (for a producers’ consortium or the management consortium of a “trail”) is the result of an organizational process culminating in the definition of common goals for individual efforts and participation in the system of rules that emerges from the process.

Once the internal organizational process is completed, the network created must move on to the phase of *mobilisation* with respect to the outside world, by activating communication processes in external networks that can foster awareness and appreciation of the special value of the products in question (by consumers, tourists, critics, experts, tour operators, etc.). This comes about every time it is possible to valorise a product in particular market niches, to create privileged relationships with public institutions, to acquire visibility in the national and international media and to actively participate in important communication and promotion initiatives, or when it is possible to attract tourists and high-income citizens.

Whilst the first phase focuses on the importance of endogenous components – local resources and actors – in the second phase the interaction with the external context is decisive in order to communicate the specificity of the product’s identity. In this phase it is, therefore, essential to be able to relate to the recipients of these communication processes, launching a

new integration process that also involves values, meanings and rules of behaviour.

- The valorisation initiative for the raw sheep's milk "Pecorino" from the Mountains and Valleys of Pistoia, has led to the progressive acceptance, by the actors involved, of the idea that the product is an important local resource. This awareness was fostered by the construction of a complex network of relationships that consolidated the connections between the producers and between the latter and local institutions and end consumers. During this process, all the actors involved arrived at a shared definition of a concept of product quality compliant with health and hygiene standards that also encompassed all the organoleptic and symbolic attributes perceived and appreciated by consumers. This concept was formalized through the codification of production practices in production guidelines, as well as the institution of a producers' consortium to manage the same. The next step was for the consortium to adopt new communication and promotional strategies – use of a collective trademark and production of advertising materials, participation in promotional initiatives in the territory and placement of the product in important external marketing/communication circuits (of extreme importance in this process was the collaboration with the Slow Food movement and the establishment of a Presidium for the product) – which have considerably increased the product's market visibility and prominence. More recently, the same network has launched an initiative to request PDO recognition leading to the need to restart a process of product quality codification, definition of a rules of conduct and shared objectives within the different nucleus of producers involved.

7.4 Which are the errors to be avoided in territorial integration?

In the light of our considerations to this point, we can identify a series of problematic aspects that could hamper the launch or compromise the success of processes of integration with other territorial resources. The underlying issue, in all cases, is inadequate interaction amongst the subjects involved.

We mentioned above the necessity for the valorisation of the individual products in a territory to be part of a broader-based project for valorising local resources and that, for the single operators involved in the production/mar-

keting process, this implies coherent decision-making as regards the management of their own activities, a suitable ability/willingness to interact and cooperate with other operators, and a shared sense of belonging and territorial identity. Likewise, it is also important that the other local actors (public administrators, various institutions and organizations) take steps to strengthen local identity, to integrate the different valorisation strategies and to effectively communicate the value of what has been created. If these conditions are lacking, it may hamper the process of territorial integration.

For all these reasons, it is important to avoid a series of errors which, in the case of economic operators, may include:

- considering their actions for valorising a typical product to be exclusively individual, overlooking the fact that such a process involves collective assets (the variety and reputation of local production as a whole, the image of the territory, the landscape, the area's gastronomic traditions, etc.);
- taking part in collective valorisation initiatives without adequate knowledge of / belief in their significance and utility;
- being uninterested or failing to participate in interactions with other operators, making it difficult to define meanings, objectives, codes and shared rules on which the activities should be based and through which common operating tools should be built (collective trademarks, production guidelines, forms of association, etc.);
- participating in collective valorisation initiatives without having developed an adequate "sense of belonging" to the organization created for the purpose and, consequently, an inadequate level of "reciprocity" with regard to the other components;
- not working to create alliances with other local actors (public administrators, various institutions and organizations) in order to actively involve them in territorial valorisation initiatives.

This last aspect introduces errors that may be made by institutional actors, including:

- not taking active part in the valorisation initiatives promoted by the economic operators and thus not participating in the definition of shared aims and strategies;
- taking part in the valorisation initiatives promoted by the economic operators only by offering financial aid, without providing

other forms of support that may have longer-lasting effects on the local production system;

- not implementing initiatives aimed at promoting the development of collective planning, improving the dialogue between economic operators and mediation between the interest groups when difficulties and/or conflicts arise;
- not taking coherent action within their spheres of competence and not adequately collaborating with the other institutional subjects operating in the territory for the purpose of creating the most favourable conditions for starting up and ensuring the success of the integration processes within the territory;
- promoting valorisation initiatives without the involvement of the local production system.

8. Financing a Strategic Valorisation Plan

Silvia Scaramuzzi

Università di Firenze, Dipartimento di Scienze Economiche - DSE

8.1 The need for financial resources

The purpose of a strategic valorisation plan is to make it possible to achieve a multitude of goals through a series of coordinated actions within predefined priority areas of intervention which, as we have stressed above, go well beyond the mere marketing of the product/s to encompass the mobilisation of local resources, the qualification of the product and the integration of the various elements present in the territory.

The actions identified require financial resources to achieve results, since it is difficult to carry out such actions relying solely on internal resources. In fact, if we consider that production systems for typical products are mainly made up of small and medium-sized businesses, usually not specialized, with small profit margins, we are often faced with a scarcity of available resources for valorisation initiatives. Moreover, considering that valorisation is usually a collective process and often concerns productions that are still in the early stages of development, there is, in general, little propensity amongst companies for earmarking their self-generated resources for this type of activity.

Implementation of the valorisation process therefore requires the actors to turn to outside sources of financing. Whilst there are many different sources of financing available, it is often necessary to first decide whether to request support for the single actions making up the valorisation process or to concentrate the request for support on broader-based projects, presenting the same to one or more financial backers who, in turn will evaluate the merits and level of cohesion of the same, before deciding whether or not to provide support.

In this regard, we should not forget that typical products have specific links with local resources, and these make it possible to mobilise resources and stakeholders at various levels: local (local banks, local government agencies, tourism and Pro Loco - organizations for the promotion of the territory) and regional, national and international bodies.

From a technical point of view, external sources of financing may be ordinary (loans, mortgages, etc.) or subsidized (“soft”) credit instruments (interest rate subsidies, contributions to capital, public credit guarantees). In this *Guide* we will mainly concentrate our attention on sources of subsidized credit, but only after having discussed some preliminary considerations of a general nature concerning project characteristics, as well as when and how financing should be requested also with regard to credit relations.

8.2 Locating financial resources

Locating financial resources is a process that must follow a number of “key steps”, without which there is a risk of “burning” the project, however qualitatively meritorious it may be.

When? It is better to have a well-defined project

The first action that must be taken is to lay out a well-structured project in which the reference context, goals, implementation phases and schedules, expected benefits and budget have all been identified and defined. It almost goes without saying that a clear definition of the aims and instruments plays a fundamental role in winning over a financial backer, to

whose specific requests a previously-structured project can be later adapted.

Despite this fact, a valorisation project should only be put forward to outside subjects when the direct participants have developed a shared vision of the project. In other words, the internal awareness of the need and benefits of valorisation should be “translated” as part of a common, shared activity.

Before starting to search for resources, it is often advisable to share the project with external stakeholders, i.e., it is a good idea to strengthen external awareness of the value of the project through initiatives such as conferences, training and information activities. Even an article in the local press or approval by a key figure in the local system can be of help in the resource acquisition process.

Who? It is better to have a broad associative base

The subject submitting the request for financing often plays a fundamental role in resource procurement. In the case of a valorisation project for typical products, whose production base is generally highly fragmented and in which the process of agreeing on actions and goals is often turbulent, generally speaking the broader the base the more credible the project in the eyes of the financial backer. Consequently, a producers’ association, a consortium or a cooperative is generally more favourably regarded than a single company. There are exceptions, of course, especially where certain credit instruments are reserved for single entrepreneurial subjects only.

It is worthwhile pointing out that, depending on the action, the groups proposing the various actions set down in the strategic plan may also act as both beneficiary and financier. For example, a municipal authority may request financing for an information project in schools and, at the same time, finance a promotional project for a typical product on international markets.

To whom? Selecting a financial backer

The choice of the subject to whom a request for funding should be submitted is a crucial decision. The first evaluation should regard the coherence between the project proposed and the activities and institutional aims of the potential financial backer. It is, therefore, necessary to verify whether the type of value generated by the typical product



Tuscan landscape

and/or the project relate/s in some way to the aims of the institution to which the application is addressed.

- For a promotional project, reference should be made, first and foremost, to promotional institutions such as Chambers of Commerce, whereas for a project focusing on the historical reconstruction of a product, it will probably be more logical to request backing from a development agency or a Foundation.

The second step, as we will see more in detail below, is to verify whether or not specific financial instruments already exist that the project may access by virtue of its stated aims.

Whilst for highly-specific strategic intervention areas and, above all, in the case of typical products, it may be difficult to locate “pre-packaged” financial instruments, it is nevertheless worth attempting to arouse the interest of financial backers even where specific financing programs for the proposed activities do not already exist.

To this end, we should identify which institutions, considering their statutory aims, could be willing to finance the initiative, even solely for the high return in terms of image.

- A Foundation will probably be most interested in providing unsecured financing for a research activity targeting the preservation of biodiversity, for example, from which it could receive a return in terms of image and the ethical aspects of an activity that is aligned with its statutory aims.

Finally, it should not be forgotten that it is often important for the promoters to use their



Foto Archivio Arsia

own means to co-finance the initiative, since project credibility increases when the proposers participate actively and directly in the implementation of the same and assume the risks themselves.

How should financing be leveraged?

Requesting financing for the valorisation of typical products contains several key variables on which a potential financial backer may focus its evaluation of the benefits to be obtained. These benefits are linked to the values incorporated in the typical product and the positive externalities it is capable of producing. Notable among these are the returns in terms of image and the spillover effects on other economic activities in the territory, as well as farther-reaching values such as the protection of the environment and the landscape, biodiversity, the territory, culture and traditions; resistance to the process of market globalization and the standardization of taste. In other words, the values that determine the specificity of the product can also be the levers that convince a public body or credit institution, or other financial backers, to fund an initiative.

8.3 Screening financing opportunities

One of the most difficult aspects of financing a valorisation project is screening the existing opportunities, i.e., researching and selecting the financing offers available. A brief general introduction to these offers is provided below.

A project may be financed through public credit instruments as well as other types of unsecured financing that may originate from in-

stitutions (foundations, non-profit-making organizations, etc.), private enterprises or other subjects (the local population, consumers, citizens) which may decide to offer various degrees of support to the project.

At a public level, there are no credit instruments designed specifically for typical products, however, many public interventions give priority to financing for investments and activities aimed at valorising the quality of agricultural products.

During the screening process, institutions offering free consulting services can be of assistance, these are often institutions financed by local agencies and banks.

- Promofirenze is the Chamber of Commerce's Special Agency for supporting the start-up, development, and international expansion of businesses located in the Florence area. Founded in 1990 for the purpose of aiding Florentine companies to expand their foreign markets, today Promofirenze can impact various company processes by setting up a number of different services. Through its Finance Department, Promofirenze assists clients working in the industry, arts and crafts, agriculture, services, commerce, tourism, agri-industry, farm holiday tourism, environment, energy, scientific research, culture and training sectors to apply for financing, providing descriptive and numerical support for drawing up investment project proposals. The services include providing information about European, national and regional level subsidized programs, offering assistance for drawing up investment projects and the relevant financing applications, as well as advisory activities regarding the organization of and participation in seminars, using various information resources.

