

The Role of Typical Products in the European and International Market: The Excellence of Campania Region

Gino Fontana

Pegaso International, Malta

Fabio Testa

Pegaso International, Malta

Rocco Sessa

Pegaso International, Malta

Abstract

This research has analyzed the process that allows products with a protected name to have a higher sales value than other similar products without certification, in particular regardless the origin and protection of the specific production area. According to a study by the European Commission, which we have examined, there is a clear economic benefit for producers in terms of marketing and increased sales, thanks to the high quality and reputation of these products and the willingness of consumers to pay for it. We focused in particular on the performance of products in the agri-food sector in Campania which seems to be the most significant in terms of export value having contributed 25% to the overall regional export in 2019, more than triple compared with the national one (6%).

Keywords: local food, export, particular certified food, protected origin food.

TYPICAL PRODUCTS AND QUALITY BRANDS IN THE EU

Quality brands protect and promote the origins, traditions and unique characteristics of many typical products of the EU. According to a study published by the European Commission, sales of agri-food and beverage products whose name is protected by the European Union as a "Geographical Indication" (GI) represent a value of 74.76 billion euros. Over a fifth of this amount comes from exports outside the European Union. The study found that the sales value of products with a protected name is on average double that of similar products without certification.

EU quality schemes aim to protect the names of certain products in order to promote their unique characteristics, linked to their geographical origin and deep-rooted competences in the region. Product names fall under the EU's intellectual property rights system, which legally protects them against imitation and abuse. Agri-food products and wines are protected as protected designations of origin (PDO) and protected geographical indications (PGI), while spirit drinks (alcoholic beverages with particular organoleptic characteristics and a minimum alcoholic strength of 15% vol) are protected as geographical indications (IG).

The EU also protects traditional specialties guaranteed (TSG), which highlight the traditional aspects of products without a link to a specific geographical area. The sales value of agri-food products labeled as TSG 207 protected product names in the 28 EU Member States at the end of 2017 amounted to € 2.3 billion. The study we have examined is based on all the 3rd end of March 2020 the total number of protected names has risen to 3,322. From these data it can be deduced that the sales value of products with a protected name is on average double that of similar products without certification.

TYPICAL PRODUCTIONS AND MARKETS

Also according to the European Commission study that we have examined, there is an evident economic benefit for producers in terms of marketing and increased sales, thanks to the high quality and reputation of these products and the availability of consumers to pay for authentic products.

Sales of guaranteed geographical indications and traditional specialties represented an estimated total value of € 74.76 billion, or 7% of the total sales value of the European food and beverage sector, which in 2017 was estimated at € 1 101 billion. of Euro. Wines accounted for more than half of the aforementioned value (39.4 billion euros), agricultural and food products 35% (27.34 billion euros) and spirits 13% (10.35 billion euros). Of the 3, 207 product names that were registered in 2017 (both GI and TSG), 49% consisted of wines, 43% of agri-food products and 8% of spirits.

Greater price advantage for protected products: the sales value of the products under study was on average double that of similar products without certification. The value premium rate stood at 2.85 for wines, 2.52 for spirits and 1.5 for agricultural and food products.

THE NUMBERS OF IGT PRODUCT EXPORT IN THE WORLD

Geographical indications represent 15.5% of total EU agri-food exports. Wines continue to be the most important product, in terms of both total sales value (51%) and extra-EU trade (50%). The US, China and Singapore are the main destinations of EU GI products, accounting for half the value of GI exports.

