

# GI labelling promotes inclusive food systems, sustainable development

According to a new study, [\*Strengthening sustainable food systems through geographical indications\*](#), food products registered with a Geographical Indication (GI) label promote sustainable development and are economically and socially beneficial to rural areas. These food products boast an annual trade value of over \$50bn worldwide.



Picking Penja pepper. Image Source: [FarmRadio International](#)

The study by the Food and Agriculture Organization of the United Nations (FAO) and the European Bank for Reconstruction and Development (EBRD) analyses the economic impact of GI registration in nine case studies: Colombian coffee, Darjeeling tea (India), Futog cabbage (Serbia), Kona coffee (United States), Manchego cheese (Spain), Penja pepper (Cameroon), Taliouine saffron (Morocco), Tête de Moine cheese (Switzerland) and Vale dos Vinhedos wine (Brazil).

In all nine cases, origin-linked registration substantially increased the price of the final product, with an added value of between 20 and 50%. One reason is that consumers identify unique characteristics - such as taste, colour, texture and quality - in products with GI status, and as such, they are willing to pay higher prices.

"Geographical indications are an approach to food production and marketing systems that place social, cultural and environmental considerations at the heart of the value chain," said Emmanuel Hidier, senior economist in FAO's Investment Centre. "They can be a pathway to sustainable development for rural communities by promoting quality products, strengthening value chains, and improving access to more remunerative markets."

## Case studies: Penja pepper and Futog cabbage

In the case of Penja pepper, a white pepper grown in the Penja Valley's volcanic soil in Cameroon and the first African product to receive a geographical indication label, registration has helped to stimulate a six-fold increase in local farmers' incomes.

"The process - from setting standards to registration and promotion - has benefited not only local farmers, but the whole local area in terms of revenues, productivity, the growth of other connected industries, and importantly, the inclusion of all stakeholders," said Emmanuel Nzenowo, from the Penja Pepper producers' association.

A GI label for the Futog cabbage, grown on the fertile lowlands alongside the Danube River in northern Serbia, has provided a small community of growers with a substantial rise in incomes in recent years, with some farmers achieving a 70% increase in sales prices.

"Since the registration of the product, local producers have begun working more closely together, and this has helped to protect the unique quality of the Futog cabbage and its agricultural tradition. It has also helped to defend its name and reputation, which had often been misused in the past," said Miroljub Jankovic from the Futog Cabbage Association.

## **More than economics: Linking products, places and people**

The registration of products linked to their place of origin has implications running far deeper than economic gains alone. Local producers and processors at the centre of the registration process help make food systems more inclusive and more efficient. Together, producers develop the product specifications and promote and protect the origin label. The creation of such labels also stimulates public-private sector dialogue as public authorities are often closely associated with the registration and certification process.

"In our regions, which neighbour the EU, there is strong interest in GIs from governments as they can see the extent to which they have triggered positive rural development in countries such as France and Italy," said Natalya Zhukova, EBRD director, head of agribusiness. "Now, our agribusiness clients from the retail and processing sectors are also interested in supporting GI processes and markets as they can see that consumers in local and EU markets are interested in food origin and quality."

## **Finding the right balance**

Registration of a GI label follows the laws and regulations defined by each country. Internationally, the labels are regulated and protected under the TRIPs Agreement, a multilateral agreement on intellectual property rights that are recognised by all the members of the World Trade Organisation.

The study recognises a number of hurdles that producers must consider before applying for an origin label. For example, some small-scale or traditional producers may be excluded if product specifications are overly industrialised, or if they are onerous in areas such as packaging.

The report also stresses that environmental impacts must be considered, and specifications must include requirements to protect against overexploitation of natural resources.

## **A tool for sustainable development**

"The unique linkages of these products with their natural and cultural resources in local areas make them a useful tool in the advancement of the [Sustainable Development Goals](#), in particular by preserving a food heritage and contributing to healthy diets," said Florence Tartanac, senior officer in the FAO Nutrition and Food Systems Division.

FAO and the EBRD have been working together to support producers and local authorities in developing sustainable GI products in countries including [Montenegro](#), [Serbia](#) and [Turkey](#). FAO also works with other partners to promote origin-based products in Afghanistan, Benin and Thailand among others.

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