(From <http://www.fi.camcom.it/>)

Several support tools are available free-of-charge on the Internet for conducting keyword searches for screening public-level financing opportunities. These include the “Carta delle opportunità” created by ARSIA (<http://opportunita.arsia.toscana.it/>) and “MIDA” offered by the INEA (Italian National Institute of Agricultural Economics) (<http://www.inea.it/public/it/index.php>).

Some banks have set up consultancy services that, in addition to providing information about existing opportunities, also help to compile financing applications and offer ordinary financing to round off the financial requirements for realizing a project. In the private finance area, it is important to note that banks are increasingly developing ad hoc products for fulfilling the financial requirements necessary for implementing highly specific projects. Products for financing the valorisation of quality products are among the most widespread of these products.

As we said above, banks and public sector operators are not the only institutions that can provide financial support for implementing a strategic valorisation plan. Foundations are currently very active in sponsoring initiatives, as are many other private enterprises.

The “Adopt a Chestnut Tree” initiative in Garfagnana

It is also important to point out how, particularly on a smaller scale, the local population and citizens in general can play an important role in financing initiatives. It is often useful for small projects to involve local actors through such mechanisms as, for example, the payment of a membership fee for participating in the Committee promoting a valorisation project, or initiatives such as local fairs and entertainment activities. Solidarity-based initiatives can be useful in involving citizens in general (acting on a broader scale), one of the most widely used of which is “adoption”.

Lastly, on a more general note, it is important to mention the need to monitor the initiatives that have been set up. In fact, good implementation and the success of small-scale valorisation activities as part of a less ambitious project has a “flywheel” effect in terms of the mobilisation of local resources, as well as in more limited terms with regard to setting up new financing (<http://www.adottauncastagno.it>).



Source: <http://www.adottauncastagno.it/>

8.4 Linking financing to the strategic valorisation area: some examples

Specific financing measures can be used to support each of the various phases of the valorisation process for a typical product. It is therefore possible to link funding to previously identified strategic areas.

Mobilising local resources

The concept of “mobilisation” arises from the premise that each rural area has resources that distinguish it from any other, and that in order to valorise a typical product we must activate and strengthen the links between these resources and the product.

During the mobilisation phase for local resources it is possible to activate the resources right from when the producers are first involved in setting up the association.

- The provincial administration of Grosseto launched a call to tender and funded a research project on “Le competenze per la valorizzazione dei prodotti tipici nel Distretto rurale della Maremma” (Skills for Valorising Typical Products in the Maremma Rural District) with financing made available by the European Social Fund (ESF). The results of the study made it possible to use a participatory method to identify the necessary skills, priorities and training activities needed for the optimum valorisation of the products in the territory.

As we mentioned previously, training can represent a fundamental element in the mobilisation process and help to involve the local population in a project. The European Social Fund (ESF) makes available a number of fi-

financing instruments that are managed in a decentralized manner (and at a provincial level), and are thus highly versatile for pursuing locally-identified development objectives.

Qualifying the product

Qualification is the strategic area in which the actors in the valorisation process define the identity of the typical product, “build” its quality and thus create the premises for promotional, marketing and other activities that can establish a relationship between the product and the outside world. One quite common action linked to this strategic area is the *qualification of company structures* as well as the introduction of *quality systems* for qualifying the product.

Transversal national and regional level programs earmark specific resources for product qualification.

Marketing

The strategic area of marketing concerns the decisions that affect all the activities involved in placing the typical product on the market (for example, the choice of the most suitable channels, the management of advertising, pricing). Marketing involves many different activities starting with the identification of an improvement in the marketing conditions of the products themselves.

Product promotion is included in numerous local, regional, national, and international financing programs. On a local level, Chambers of Commerce and Tourism Promotion Agencies are important reference subjects, but even on a regional level there are specific promotional plans leveraging *Ministero dello Sviluppo Economico* [Ministry for Economic Development – formerly Ministry for Production Activities] – resources that offer access to specific forms of financing.

On an EC level, the regulatory framework has changed considerably since the Council’s decision of 19th December 2000 authorizing the European Union to participate in the financing of measures for providing information about or for promoting agri-food products on the EU internal market:

- With Commission Regulation (EC) no. 501/2008 of 5th June 2008 laying down detailed rules for the application of Commission Regulation (EC) no. 3/2008 on information provision and promotion

measures for agricultural products on the internal market and in third countries, the European Commission provided funding for public relations, promotional and advertising actions that highlight the specificity of European products in terms of quality. It also includes participation in events or trade fairs, information campaigns on the European system of designation of origin and geographical indication, as well as information campaigns about the European system of quality wines produced in specified regions, and studies of new markets. The European Union co-finances actions up to no more than 50% of the total cost, while the remaining cost is charged to the inter-professional proposing organizations and the member states concerned.

Territorial integration

The term “territorial integration” refers above all to the various initiatives which have as their objective the valorisation of a specific product through actions for “unifying” the product and the other components of the territory – whether these be goods or services – to trigger “virtuous circles” that can create economic and public benefits for all the components involved.

In this sense, the proposal to realize or participate in integration initiatives with other territorial components (themed itineraries, short supply chain initiatives) makes it possible to mobilise a broader financial resource base by accessing different areas of competence (for example, different local government departments), pursue broader and more diversified goals (cultural, commercial, tourist-related), with different political-administrative priorities.

- One exemplary initiative is the LEADER PLUS Community program, which ran from 2000 to 2006. The program was based on three way intervention: support for pilot-level integrated rural territorial development strategies based on an ascending approach to horizontal partnership; support for interregional and transnational cooperation; and the networking of all the European Union rural territories not then covered by LEADER PLUS.

Due to its very nature, the action favoured a territorial approach and permitted single and associated companies working in the agricultural sector, small and medium sized industrial businesses, craft, tourist, trade, and service companies, either singly or in associated form, public bodies and institution, as well as non-profit-making organizations to ac-

cess contributions by applying to the GAL (Gruppo di Azione Locale - Local Action Group) competent for the territory targeted by the investment for obtaining information about and admission to the selection process organized directly by the GAL through its calls to tender.

The Leader program is currently incorporated in the Rural Development Program for the 2007-2013 period.

As mentioned above, one instrument for integrating the various actions carried out in the territory is themed “trails” which are marked out and publicized and along which it is possible to find vineyards, olive groves, other crops, livestock farms, single or associated farms and processing facilities, all open to the public, as well as assets of environmental and cultural interest.

› In Tuscany, Regional Law no. 45 of 5th August 2003 introduced specific funding for the “trails” created within the region, for:

- creating signage and setting up or adapting the exhibition and documentation centres, with contributions paid to a Management Committee for an amount of up to 50% of the total investment and up to a maximum of € 70,000 per type of investment;
- adapting facilities to meet quality standards and creating/adapting safe routes and walkways inside agricultural and food processing and transformation facilities so as to permit visits while work is in progress, with contributions granted to producers and/or processors of quality agricultural and food products of up to 40% of the total investment and a maximum of € 35,000 per type of investment;

- communication activities for valorising the “trails” and for holding an annual fair for the purpose of publicizing the agricultural and agri-food resources of the “trail”, with contributions paid out to the “trail” management committees and to organizations legally representing “trail” associations of up to 40% of the total investment, up to a maximum of € 30,000 for communication activities and up to € 10,000 for organizing events and activities.

Starting from these parameters, each year the Regional Council “establishes policy guidelines and priorities for the allocation of financial resources among the various types of initiatives and for granting contributions to subjects requesting financing” as prescribed by Art. 7 § 7 of the Regional Law in question.

National law governing “Wine Trails” establishes that local, regional, national, and EC bodies and institutions may contribute to financing through appropriate credit instruments. However, the Italian government may, within the limits of its own available funds and EC interventions, co-finance regional spending laws for interventions that bring companies as well as local hospitality and information centres up to *standard*, but only for structures that are indispensable for achieving policy objectives. Moreover, without prejudicing the jurisdiction of regional governments with regard to foreign promotion, the national government may also realize promotional, information-oriented and advertising materials, for domestic and foreign diffusion, for raising awareness about the “*Strade del Vino*”.

9. Instruments of Identification, Analysis and Representation

The definition of a *strategic valorisation plan*, as described previously, involves a preliminary phase of reflection about the current situation of the production system and its potential for development, which should help all the actors agree on a common interpretative framework so that more effective decisions can be taken regarding product valorisation. For this purpose, in this chapter we will be providing a general outline of the instruments of *identification, analysis and representation* that can be adopted, either separately or jointly, by the actors interested in the valorisation process in order to gain more knowledge about the situation of the production system and promote an exchange of information. In particular, the following will be illustrated: survey techniques for acquiring information about the situation being observed (documentary sources, interviews, focus groups), instruments for analyzing relations between the subjects involved (supply chain and relational network analyses) and for analyzing the context (PEST and SWOT analyses), in order to obtain a systematic classification of the factors conditioning a particular production system and “calibrate” as much as possible any action strategies with the subsequent strategic valorisation plan.

The final part is dedicated to providing a possible methodological key with which to assess the results of the valorisation strategy for a typical product, by analyzing the effects of the same from an economic, social and environmental viewpoint.

9.1 Instruments of identification

Massimo Rovai, DAGA-Pisa

This part of the *Guide* aims to focus attention on the first steps that should be taken in order to acquire adequate knowledge about the characteristics of the production system, providing a brief overview of some simple instruments that can be used. At the same time, it should be remembered that the valorisation process is a dynamic mechanism that must be subjected to “cyclical” reviews because the interaction with an external, continually changing ambient, “influences” the production system being analyzed. Starting from the simple consideration that:

- broader and more systematic the framework of knowledge, the higher the probability of success of any action that has to be undertaken

the importance of reconstructing this framework of knowledge and, thus, the field survey methods used to acquire this information, becomes evident.

A brief outline of the instruments that can be used at each level of the valorisation process is provided below. By specifically referring to the reconstruction of a systematic framework of knowledge, the subjects carrying out the survey can decide to undertake *ad hoc* information research where cognitive requirements cannot be satisfied by the information already available (which may have been collected for other purposes or in order to be easily accessible for official statistics and published by sector associations or specialist magazines).

In order to respond to precise cognitive objectives, the use of instruments of information

identification requires the investment of financial resources for acquisition, maintenance and processing. According to the cognitive objectives and resources available, the survey techniques may use different methodologies that can be classified as follows:

- qualitative survey;
- quantitative survey.

A *qualitative survey* is used to analyze phenomena that the researcher knew nothing about at the beginning of the research project and serves to highlight the attitudes, motivations and relations between these phenomena.

However, when the researcher already knows about the variety of phenomena and trends characterizing the operational environment and wants to know the relative weight of the same in a precise context, it is necessary to use *quantitative methodologies*.

In many cases, qualitative and quantitative surveys are used in sequence: the former are used to “learn about the actual situation” and offer a possible spectrum of answers that will be quantified using the quantitative methodologies.

It should be noted that when studying the valorisation paths of typical products, due to the specificity of their production systems, characterized by the strong socio-cultural content of the products and production systems, as well as their degree of structural and organizational “fragility”, etc., qualitative surveys are preferable as they can “analyze and gain knowledge about the actual situation”.

Similarly, quantitative surveys can take on a certain amount of importance in subsequent phases of the valorisation process: when, for example, it is necessary to plan and/or review valorisation process strategies.

As a result of the above considerations, we have decided to focus our attention on *qualitative surveys*, a brief description of which is provided below.