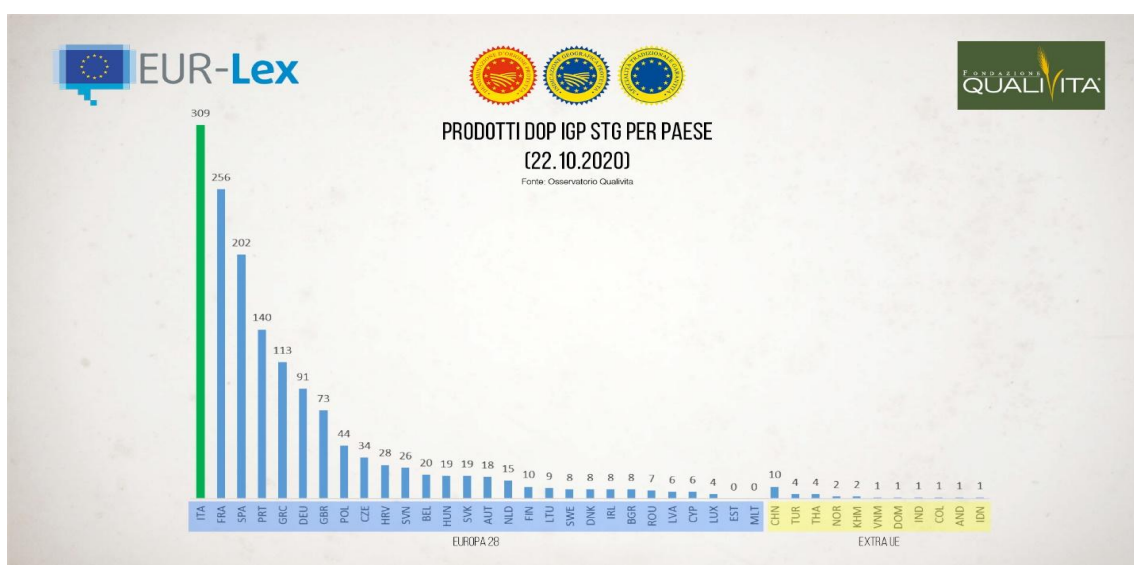
Each EU country produces products whose name is protected at EU level and which are the flagship of the regions' traditional gastronomic heritage and the economic engine of the national agri-food sector.

The EU has concluded more than 30 international agreements allowing for the recognition of numerous EU geographical indications outside its borders and for the recognition of third country geographical indications in the EU. Geographical indications play an increasingly important role in trade negotiations between the EU and other countries. The Commission also spends around € 50 million each year on promoting quality products in the EU and around the world.

ITALY IS THE COUNTRY WITH THE HIGHEST NUMBER OF PDO AND PGI PRODUCTS RECOGNIZED BY THE EU

Italy confirms its absolute leadership, with 309 products from the agri-food sector in the European register (171 PDO, 135 PGI, 3 TSG): in the facts, 21% of Food PDO PGI TSG products are made in Italy. Followed by France with 256 products, Spain with 202, Portugal with 140 and Greece with 113 products. Food products registered during 2020 are 34 in all (22/10/2020): here too Italy is first in terms of the number of new registrations (+9), followed by France (+5), Spain, Greece and Croatia (+4), Hungary (+3), Poland (+2), Portugal and Cyprus (+1), plus the registration of a PDO product in Turkey (+1).

Picture 1: Numbers of products for EU Countries (regardless the IGP, DOP, and STG)



Source: EUR-Lex based on data extract from “Osservatorio Qualivita” (2020).

This data testifies to the great quality of our products, but above all to the strong bond that binds Italian agri-food excellence to their territory of origin. The system of the Geographical Indications of the EU, in fact, favors the productive system and the economy of the territory; protects the environment, because the indissoluble link with the territory of origin requires the protection of ecosystems and biodiversity; supports the social cohesion of the whole community. At the same time, thanks to the Community certification, greater guarantees are given to consumers with a higher level of traceability and food safety than other products.

Picture 2: European classification in the sector of agri-food export



CAMPANIA'S EXCELLENT PRODUCTIONS

Campania has a basket of excellent products whose quality is linked to the vocations of its rural areas. The Campania agricultural system is the first link in an agri-food chain that includes food processing, whose added value is growing and which in 2018 is equal to 1.9 billion euros. The value of agri-food exports in 2018 exceeded 3 billion euros.