Documentary sources

In our case, this means looking for documents, bibliographic material, newspaper articles, leaflets, brochures, etc., which refer to the product that is or will be at the centre of the valorisation process.

These sources make it possible to acquire information about the characteristics of the production system, the presence or absence of “leader figures” within the production process and, consequently, about the structure of the

“relations of strength” inside the same, communication quality and efficiency, etc.

In this regard, it can be very important for the “coordinators” of the valorisation process to prepare a press review of the articles published in local and national daily newspapers, specialist magazines etc., in order to be able to best plan the subsequent information gathering phases.

Individual interviews

Individual interviews can be considered to be a special form of conversation in which an interlocutor asks some questions about the subject of the study. This is a special type of conversation due to the asymmetry of the power of both interlocutors. The interviewer establishes the objectives of the conversation and dictates the pace of the same by asking questions which the interviewee should answer honestly. There are different types of interview which can be distinguished according to the form of communication between the interviewer and interviewee. In a *conversational or open interview*, the interviewee answers the questions in his/her own words, constructing the arguments in a way which s/he considers to be most congenial. In a *structured or closed interview*, the answers have already been established, based on previous knowledge, and all the interviewee has to do is to choose the answer closest to the way s/he feels and behaves. According to some experts, with these types of interviews, there is a risk of obtaining opinions about topics and problems which the interviewee does not know a lot about and/or that may not interest the same, with the result that the sincerity and accuracy of the responses is “distorted”. On the other hand, open interviews have the advantage of collecting a greater quantity of information, but this requires more work in order for the data collected to be processed.

Focus groups

A *Focus group* is a research technique applied through an evaluation of a qualitative nature. *Focus groups* consist of interviews carried out on a small group of people who may be professionals, experts or users or, in any case, individuals who interact with communities of interest whose attention is focused on a specific topic, which is discussed in an in-depth manner. A wealth of different responses and attitudes emerge from the interaction with the subjects interviewed that it would be impossible to obtain from individual interviews and that make it possible to obtain a vast amount

of information about the topic discussed within a short space of time and at a relatively low cost. For this reason, *focus groups* are generally used when it is considered necessary to discuss a certain topic in more detail, to outline the background and look more closely at the positive and negative aspects, or when suggestions, opinions, experiences, perceptions, expectations, etc. need to be explored or examined.

A moderator leads the discussion and facilitates the interaction between the participants and the participation of each member of the group so that everybody has a chance to freely express their opinion about the topic under discussion. In addition to stimulating the active participation of the participants, the positive debate that follows means that the real points of view, opinions and prejudices, diverse perceptions and expectations, etc. of the group can emerge.

Despite being an important survey tool, *focus groups* cannot replace in-depth individual interviews particularly with regard to the type of information that is best conveyed in a private context (individual stories, attitudes, opinions, etc.). For this reason, in most cases it is a good idea to use both techniques at the same time. The operational phases for realizing a *focus group* are:

- *Selection of participants*

After determining the information required, a group of qualitatively representative subjects of the general sample group studied is identified. When choosing the participants it is important to keep in mind the need to guarantee each of them the chance to measure themselves against the other participants, with total freedom of expression, whilst maintaining their own point of view. The composition of the group should, therefore, avoid any possible sources of friction that may limit communication.

- *Formulation of the outline interview*

In order to achieve the best results, the outline of the interview to be used to guide the discussion should be drawn up in collaboration with all the parties interested in the research. It should consist of a few key questions which are as unstructured as possible, and never suggest any potential answers. Generally, the process should start with questions of a more general nature and move on to more specific ones.

- *Role of the moderator and observers*

The main task of the moderator is to allow each member of the group to express his/her

opinion, encouraging the participation of the more reserved participants and controlling any dominant personalities. The participants should feel at their ease and that they are in a perceptive rather than evaluative atmosphere; at the same time, however, the moderator should steer the discussion towards the key points and always maintain control of the discussion.

The meeting will be attended by one or more external observers who will not intervene directly with the group or the moderator. Their task is to analyze the verbal and non-verbal reactions of the participants.

It is never a good idea to organize just one *focus group*. The first *focus group* tests the validity of the guide-interview drawn up and should be followed by other proper focus groups (one or more, according to the complexity of the subject discussed).

- *Outline for conducting a focus group*

The duration of a focus group meeting will vary from a minimum of 90 minutes to a maximum of two and a half hours. The meeting is recorded: the participants should be informed of this and it should be explained to them that this will enable a better analysis of the information which will, however, be noted down in an anonymous format.

There follows a summarized outline of how a *focus group* should be conducted:

- presentation of the research or the aspects of interest in the survey;
- presentation of the purpose of the *focus group*;
- instructions of an organizational nature: duration, need to take turns when speaking in order not to compromise the quality of the recording and to give everybody a chance to speak, etc.;
- first presentation round of participants: name, surname, occupation;
- initiation of the discussion: the outline questions should be followed; in practice, people often move from general questions to more specific ones, examining certain precise aspects and then returning to the general features of the topic discussed. This depends on the type of subject and the progression of the discussion: the moderator is not tied to the questions themselves but to the objective of examining the key points in as much depth as possible and, therefore, has a very wide margin of flexibility;
- summing up round (concluding question).

Some final observations

To conclude, considering that the production systems of typical products targeted by this *Guide* are characterized, in the more favourable situations, by limited size and/or commercial relationships dominated by informality, it is also not unusual to find production systems going through a crisis which are close to “disappearing” completely, therefore the field survey phase assumes an important role when entering into a valorisation process because it makes it possible to “activate” and “involve” the interested actors, as previously mentioned.

The qualitative survey instruments described above are, in our opinion, necessary for an effective “reconstruction” of knowledge and, moreover, they should be used in the chronological order in which they have been presented because:

- documentary sources serve to gain “confidence” with the subject being analyzed and make it possible to outline the preliminary framework of the situation. The review of documentary sources also makes it possible to better calibrate the subsequent phases (for example, prepare the questionnaire for individual interviews and/or *focus groups*);
- individual interviews, especially in-depth ones, help to reconstruct the framework of the relational network between the various actors, the problems, etc. from a “subjective” viewpoint;
- as the term suggests, discussion groups (*focus groups*) serve to “focus” attention on certain specific aspects of the situation being observed. These aspects can regard the definition of the production technique, product quality, the analysis of sales channels, etc.

Once the information has been identified, it is possible to move on to the next phase of analysis and representation of the information collected. Various instruments of analysis and representation may be used in this case and so, according to the type of instruments used, the information may be also classified and processed differently.

9.2 The instruments of analysis and representation

The analysis of the production system and relations with the market from the viewpoint of the supply chain

Silvia Scaramuzzi, DSE-Firenze

The valorisation process for typical agri-food products, involving a plurality of actors, must include a preliminary analysis of the structural and evolutionary characteristics of the production system, which can be carried out using a variety of methodological approaches.

A very common approach is the analysis of the typical product’s supply chain, i.e., the group of economic and administrative agents that are directly or indirectly involved along the technical and economic path that the typical product has to follow from the initial stage of production to the final stage of utilization.

It is, therefore, necessary to identify not just the various operations and activities (of a technical, commercial and financial nature) that make it possible to realize a typical product and present the same for final consumption, and the agents that carry out these operations and activities, but also to highlight the various interactions between these operations and activities, and the strategies guiding the agents’ behaviour.

UNI definition of supply chain (UNI standard 10939:2001)

The term **agri-food supply chain** means the known group of organizations with the relevant material flows that contribute to the formation, distribution, marketing and supply of a food product

The supply chain is, thus, the “economic place” in which horizontal and vertical relationships of a commercial and non commercial nature are realized between the units of production and the agents involved in the process (public operators, standardization bodies, etc.). These relationships are normally characterized by relations of collaboration as well as competition:

- in fact, the agents are in competition with each other in terms of, for example, winning market share (horizontal competition) and sharing the price obtained by the product on the market of consumption as well as the relevant added value (vertical competition);

- at the same time, due to their geographical proximity, typical product supply chain agents are urged to establish relationships of collaboration for the purposes of constructing and maintaining the quality of the typical product, the realization of which requires the contribution of numerous stages of the supply chain (vertical collaboration). Relationships of collaboration are also very important for realizing forms of qualification, marketing and collective promotion, which should also be carried out by setting up special stakeholder bodies (horizontal and vertical collaboration).

The *general objective* of the supply chain analysis is to identify and interpret the structure and relationships between companies that are united by the fact that they are working with a certain raw material (*production supply chain*, for example: the sheep's milk supply chain) or realizing a certain product (*product supply chain*, for example: "Pecorino" cheese supply chain), favouring a "vertical" viewpoint. This means that the supply chain does not only include the internal activities of the typical product's local production system, but also all the activities which are external to the same.

The *specific objectives* of the analysis can vary according to the subject using the same and, in particular, whether they refer to the private or public sphere. In the event that they fall within the private sphere, the agents that, on an individual level (companies) or collective level (their representation bodies, such as associations and consortiums) want to establish the valorisation strategies for the typical product will usually prefer to focus the analysis on the evaluation of real and potential markets, the state of competition, the existence and entity of entrance and exit barriers, the mechanisms for sharing added value, as well as the advantages and limits of using potential product marketing channels.

- On a company level, the supply chain analysis is particularly important in the case of typical products in order to understand how this type of production fits into the group of company products with respect to substitute, unmarked products. There are often relationships of competition or, in some cases (for example, Tuscan "Prosciutto", Tuscan "Pecorino") of complementarity with respect to unmarked products. If there is an identified group of producers within the supply chain that produce marked and unmarked products, it may be possible to ask whe-

ther this a strategic choice or the expression of a lack of an outlet market for the marked products.

On a collective level, the supply chain analysis makes it possible to evaluate the choice of a suitable distribution channel, as these channels can be schematized, flows identified and an attempt made to understand the relations of dominance between operators. The following questions should be answered: which are the product's main marketing channels? Is the choice of the Large Scale Retail Trade permitted by a sufficient critical mass of production? Does it represent a strategic opportunity for positioning greater quantities of the product? What are the implications for the characterization of the product?

In the event that the supply chain analysis is carried out by a public operator, it will attempt to highlight the strengths and weaknesses of the typical product's supply chain in order to set up interventions to regulate and/or facilitate transactions, or to stimulate the realization of particular products or the adoption of production processes, or even to correct any distortions in the relationships between companies, and between companies and consumers.

After defining the objectives, we should try to understand the operational process of a supply chain analysis. Usually a number of successive steps are followed: definition of the object of the analysis; analysis of the macro-economic reference framework; description of the supply chain and supply chain operation; policies of the public operator.

The *definition of the object of the analysis* consists of a preliminary phase to localize the survey area according to the specific objectives the operators intend to achieve with the analysis. In fact, a supply chain does not exist as such but is a reconstruction of contexts by a subject pursuing certain cognitive objectives; it is, therefore, necessary to identify, in each individual case, which supply chain is pertinent to achieving the objectives pursued. The first choice concerns the demarcation of the subject of the analysis: which product is being analyzed? Do we want to analyze the production or the raw material supply chain, or the product supply chain (the milk supply chain or the "Pecorino" supply chain, the wheat or the pasta supply chain)? Subsequently it is necessary to localize the analysis on a geographical level (what is the territorial extent of the analysis: local, regional, national?), a temporal level (which period should be taken into consideration for the analysis) and a longitudinal level

(which phases do we want to specifically analyze? The downstream or upstream phases?). Finally the depth of the supply chain to be analyzed should be defined: the meat supply chain, in which a particular typical product is located, or the Maremmana breed bovine meat supply chain? It is obvious that, according to the choices made, it will be possible to identify the broader or narrower, complex and well-structured supply chains.

After defining the subject, it is necessary to identify the elements characterizing the *reference framework*, i.e., to analyze the context in which the supply chain to be analyzed is placed. At this stage of the analysis, the aim is to identify the effects that exogenous variables can have on the structure and prospects of the supply chain itself (e.g., evolution of consumption, EC and national regulations, the presence of national or supranational groups).

The *description of the supply chain* is the central phase of the analysis. It involves reconstructing the material basis of the supply chain beginning with the identification of the phases of the production process. The technical analysis of the process makes it possible to identify the “ingredients” of the product and the phases that characterize the processing of the same (each of which will then be attributed to one or more categories of actors), the bottleneck areas in the process (supply of raw materials, length of processing), and the relations between the various phases of the process. It will then be necessary to identify the agents carrying out the various phases of the production process; the type, number and characteristics of the actors; the relations between the same on a horizontal and vertical level.

- By reconstructing the production process for Lardo di Colonnata, it can be seen that the raw material supply area is currently very vast and involves, in particular, pig farms from the Emilia area that belong to the Prosciutto di Parma (Parma ham) production circuit, considered to be of superior quality in terms of the breed (heavy pigs from the Po valley), as well as the diet, which is rich in proteins as a result of the administration of whey obtained from the Parmigiano Reggiano and Grana Padano cheese circuits. The method used to prepare the Lardo is the same method that has been passed down through generations of Colonnata families, although it has been refined with regard to the formation of the brine in order to prevent it going rancid, which often used to happen in the

past: after trimming the pork fatback, the strips of meat are rubbed with salt to help absorption, and then arranged in layers in vats of marble which have previously been rubbed with garlic (which has antiseptic as well as aromatic properties), with a mixture of salt, freshly peeled and chopped garlic, rosemary and a variable percentage of spices added to alternate layers. The salt helps the natural formation of brine (although if the climate is too dry it may be necessary to add a small amount of salty water that will act as a “starter” for the brine). The brine helps to cure the Lardo, which is thus aromatized without becoming rancid. Curing can take from a minimum of six months to one - two years. The companies carrying out the production process are presented as a rather extreme case, basically being characterized as “supply chain - companies” since, although they do not actually breed the pigs, they work, cure and sell the Lardo directly, without the assistance of an intermediary.

After identifying and describing the technical operations of the process, the supply chain analysis should continue by locating the product’s distribution channels, analysing the various types of companies (individual, cooperatives ...) present in the various phases in order to attempt, where possible, not just to identify, but also to quantify the flows between the various phases. This makes it possible to discover the most significant areas of exchange and to distinguish preferential channels from new ones and from channels which are becoming marginalized.

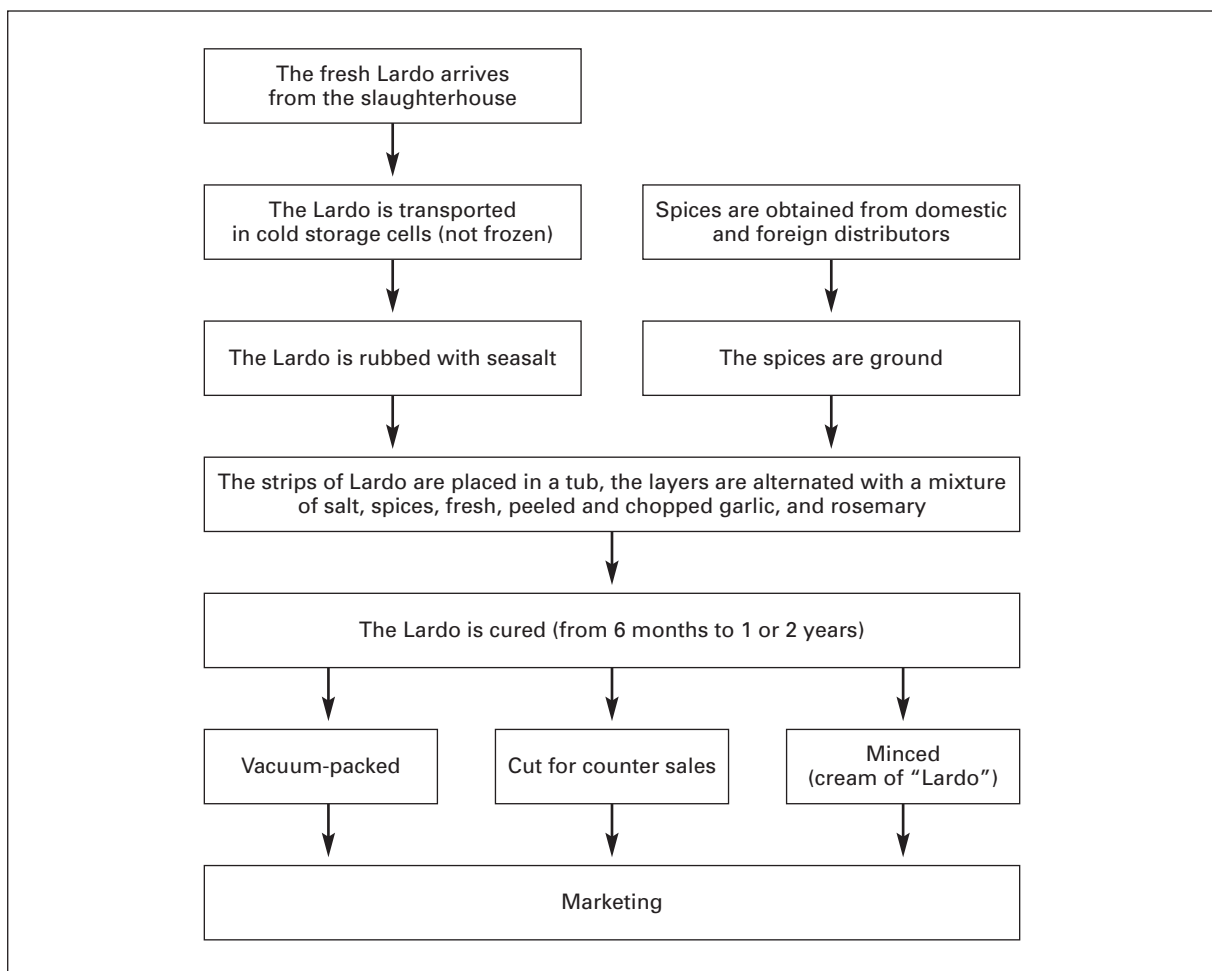
- In the case of Lardo di Colonnata, the sales channels range from direct sales in the town to tourists, as well as local consumers, sales to the large scale retail trade, long distance sales and sales carried out directly by producers to private or commercial end users (direct mailing of the vacuum packed product to traditional retailers, catering businesses and end consumers), which represent the main methods used to market the product.
- The outline provided below for the Pecorino Toscano PDO supply chain identifies the operators involved in the various stages of the production, processing and marketing processes, and the presence of various types of products, although it focuses on the types of distribution channels used for the “Pecorino”. This representation can be accompanied by a quantification of the flow between the various stages according to a set temporal reference.

The final phase of the analysis consists of examining and describing the *supply chain function*. The supply chain analysis pays particular attention to relationships of a vertical nature, highlighting the distribution mechanisms of the product's end value and added value, studying the relations of collaboration and dominance between the various phases of the supply chain. In particular, it is a good idea to analyze the relational strategies between agents on a vertical level, discovering whether there are any mechanisms of coordination between the same, as well as on a horizontal level, in order to understand if there are relations of collaboration or competition within the same phase, or whether the two components coexist.

It can be particularly important, for instance, to understand how the added value is shared between the various stages of the supply chain. In the case of typical products, it would be a good idea to look in more detail at how

much of the added value remains at the agricultural phase, or whether it has repercussions within the local system and how much, as often happens, becomes the exclusive margin of the distribution system and, in particular, mass distribution. Identifying these positions of dominance may be useful for adopting collective response strategies that make it possible to increase the contractual power of the weaker phases or operators. These are important aspects not just for the companies but also for assessing the fairness of the valorisation process.

Finally, we should not forget the *public operator policies* which can restrict or facilitate the development and valorisation strategies of supply chain operators. These include market regulation rules, quality regulations (i.e., the restrictions imposed on typical products by health and hygiene regulations) and investment opportunities, which operators often know nothing about.



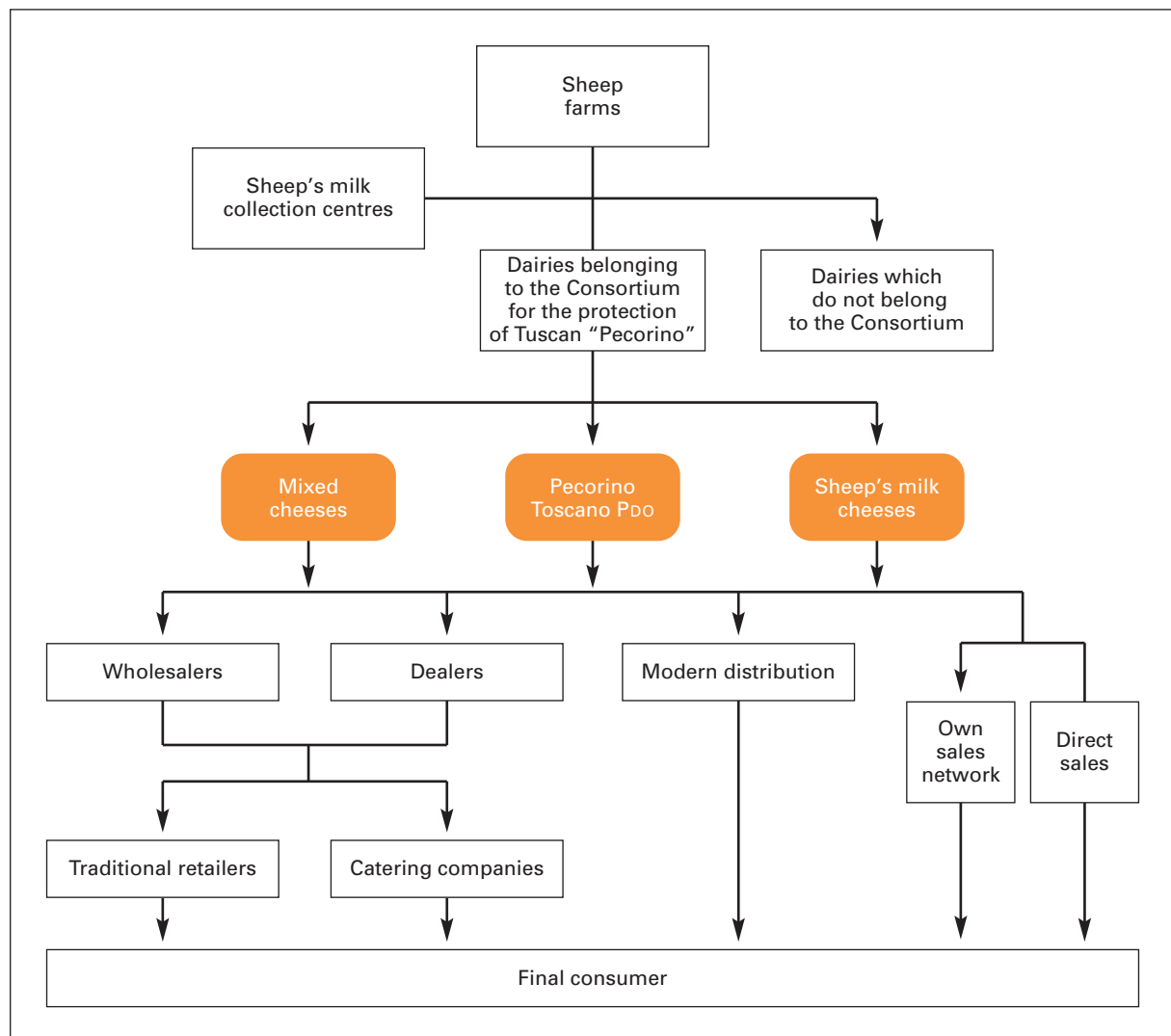
The production process for "Lardo di Colonnata"

The main advantages of a supply chain analysis include:

- identification of the critical points of the production process and any bottlenecks;
- identification of the control centres in the agri-food production process;
- analysis of value distribution mechanisms between the various phases of the process and the various types of operators;
- analysis of the advantages and limits of the various types of sales channels used;
- evaluation of the critical points (inefficiency, unfairness) for calibrating public and private interventions;
- possibility of making time and space comparisons.