THE NUMBERS OF TYPICAL CAMPANIA PRODUCTIONS

In this study we examined the Qualivita- ISMEA from which it emerges that 55 geographical indication brands are present in Campania, 29 for the wine sector (19 Dop and 10Igp), 26 for food (14 Dop, 10 Igp , 2 Stg). In 2017 the Campania region stood out for the impact of GIs in the cheese sector, ranking third after Emilia-Romagna and Lombardy, with an estimated value of € 371 million, an increase of 6% compared to the previous year. Furthermore, in the fruit and vegetable sector the region occupies 4th place, with a value of € 18.7 million and as many as 3 provinces in the top 12 national positions (Naples, Salerno, Caserta). Worthy of note is also the 8th place in the PDO extra virgin olive oil sector, whose value is estimated at € 1.5 million. Thanks to the province of Benevento, the region occupies an important place (8th) also in the fresh meat compartment. Finally, in the wine sector, the region is in 12th place. More than 2,871 producers have joined the Dop-Igp circuits, while in the breeding sector there are 1,567 farmers. Both categories of operators are increasing compared to the previous year, which testifies how the quality linked to the origin represents a strategic lever for the competitiveness of Campania farms.

Picture 3: Italian products with a protected designation of origin (DOP)



Prodotti a Denominazione di Origine Protetta (DOP)

DOP riconosciute dall'Unione Europea

- › Caciocavallo Silano
- › Cipollotto Nocerino
- › Colatura di alici di Cetara
- › Fico bianco del Cilento
- › Mozzarella di Bufala Campana
- › Olio extravergine di oliva Cilento
- › Olio extravergine di oliva Colline Salernitane
- › Olio extravergine di oliva Irpinia - Colline dell'Ufita
- › Olio extravergine di oliva Penisola Sorrentina
- › Olio extravergine di oliva Terre Aurunche
- › Oliva di Gaeta
- › Pomodorino del Piennolo del Vesuvio
- › Pomodoro S. Marzano dell'Agro Sarnese-nocerino
- › Provolone del Monaco
- › Ricotta di Bufala Campana

Fonte: Assessorato all'Agricoltura Regione Campania

Source: Agriculture department of Campania region

Picture 4: Italian protected products (geographical indication IGP)



Prodotti a Indicazione Geografica Protetta (IGP)

IGP riconosciute dall'Unione Europea

- › Carciofo di Paestum
- › Castagna di Montella
- › Limone Costa d'Amalfi
- › Limone di Sorrento
- › Marrone / Castagna di Serino
- › Marrone di Roccadaspide
- › Melannurca Campana
- › Nocciola di Giffoni
- › Pasta di Gragnano
- › Rucola della Piana del Sele
- › Vitellone Bianco dell'Appennino Centrale

IGP in corso di istruttoria

- › Castagna di Roccamonfina IGP
- › Ciliegia di Bracigliano IGP
- › Pomodoro Pelato di Napoli IGP
- › Olio Campania IGP

Fonte: Assessorato all'Agricoltura Regione Campania

Source: Agriculture department of Campania region. The picture contain also the products already in the process to get the IGP.

Another quality production is linked to the organic production method. The Campania region can boast 75,683 hectares of UAA. The main crops are forage, cereals, olive trees and nuts. Operators are clearly increasing, + 43% compared to 2017 and are more than 6,000, of which 5,100 are exclusive producers. The European Union supports the adoption of quality schemes, encouraging both the enhancement of typical productions and those obtained with biological cultivation methods.

FINAL CONSIDERATIONS

In 2018 the value of regional agricultural production was equal to 3.5 billion €, which must be subtracted from intermediate consumption, which amounted to 1,336,196,000 €; the added value is therefore equal to € 2.2 billion. The greatest contribution to the formation of the agricultural added value of the region is given by the cultivation of vegetables, which account for 35%, thanks above all to the production of tomatoes, lettuce and strawberries. The livestock sector follows, with about 20% of the total.

Campania agri-food exports exceed 3 billion euros, with about 30% of the total value exported by the region. 15% of agro-food exports is absorbed by the primary component.

The agri-food sector in Campania is the most significant in terms of export value, having contributed 25% to the overall regional exports in 2019, almost double that of the South (13.5%) and more than triple the national one (6%). Starting from 2015, exports linked to Campania's agri-food products recorded an average percentage change of 4% on an annual basis, reaching a value of almost 2.9 billion in 2019. The growth of agri-food exports was associated with an extension of geographic area of destination, even if today the most important importing countries of agri-food products remain the traditional trading partners of Italy: United States, Germany, United Kingdom and France. Among the emerging countries, Libya and Saudi Arabia are the countries with the highest foreign demand for Campania's agri-food products.