Amongst the risks and limits of a supply chain analysis, the following aspects should be considered in particular:

- it does not permit an analysis of all business behaviours and, in particular, the aspects linked to the socio-economic and institutional environment;
- it can result in the undervaluation of relationships between companies, the other agents and the territory;
- it does not make it possible to understand the activities of highly diversified and globalized companies: it is more useful where the actors are more specialized (single products or mainly directed towards one product/uniform category of products).



**The "Pecorino Toscano" PDO supply chain:
identification of the operators and description of the distribution channels**

The analysis of relational networks

Adanella Rossi, DAGA-Pisa

Networks offer a particularly effective conceptual outline for studying local production systems and forms of interaction between the multiple subjects in the same – and between the latter and the external ambient. According to this mode, the individual actors – the companies present in the territory and outside the same, either individually or in association, as well as all the other “stakeholders” previously considered, such as local and supra-local Authorities, Associations that constitute expressions of the local community, as well as, more in general and outside the territory, the scientific world and civil society (consumer, cultural associations, etc.) – appear to be connected by networks of relationships, through which they exchange tangible and intangible resources, actively contributing to the formation and evolution of the same.

The analysis of a network can be effectively applied by studying local systems dedicated to the realization of typical agri-food products where, as we have already seen, the interaction between the actors assumes a significance that goes beyond the mere commercial valorisation of the products to involve multiple resources, values attributed to the products and their production processes, valorisation and development objectives.

The organizational process which constitutes the basis for the construction and valorisation of a specific quality takes place within these networks of relationships: the maturation of a sense of identity and a common representation of local specificities, the sharing of the same concept of quality and, subsequently, cooperation in identifying and implementing technical production rules and instruments of commercial valorisation and protection for the products. Similarly, recognition and appreciation of the products offered tends to occur within relationships with the broadest external contexts.

In order to define this analytical approach more clearly, it is a good idea to look at it in more detail. At the basis of a network analysis there is, therefore, a representation that sees the actors, urged by the need to realize their objectives, interacting with their environment and establishing specific relationships through which they can exchange resources of a tangible and/or intangible nature (goods, services, information, values, financial capital, rules, etc.). Each resource circulates through an appropriate relational structure with specific phys-

ical infrastructures and rules of communication and exchange. Physical goods travel on roads, information travels in verbal or written form, by cable or through the airwaves, etc. Each resource thus has specific channels of circulation and each agent drawing from the same constitutes a node in these relational structures.

These relational structures are, in fact, called *networks* and, by definition, are made up of three or more agents, each of which interacts with at least one other agent. In a network, the actors are interdependent since each one of them is connected to others who, in turn have other connections, and the relational structure they belong to, created by themselves, constitutes a source of opportunity as well as a limitation to individual actions. The relevant autonomy each agent has to choose the agents with which to enter into a relationship should, however, be emphasized. Each agent can simultaneously belong to several networks; the resources obtained through a network can be used to operate on other networks (such as, for example, in the case of intangible resources transformed into a production trade mark). Each actor in the network can, thus, be seen as a switch that can transform resources into other resources.

The network involves the participation, as actors, not just of people but also of various resources. These are the result of processes of consolidation with shared meanings, and once produced can condition the evolution of the networks to which they belong. Amongst these the following assume particular significance: codes, regulations, technical rules, laws and physical elements. Material infrastructures, for instance, influence the possibility of meeting and interacting; technologies condition the methods of organizing work; the availability of specific languages gives people the chance to build and communicate their own perceptions and visions, creating specific social representations.

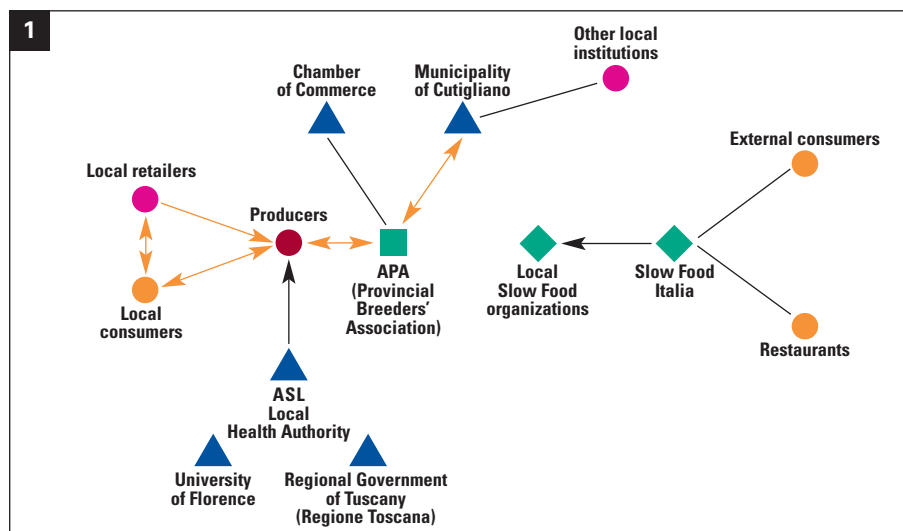
The network thus represents the fruits of ongoing “structuring” within a dynamic and dialectic relationship between the structure and the actions of the actors. The interaction between the actors also triggers a force field that determines a continuous restructuring of the resources and relations of power within the network. This ongoing process of construction, reproduction and modification of the networks resulting from the actions of the actors highlights the characteristics of the actors themselves but, above all, their relative position in the various relational networks, which itself can be modified

over time. In particular, the role of each actor within a network is linked to individual ability, accumulated experience, the position occupied with respect to the flow of resources and the chance to access the same, in conditions of autonomy or dependence, centrality or marginality.

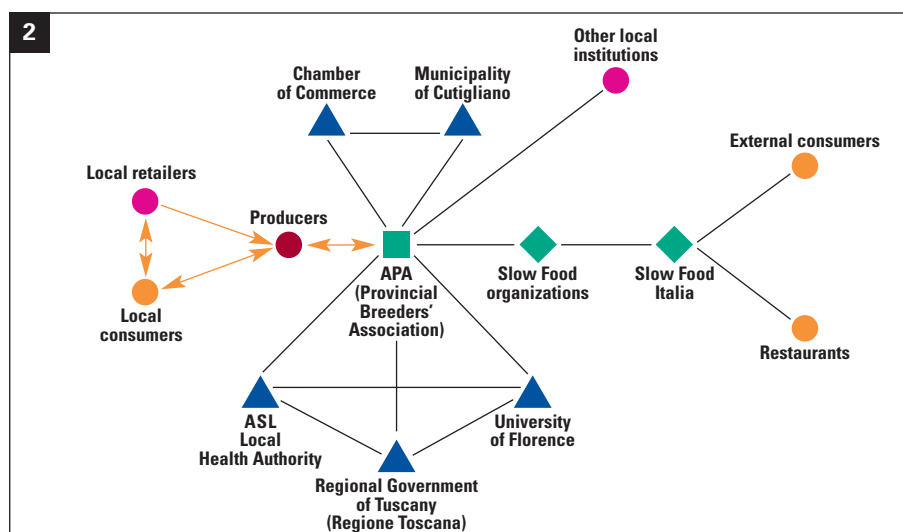
The combination of these elements – the types, characters and intensity of the relations making up the networks and the relative position occupied by the actors – has a direct influence on the construction and evolution of alliances (i.e., consolidations of specific relationships within the networks) and conflicts (i.e., deterioration or breakdown of relationships) within the same, positions of power and weakness, and the intensity of the connections with other networks. Using these terms it is possible to interpret important aspects of the

development of the socio-economic systems, starting with the behaviour and strategies of the actors themselves:

- conditions of autonomy or dependence with regard to accessing resource flows, strictly linked to the position occupied with respect to the same;
- collaboration relationships, through which the actors, starting with a shared nucleus of meanings (a common identity, a common vision of reality and the relevant problems/opportunities, a collection of rules) and acting on the relational structure, create access to and a chance to use the most advantageous resources;
- relations of competition or of conflict, the latter resulting from challenges to previously shared meanings;



The network in the initial stages



Valorisation

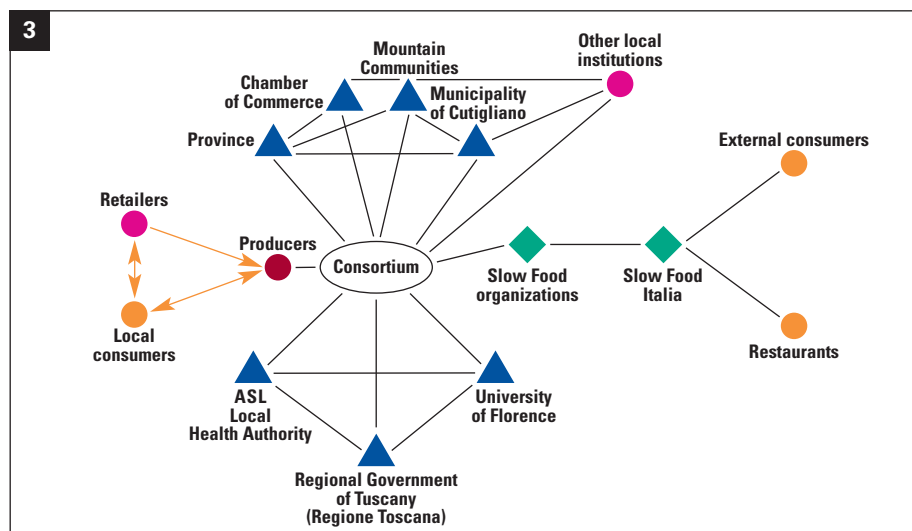
- the importance of the role which can often be carried out by actors able to act as an interface between different networks that are not always directly connected, making possible and facilitating the exchange of resources (information, knowledge, values);
- the importance of sharing objectives between several actors for a competitive and synergic use of the resources to which they have access and, more importantly, the resources which are not directly accessible on an individual level since they are the result of a collective action (the landscape, the variety of products offered, the cultural heritage).