Picture 5: Percentage of exports in the various sectors of agrifood

Percentuale di export nelle varie componenti del settore dell'agrifood (2019)

Agrifood	Campania	Napoli	Salerno	Avellino	Caserta	Benevento
Carne lavorata e conservata e prodotti a base di carne	0,9%	1,5%	0,5%	1,0%	0,4%	1,6%
Pesce, crostacei e molluschi lavorati e conservati	0,6%	0,6%	0,6%	1,2%	0,1%	0,01%
Frutta e ortaggi lavorati e conservati	49,2%	29,8%	80,0%	22,2%	16,2%	2,3%
Oli e grassi vegetali e animali	3,1%	2,6%	0,9%	10,7%	0,3%	15,1%
Prodotti delle industrie lattiero-casearie	10,6%	14,8%	3,7%	0,9%	55,3%	2,3%
Prodotti della lavorazione di granaglie, amidi e prodotti amidacei	1,7%	3,7%	0,2%	1,4%	0,4%	4,3%
Prodotti da forno e farinacei	20,2%	27%	4,1%	48,4%	18,9%	67,8%
Altri prodotti alimentari	12,5%	16,9%	9,8%	14,1%	7,3%	6,1%
Prodotti per l'alimentazione degli animali	1,2%	3,0%	0,01%	0,1%	1,1%	/
Totale (milioni di euro)	2.881	986	1.256	377	193	66

Fonte: elaborazioni della Fondazione Manlio Masi su dati ISTAT

Source: Manlio Rossi Foundation based on ISTAT data (2019)

Considering a higher level of sectoral disaggregation, it is noted how the sectors of processed and preserved fruit and vegetables, and bakery and starchy products have had a high weight in Campania's export of agro-food products. Today, products from these two sectors make up nearly 70% of the region's food exports. Between the two, the processed and preserved fruit and vegetables sector has the greatest weight and alone accounts for more than 49% of total regional exports. In addition, there is a record growth in exports of flour and bakery products, especially to France and Germany.

Agri-food continued to grow in Campania also during 2020 (+ 14%), despite the Covid-19 pandemic, reaching a value of 3.3 billion euros in 2020. provinces with the exception of Naples, the first sector by

volume of exports is the agri- food sector, with the export of Salerno which depends for more than half on this sector. As regards the composition of exports, we can conclude that Naples and Salerno mainly export processed and preserved fruit and vegetables, while Avellino and Benevento have a greater volume of exports from the flour and bakery products sector. Caserta on the contrary holds a high specialization in the products of the dairy industries.

LIST OF CAMPANIA FOOD PRODUCTIONS

Products with Protected Designation of Origin (PDO)

PDO recognized by the European Union

Caciocavallo Silano

Spring onion Nocerino

Anchovy sauce from Cetara

Cilento white fig

Mozzarella di Bufala Campana

Cilento extra virgin olive oil Extra virgin olive oil Colline Salernitane

Extra virgin olive oil Irpinia - Hills of Ufita

Extra virgin olive oil Sorrento Peninsula

Extra virgin olive oil Terre Aurunche

Oliva di Gaeta

Piennolo tomato from Vesuvius

S. Marzano tomato from Agro Sarnese-nocerino

Provolone del Monaco

Buffalo ricotta from Campania

Protected Geographical Indication (PGI)

PGI products recognized by the European Union

Artichoke of Paestum

Chestnut of Montella

Lemon of the Amalfi coast

Lemon of Sorrento

Brown / Chestnut of Serino

Brown of Roccadaspide

Melannurca Campana

Hazelnut of Giffoni

Pasta of Gragnano

Rocket of the Piana del Sele

Vitellone Bianco dell'Appennino Central

PGI in progress preliminary investigation

Chestnut of Roccamonfina IGP

Cherry of Bracigliano IGP

Peeled tomato of Naples IGP

Oil Campania IGP

Traditional Specialty Guaranteed (TSG)

TSG proposed by Italian organizations recognized by the EU

Milk Hay

Mozzarella

Neapolitan pizza

References:

Agriculture department of Campania region.

Manlio Rossi Foundation (2019).

Osservatorio Qualivita" (2020).

<https://eur-lex.europa.eu/legal-content/it/TXT/?uri=CELEX%3A52010XC1216%2801%29>.

<https://www.authentico-ita.org/>.