A network analysis aims to identify and define these relationships and their evolution over time in order to represent the organization of

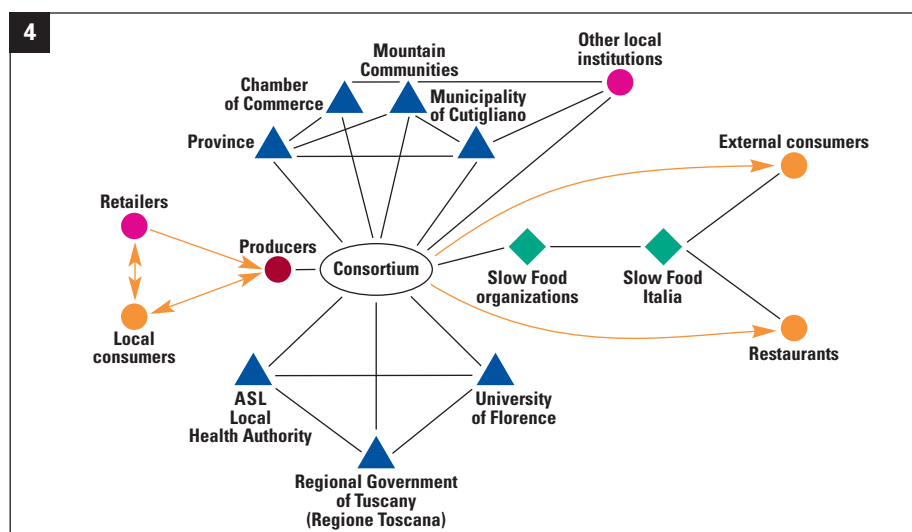
a collection of actors and, therefore, to study the impact that this relational structure has on the actors themselves and their actions. When conducting a network analysis, it is necessary to define the essential elements, such as the nodes, related to the type of actors involved (individuals, groups, formal and informal organizations, communities, etc.), the role played by the same in the network, the content and form of the relationships set up, with reference to the tangible and intangible elements being exchanged, and the purpose of belonging to the network.

In order to illustrate the evolution of networks over time, it is particularly effective to adopt the so-called “*transfer cycle*”, which sees this process of development as a pathway of learning and social construction in which it is

**Alliance
for local development**



**Expansion
of the commercial
network**



possible to distinguish a succession of different phases:

- agreement on a common representation of the external situation (i.e., a sharing of knowledge, values and identities), generally within a group of promoter subjects;
- involving and making other subjects aware of this representation and subsequently defining common objectives and strategies;
- fixing a series of rules, routines, shared meanings (i.e., no longer the subject of negotiation) that permit an “alignment” of the actors’ behaviour and thus the functionality of the network over time;
- the mobilisation of the network, its interaction with the outside and thus, connections with other subjects to form other networks.

In the case of valorisation processes for typical products, this succession of phases may be described as follows:

- raising consciousness amongst local actors (generally some agents act as promoters) about the value of specific qualitative attributes of the products and the inherent potential of a common valorisation action;
- searching for new support for the concept of quality being defined and, thus the objective of the common action, through the progressive involvement of other actors who do not just belong to the world of production (generally this phase comes to an end when the shared action objectives are defined, such as the need to write/adopt guidelines or to formalize the cooperation);
- consolidating the network around the shared concept of quality and consequent adaptation of the behaviours of the individual agents to the common objectives (coherence), assuming specific roles within the network;
- the communication of a specific quality to the external ambient, through the implementation of a common action, by the network operating as a single subject, can be symbolically represented through specific indicators (names, brands, images) and connected to other subjects to form other networks.

Each phase in the process of construction and valorisation of a specific quality creates a particular configuration of the network and specific events that generate a change of perspective (for example, the formalization of the network with the constitution of a consortium,

a split within the organization, the approval of guidelines, etc.).

It is possible to visualize the networks and the relevant evolutionary process through a schematic interpretation highlighting the actors involved in the various phases (companies and other agents), the relationships which are progressively set up, the resources exchanged throughout these relationships (for example, values and knowledge linked to different concepts of quality), and their spatial dimension.

The graphic representation can be accompanied by an outline containing details about the roles represented in the network by the individual actors, their sphere of action, the purpose of belonging to the network, the resources exchanged, the quality concepts contributed.

The case of raw sheep’s milk “Pecorino” from the Mountains and Valleys of Pistoia

- The raw sheep’s milk “Pecorino” from the Mountains and Valleys of Pistoia is a product that belongs to local tradition which, in recent years, has been the subject of an intense valorisation process promoted by the producers, united in a Consortium, in collaboration with the Slow Food movement. The process is aimed at valorising the product by adapting the traditional production techniques whilst respecting the basic principles of the same, integrating commercial valorisation with preservation of identity and local development, and has progressively involved many other local actors, allowing the local production system and, to a certain extent, the territory, to enter into wider relational networks. With regard to the analyses of communication dynamics that have taken place and are still ongoing within the process, network analysis has proved to be particularly effective. Similarly effective is the graphic representation of the network and the various phases of the same, some examples of which are provided below.

Context analyses: PEST, SWOT
Massimo Rovai, DAGA-Pisa

The objective of context analyses is to systematically analyse the various factors that positively and/or negatively condition a certain production system and, for this reason, they represent another important phase in the valorisation process as they make it possible to “calibrate” any action strategies that have to be defined in the subsequent *strategic valorisation plan*.

In order to suitably and systematically conduct an analysis of the environmental context in which the local production system is placed, economic business theories identify and define a *macro-environment* (an environment the company is unable to “influence”) and a *micro-environment*, within which the local production system is located and in which the company has some margin for manoeuvre in order to modify the same.

When we speak about *PEST analyses* (an acronym of *Political, Economic, Social and Technological Factors*), we are referring to the analysis of the macro-environment.

The *SWOT analysis* (an acronym of *Strengths, Weaknesses, Opportunities and Threats*) refers instead to the analysis of the micro-environments, meaning the more specific context in which the local production system operates, i.e., the potential markets, the main competitors, the characteristics of the supply chain operators, the features of the consumers, etc. (*opportunities and threats*), as well as the “internal” characteristics of the production system such as, for example, the features of the companies, their level of entrepreneurship, the production costs, the qualitative level of the products, etc. (*strengths and weaknesses*).

To conclude, even if, as we shall see later, these two instruments overlap to some degree, the PEST analysis can be seen as a preliminary analysis to the SWOT analysis that is identified as an instrument normally used by companies in the preliminary phase of their marketing plan.

a. PEST analysis

A PEST analysis aims to analyze the external factors that are normally beyond the control of the company (or local production system)

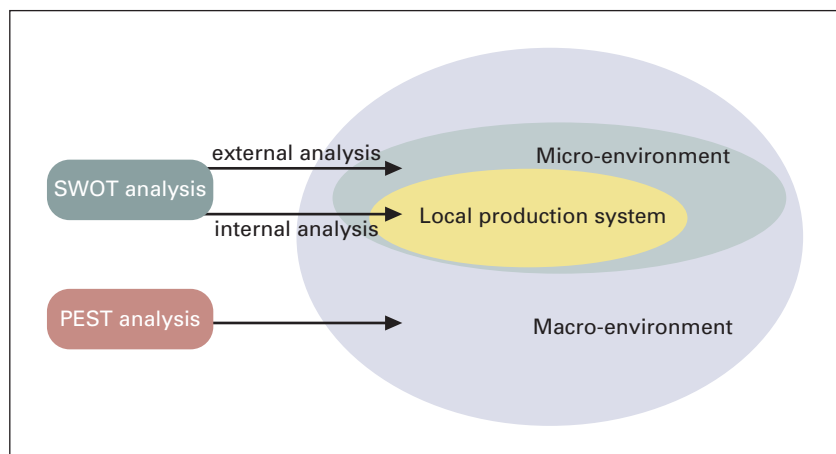
which are often presented as threats (hence the term “PEST”). In reality, these factors should not always be seen as threats since the evolution of the external context can offer new opportunities, leading some analysts to use the more optimistic term “STEP” to indicate the analysis with which the company (or local production system) should begin, to be followed by a SWOT analysis.

Adopting a *PEST analysis* to analyse the potential of a valorisation process for a typical product means asking oneself which opportunities and threats can be derived from an analysis of the framework of general and specific sector policies, the general economic situation, the evolution of the social context and the application of technologies. Below are some ideas for formulating a PEST analysis, provided in question form. Obviously, this analysis should be calibrated according to the specific characteristics of the production system analysed.

Political factors: for analysing the regulatory framework in terms of policies regarding territory, agriculture, rural development, etc., asking, for example:

- What do the economic development policies on a regional level state? Do they encourage the development of local production systems or not?
- What are the current policies of the agro-industrial sector?
- What do the regulations regarding food safety and product traceability state?
- What is the sense of direction of the EC agricultural policies and rural development policies?
- What do the regional and/or provincial level Rural Development Plans state?

Environmental context analyses



Economic factors: for analysing the economic framework on a general as well as a territorial level asking, for example:

- What are the development prospects for traditional agriculture?
- Is it possible to identify examples of success/failure of valorisation strategies in other situations? What have been the benefits for producers and for the territory as a whole?
- What is the trend of agricultural revenues in the area being studied and for companies “potentially” interested in a valorisation strategy?
- What other local subjects can “benefit” from the setting up of a valorisation process?
- Is it possible to set up “alliances” with other local subjects?

Social factors: for analysing the dynamics related to the attention paid by consumers and society as a whole to the typical products and the meaning of their assumptions, asking, for example:

- What are the recent consumption trends for typical products?
- What significance does the quality of a typical product have for consumers?
- How is the concept of quality of a typical product evolving?
- How widespread within society is the importance of safeguarding/developing a local production system aimed at maintaining biodiversity, local culture, etc.?
- On a local level, how crucial is the aspect of local identity promoted by the potential “typical product” considered to be?

Technological factors: for analysing the role that technology can play in order to identify potential “competitive advantages” that can be used by the local production system, asking, for example:

- Which innovations can be introduced, at the various stages of production that, without modifying the product, can make it possible to improve the process as a whole?
- Are the distribution channels currently used considered to be satisfactory?
- Is it possible to adopt innovative forms of communication/sales with consumers?
- Which instruments can be used to communicate the “specificity” of the product to consumers/society?

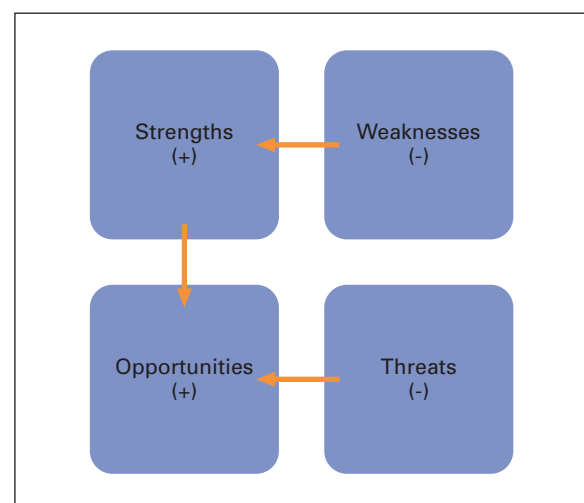
b. SWOT analysis

The SWOT analysis is certainly one of the most widespread environmental context analyses which, if referred to a company, aims to represent the current situation of the same, its abilities, future expectations and any threats, and can be described as follows:

<i>S</i> = Strength	<i>The company's strengths</i>
<i>W</i> = Weakness	<i>The company's weaknesses</i>
<i>O</i> = Opportunity	<i>The opportunities offered by the market</i>
<i>T</i> = Threat	<i>The threats from the market and external environment</i>

The analysis of the *Strengths and Weaknesses* involves an internal analysis of the company (local production system) in order to define its potential competitiveness. In general, the *Strengths* are the elements which lead the company (local production system) to consider itself to be in an “excellent” condition, capable of promoting the development of the same, whereas the *Weaknesses* are the “critical” elements of the system which need to be improved or overcome in order to develop effective actions.

The *Opportunities* are the possible advantages that may derive from the external context on which it is not always possible to intervene directly and, therefore, it is necessary for the organization to identify special control and monitoring structures so that these opportunities do not become threats.



SWOT analysis



Foto A. Marescotti

Maturing of "Pecorino" cheese

Finally, the *Threats* refer to external factors, and consist of future events or changes that constitute potential risk factors which could negatively condition the results of the strategy and therefore need to be overcome or removed.

The effectiveness of this survey method depends on the ability to effect a "cross" interpretation of all the factors identified in order to set up strategies to play on the strengths, to eliminate, or diminish the weaknesses, as well as to maximize the opportunities and reduce the threats (risks).

The results of the analysis are usually presented in the form of a concise matrix (see the *figure* on the previous page) and then described in more detail.

A SWOT analysis is a logical type procedure, developed within the sphere of business economics, with which it is possible to make the information collected on a certain subject systematic and usable (for example, using the survey techniques described above), providing fundamental information for defining action strategies. A SWOT analysis is based on the "perceptions" about the reference context of whoever is carrying out the analysis and is an analysis



Foto A. Marescotti

Storage tomatoes

of a prevalently qualitative nature. For these reasons, the comprehensiveness and validity of the assessments carried out with a SWOT analysis are closely correlated to the comprehensiveness of the "preliminary" survey.

A SWOT analysis is a useful instrument not just for companies wanting to define marketing actions, but also because its procedural logic can be used effectively in other spheres of action, such as, for example, the study of a valorisation process for a typical product which, we should remember, involves various "actors", each of which brings specific "demands" based on the field surveys.

However, a SWOT analysis can also be used in a more direct way, as an instrument of comparison and discussion between the various "actors" interested in a valorisation strategy in order to achieve a "shared" vision of the context in which it is necessary to operate. Very often, in fact, there are contrasting opinions within a local production system (for example, what one local producer considers to be an opportunity might represent a threat for another) and, therefore, if these diverse views are not suitably discussed and overcome, there is a risk of "internal" conflict, which could thwart any subsequent action strategy.

In the light of these considerations, we will now try to provide some general pointers about the aspects that should be covered by the SWOT analysis of a system involved in the production of a typical product, making a distinction between:

- *endogenous factors*, i.e., all the aspects that are an integral part of the system itself, on which it is possible to intervene in order to pursue prearranged objectives;
- *exogenous factors*, i.e., the variables external to the system that can condition the same both positively and negatively and on which it is not possible to intervene directly, although it is a good idea to have control “structures” for preventing the negative effects and exploiting the positive ones.

Endogenous factors

- The socio-structural characteristics of companies.
- The qualitative level of the production and the level of standardization of the product.
- The “externalities” linked to the typical product.
- The production techniques.
- The level of competition/cooperation between producers.
- The relations with other local actors.
- The role and interest of local public institutions.
- ...

Exogenous factors

- The characteristics of the sales channels.
- The characteristics of the demand for typical products.
- Relations with downstream clients.
- Potential competitor products.
- End consumer expectations and requests.
- Rural development policies.
- The raising of financing.
- ...

9.3 How to evaluate a valorisation initiative

The evaluation of the results of a valorisation strategy for a typical product is a very important activity that should not be considered as an end in itself, but as an intermediate activity to be constantly carried out throughout the strategy realization process, also in relation to the individual valorisation initiatives making

up the same. Evaluation makes it possible to carry out the necessary adjustments in order to achieve the objectives of the valorisation strategy.

The evaluation of an activity is not easy, considering the plurality of subjects involved in the production system of a typical product and interested in its valorisation.

As we have seen this plurality of subjects corresponds to a plurality of roles which are attributed to the typical product and, thus, a plurality of objectives that the various parties intend to pursue, positions that are reflected in the process used to define the valorisation strategy.

The launch of a valorisation process for a typical product involves the setting up of complex dynamics in terms of local production systems, marketing and promotion, affecting economic operators as well as the other local subjects concerned. In the normal process of development for valorisation initiatives (growth of economic dimension, market power, complexity of management, visibility in the media, etc.), these dynamics lead to alterations on an organizational level and a change to the value base, as well as the interests and objectives pursued, modifying the equilibrium on which the economic, social and environmental sustainability of the valorisation initiatives is based.

In this context, there is also a modification of the position of the subjects which were extraneous to the definition of the valorisation strategy for the typical product but which may have to be considered in the evaluation should they assume a collective viewpoint.

It is, therefore, important to specify from which point of view the evaluation of the valorisation strategy (or single initiative) is operating:

- the point of view of the person, or persons, drawing up the strategy, in terms of efficiency in achieving the expected results. In this case it is a good idea, during the definition of the strategic plan, to specify the final and intermediate objectives to be achieved, defining – where possible – the indicators with which it is possible to measure the achievement of the said objectives. These indicators can be of a quantitative or qualitative nature and can range from the volume of product sold, to the variation of the price of the same, to the number of companies involved or the effects on employment or on activities in the territory linked to the product, such as catering or farm holiday activities;

Vineyards in the Volterra area (Pisa)



- the individual or collective point of view. A positive general result may be obtained from balancing different kinds of situations: some companies may have improved their position as a result of the valorisation strategy at the expense of other companies. In this case, an individual evaluation from the point of view of the companies that have benefited from the strategy will show positive results whilst an evaluation from the point of view of the other companies will be negative. Similarly, from a collective point of view, the evaluation should take into account all types of effects, giving importance to each one. It is also important to assess how the benefits (and costs) are distributed amongst the various categories of subjects;
- the more general point of view which also considers the unexpected and unforeseen effects of the valorisation strategy that may also concern subjects who did not participate in the definition of the same. In this perspective, in addition to the effects on the production system of the typical product, it is also necessary to consider other types of effects connected to the different aspects linked to the product: for example, the negative impact on the environment caused by a change to the traditional agroecosystem as a result of the intensification of cultivation or the effects of social cohesion that may be triggered by the strategy. In this case, the evaluation should always be carried out by collective stakeholders, for example the local public operators. The latter should firstly

aim to identify all the various types of effects determined by the valorisation strategy and subsequently evaluate the same.

The perspective from which the evaluation of the valorisation strategy of a typical product needs to be carried out becomes even more complex due to the need (as highlighted several times in this *Guide*, particularly in chapter three regarding the concept of “valorisation”) to consider the overall value generated in the course of the valorisation initiatives and the consequent need to evaluate the possible effects, taking into account the direct and indirect economic effects, as well as the non economic effects on the various capitals involved in these actions: natural, social (trust, organizational ability, regulations, institutions), human (knowledge and skills) and cultural.

It is very important to consider the sustainability of the valorisation strategies of the products in a broader sense, from an economic, social, cultural and environmental viewpoint, because it should not be taken for granted that all aspects of these processes always have a positive outcome. It is necessary to take into account the dynamic character of these processes in terms of their technical-physical as well as their relational-organizational dimension, in their complexity and non-linearity and, thus, consider the possibility that they may generate not just cohesion and agreement but also conflict and rifts and that – alongside the benefits for those who set them up – they could also create disparity and imbalance in the territory.

As already stated in the first part of the *Guide*, this makes it necessary to consider a series of aspects:

- the emergence of weaknesses or conflicts within the production, marketing and promotional systems, requiring organizational restructuring with consequent situations of instability or difficult sustainability over time;
- the emergence of possible tensions and conflicts within the territory due to the prevalence of certain interests within the local community, or due to the entrance of external subjects offering different visions and objectives;
- the occurrence of situations of true and proper exclusion of some subjects from participation in the initiatives;
- the loosening of the links between product and territory (the heritage of knowledge and skills, culture and tradition, environmental characteristics), resulting in a kind of de-typicalization, a loss of identity, which is not infrequent in the development processes of valorisation initiatives;
- changes in the relationship between the production system and the environment (landscape, genetic heritage, hydrogeological structure, soil, water, etc.), putting the actual reproduction of environmental resources at risk.

A second fundamental dimension to be considered is the *fairness* of the valorisation process: taking into account the distribution of the economic value created between the various agents directly involved (this should also not be taken for granted as it is well known that the distribution of the added value created is not always balanced, often being to the disadvantage of the subjects in the phases further upstream in the supply chain, further away from the end market), as well as the distribution of the benefits created within the local community. This evaluation should be made in economic terms, with reference to the more general effects on the local economy, rather than solely on the activities of the companies involved, as well as in terms of the effects on the quality of life considering the impact on various capitals. The latter aspect is particularly important because it refers to the role that the valorisation strategies and initiatives play in the rural development processes of the individual areas, also putting their evaluation back into a territorial dimension.

Other aspects are important in ensuring the success and sustainability of valorisation strategies, albeit in a more indirect way. These include the role played by public subjects in relation to the type of support provided (or not provided) to the initiative, as well as the importance of the same to the actual success of the strategy. Similarly important is the ability of the local system to develop internal learning processes which will make it possible to ensure the growth on a managerial level of all the operators (albeit with the presence of leader figures that often play a fundamental role in the launching of initiatives), and to acquire autonomy in terms of image and ability to relate to the external ambient (with respect to the support provided by external subjects, as is the case for subjects of particular importance on a communicative level: in this sense, the support provided by the *Slow Food* movement is emblematic for many valorisation initiatives).

In order to try and summarize what has been said here (and previously), a conceptual outline for evaluating valorisation strategies and the initiatives making up the same, considering the effects from all angles (economic, social, environmental), could attempt to consider, in logical succession:

- the relationship with the market and commercial performance;
- the organizational dynamics present in the system of the subjects involved;
- the role played by public support;
- the effects on the territory.

For each of these aspects, which are introduced briefly, some key questions have been identified in order to analyse the valorisation strategies/initiatives in more detail. For the analysis of real cases, these questions should be formulated, right from the launch of the valorisation strategy, taking into account the characteristics of the typical product considered and the objectives pursued.

The relationship with the market and commercial performance

The growth of the typical product's ability to relate to the market, in relation to the type of qualification adopted for the same, and the outcome of the strategy on a commercial level, represents one of the fundamental aspects of the success of a valorisation initiative and its continuity over time. As already stated several times in this *Guide*, the valorisation on the market of a typical product can make it possible

to remunerate and reproduce specific local resources and the production practices linked to the same, thus creating the conditions for reproducing the system.

Market success depends on the use of instruments of qualification which are shared and effective with regard to the external ambient, as well as an adequate management of the marketing aspects and, therefore, of the relevant skills acquired/possessed by the operators involved. Using suitable marketing strategies it is possible to obtain positive results but also, from a less traditional viewpoint, encourage consumers to cultivate an active attitude towards the search for quality products, getting them involved in the valorisation process, based on shared meanings and values.

Key questions

- Have the typical product and the local production system strengthened (or created) their own image with regard to the external ambient (on the market, in the media) over time?
- Have instruments of qualification been developed for the typical product that exalt its distinctive features?
- Are these instruments actually being used by companies? With which individual evaluations (in relation to benefits versus costs)?
- Have new sales channels been set up for valorising the product?
- What are the trends of the market variables: market share, rate of production growth, price differential, profit, brand loyalty?
- Have there been any effects in terms of income and employment for supply chain activities in the area?
- How are the economic benefits of the valorisation strategy shared between the various types of businesses and the various phases of the supply chain?
- Have commercial relations along the supply chain improved in terms of stability? Have new forms of relationship management been developed?
- How and to what extent has the initiative been able to involve consumers, increasing awareness and participation in the valorisation of typical products and the resources incorporated in the same?

The organizational dynamics present in the system of actors

Alongside the evaluation of the market success of the valorisation initiative, the evaluation of the growth over time of the organizational system developed around these initiatives and, thus, the number and abilities of the actors linked to the typical product – and the systematic relations between the same and the relations the system as a whole establishes with the outside – is another important element in evaluating a valorisation strategy.

The collective valorisation of a typical product requires, first of all, an agreement to be reached by local actors about the quality of the typical product which is functional to the production system's subsequent ability to relate to the external ambient. This process is neither predictable nor "painless", as it can generate imperfect agreements and even conflict.

Moreover, during the growth process of the initiative, changes may take place with regard to the roles and relations between subjects within the local systems of production/marketing/promotion which, over time, can lead to a distortion of the overall values, interests and objectives at the base of the valorisation initiative itself, thus modifying the specific and general effects of the same.

Similarly important during this evolutionary phase is that, even in the presence of leader figures, learning processes should occur over time which make it possible to develop suitable skills in other operators as well, in order to achieve a greater degree of active participation in the decision-making processes and a better distribution of responsibilities.

In the same way, it is necessary for local actors to acquire, over time, adequate and autonomous communication skills with the external ambient, by developing their inter-relational abilities as well as through the consolidation of their own image.

Key questions

- How many producers are involved in the initiatives? Which types of producers have been involved and which ones have remained on the periphery? Why?
- Has a collective definition of the "quality" of the typical product been agreed? What process was used to achieve this result?
- To what extent does this codification take into account the product's relations with the territory and its various components?

- What type of organizational changes have occurred during the development of the strategy (role and relations between subjects, addition of new subjects)?
- What is the current level of agreement between local actors on the “quality” of the typical product? Which type of contrasts are there between the various types of subjects and the different phases of the production supply chain? What are the reasons for the same?
- Have the strategy objectives changed over time?
- Has communication between the subjects involved in the initiative been well organized/managed?
- Have rules been defined for governing relations between the subjects involved?
- Are there any subjects that have played a particularly important role in launching and developing the initiative?
- Has there also been growth in the other subjects over time in terms of their technical, organizational, managerial and relational skills?
- Has the local production system acquired an adequate and autonomous ability to communicate with the external ambient? Has there been growth in its inter-relational skills? Has it developed its own image?

The role played by public support

The role of public support is an important aspect to be considered in order to correctly evaluate the success of the initiative, taking into account the role played by a favourable institutional context, as well as the long-term sustainability of the initiative, i.e., its reproduction potential, even in the absence of certain favourable conditions that motivated/supported its launch or, conversely, with respect to the possibility of removing any factors hampering its launch and/or success. In general, the public subject can enhance the success of valorisation initiatives by creating a favourable context for interaction between the subjects involved and a positive impact of the initiative on local development. The presence of specific forms of public support (financial as well as technical-organizational, regulatory, or indirect support through training, communication actions, etc.) cannot, however, be considered to be permanent and this poses the problem of finding methods of “survival” for the initiative once support for the same ceases.

Key questions

- Which type of public institutions are involved in the initiative (local and non local)?
- What type of relationships have been established with the same?
- From which type of public support has the initiative benefited (financing, technical-organizational support, promotion, training, regulatory, etc.)?
- What type of public support was lacking for the initiative and/or is still hampering the same?
- Which of the subjects involved benefited from public support?
- How did the public subject influence strategic decisions?

The effects on the territory

The evaluation of the effects of a valorisation strategy for a typical product should also consider the more general impact on the territory and the development processes of the same, i.e. from an economic, social and environmental viewpoint. Therefore it is necessary to consider the more or less direct effects on the local economy (also in terms of the fairness of the distribution of the benefits created), the ability to contribute to developing the self-organizational skills of the local community, the growth of knowledge and capacity for interaction, the contribution made to improving quality of life and the conservation-reproduction of local resources.

This is evidently a very complex part of the initiative evaluation that, however, refers to the full significance of the valorisation process.

Key questions

- Which local resources outside the typical product supply chain have been involved in the product’s commercial valorisation process?
- Has the initiative played/does the initiative play a positive role in the local economy beyond the typical product supply chain?
 - has it integrated with the other economic activities in the area? how?
 - has it contributed to creating employment or increasing income in other activities in addition to those directly involved in the initiative?
 - has it contributed to increasing the area’s fame?
 - has it increased the area’s ability to attract tourists?

- to what extent has the local community been able to access the benefits created by the initiative?
- Has the initiative strengthened the local community's self-organizational skills?
 - has it created specific forms of interaction between the various local subjects?
 - has it encouraged participation in valorisation initiatives for local resources?
 - which local subjects has it involved?
 - has it excluded certain groups of subjects from the valorisation process?
 - has it met with the approval of all the local subjects?
 - has it encouraged the development of knowledge and organizational skills in the territory?
- Has the initiative contributed to the preservation/reproduction of the environmental and cultural resources of the area?
 - have the products valorised been realized using production processes that guarantee the reproduction of environmental resources (landscape, genetic heritage, hydrogeological structure, soil, water, etc.)?
 - do the production/commercial valorisation processes make it possible to preserve the specificity of the typical product, to conserve its relationship with the heritage of knowledge and skills, culture and local traditions?

Final considerations

The considerations set out in this *Guide* demonstrate that the valorisation of a typical product is an extremely complex process involving a number of different dimensions that go beyond the strictly economic dimension more characteristic of the business system. A typical product is rooted in culture and tradition and is often closely linked to the environment, landscape and biodiversity. The valorisation of a product affects values that cannot be reduced to just the use value measured by the market price.

The valorisation process of a typical product should, therefore, be viewed from various angles: from that of the supply chain companies, made up of various components according to the type of functions carried out in the process, as well as their dimensions and other characteristics; from that of the inhabitants of the territory in which the product is realized and the institutions representing the same; and from that of the consumers, other members of society and future generations.

The remuneration of the product is linked to the ability of the actors in the typical product system to link the use value of the product to other more complex values and, in this way, keep its production system alive as well as the companies and people connected to the same in whatever way. The collective dimension and economic, social and environmental sustain-

ability of the valorisation of a typical product are aspects that have to be carefully considered when drawing up a valorisation strategy.

This *Guide* has chosen to concentrate on principles, key aspects and problems, rather than on the individual instruments that can be used in a valorisation process which should always be thought of as the means and never the end. We believe it is extremely important to consider valorisation in its entirety, as a process that starts with the mobilisation of local resources and producers, first and foremost, as well as the other actors in the system.

This *Guide* contains more questions than answers. The valorisation of a typical product is, in fact, an open process which has its origins in the product's rootedness in territory and tradition, but which also projects itself outside the territory of origin thanks to the actors who are part of the local system.

Finally, the *Guide* aims to provide concepts and working methods which are based on numerous experiences that have already been launched. On this basis, the operational transfer of the valorisation of a typical product should be extremely attentive to local specificities and the requirements of the actors.

The Authors wish you every success in your work!

Useful Websites for Consultation

Typical products in the European Union and around the world

http://ec.europa.eu/agriculture/index_it.htm

Website of the European Union Commission on Agriculture and food

<http://ec.europa.eu/agriculture/quality/>

Website of the European Union Commission dedicated to PDO and PGI products

<http://www.origin-food.org/>

Website of the DOLPHINS research project on typical products financed by the European Union

<http://www.origin-gi.com/index.php>

Website of the Organisation for an International Geographical Indications Network

<http://www.aoc-igp.ch/>

Website for registered designations of Swiss origin

<http://www.inao.gouv.fr/>

Website of the Institut National des Appellations d'Origine of the French Government

Typical products in Italy

<http://www.politicheagricole.it>

Website of the Ministero italiano delle Politiche Agricole, Alimentari e Forestali
[Italian Ministry of Agricultural, Food and Forestry Policies]

<http://www.naturalmenteitaliano.it/>

Website of the Ministero italiano delle Politiche Agricole, Alimentari e Forestali
dedicated to typical Italian products

<http://www.ismea.it>

Website of the ISMEA (Agricultural Food Market Services Institute)

<http://www.inec.it>

Website of the Istituto Nazionale di Economia Agraria

<http://www.qualivita.it>

Website of the Fondazione Qualivita

<http://www.prodottitipici.com>

Archive website for typical Italian products with information about producers, protection consortiums, festivals and events linked to the territory

<http://www.slowfood.it/>

Website of Slow Food Italia

Typical products in Tuscany

<http://www.arsia.toscana.it>

Website of the Agenzia Regionale per lo Sviluppo e l'Innovazione del settore Agricoloforestale - Regional Agency for Development and Innovation in Agriculture and Forestry (ARSIA) of Tuscany

<http://germoplasma.arsia.toscana.it/dopigp>

ARSIA website about typical products in Tuscany

http://germoplasma.arsia.toscana.it/pn_prodtrad

ARSIA website about traditional products in Tuscany

<http://germoplasma.arsia.toscana.it/pn%5Fgermo>

ARSIA website about the regional germplasm Bank

<http://filiacorta.arsia.toscana.it/>

ARSIA website about the short food chain

<http://www.terreditoscana.regione.toscana.it>

Institutional website promoting relations between products, services and territory: wine trails, farm holidays, ancient crafts and trades

Websites of some of the Tuscan typical products included in the research

<http://www.oliotoscanoigp.it/>

Website of the Olio Toscano IGP - Tuscan Oil PGI Consortium

<http://www.zoomedia.it/AssIGP/index.htm>

Website of the Marrone del Mugello IGP - Mugello Chestnut PGI

<http://www.ccbi.it/>

<http://www.vitellonebianco.it>

Website of the Vitellone Bianco dell'Appennino Centrale IGP - White Calf of the Central Apennines PGI

<http://www.prosciuttotoscano.com>

Website of the Prosciutto Toscano DOP - Tuscan Ham PDO

<http://www.fagiolodisorana.org/>

Website of the Fagiolo di Sorana IGP - Sorana Bean PGI

<http://www.ciliegiadilari.it>

Website of the Ciliegia di Lari - Lari Cherry

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Guide to the Valorisation of Typical Agri-food Products

Concepts, Methods and Tools



Regione Toscana
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Typical agri-food production and rural development are two significant and representative features of Tuscany, a region with demonstrable potential in both areas thanks to its vast heritage of agri-food traditions and recognized PDO/PGI products.

The valorisation of typical agri-food products is difficult to implement due to their strong links with the territory and highly collective dimension. Despite their excellent quality, many products are limited to a more or less local catchment area, characterized by production systems with considerably restricted growth. The increasing interest of consumers in niche and quality products has forced typical products to become recognizable on wider markets.

This *Guide* has been realized as part of the research project “Typical products, perceptions of quality along the supply chain and potential for market development” that ARSIA entrusted to the Department of Agricultural Economics and Territorial Resources of the University of Florence, in collaboration with the Department of Agronomy and Agro-ecosystem Management, the Department of Economic Sciences of the University of Pisa, and the Department of Economic Sciences of the University of Florence.

The purpose of this *Guide* is to provide methodological and operational information to anyone wishing to follow the route of valorisation for typical products, a route that can generate added value thus giving the products the importance and fame necessary for expanding their growth margins. The *Guide* is mainly directed towards technicians and producers as well as local bodies which are attentive to the demands of the territory and willing to act as intermediaries with the relevant institutions in order to launch effective valorisation initiatives.

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