



# ADDING VALUE TO AGRICULTURAL PRODUCTS: GEOGRAPHICAL INDICATIONS & FAIR TRADE

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# Rationale

- Consumers are increasingly concerned about how the food they buy is produced → **New market opportunities.**
- Explosion in the number of **voluntary standards** that are developed around some main concerns:
  - preservation of biodiversity and the environment **ORGANIC**
  - social welfare and equity **FAIR TRADE**
  - traditions or characteristics linked to geographical origin **GI**
- **Underlying hypothesis:** consumers are willing to pay more to find such characteristics in the product if they have some guarantee.
- Opportunity for smallholder farmers to try to access such and highly rewarding specific markets.

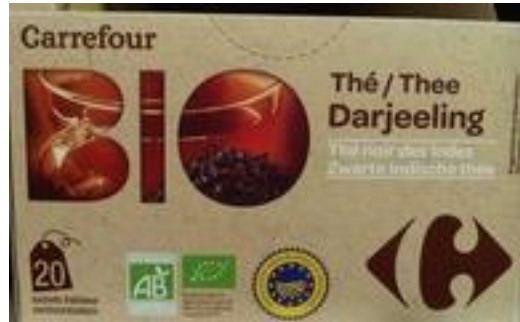
# GEOGRAPHICAL INDICATIONS

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# What is a geographical indication?

- A geographical indication (GI) is **a sign** that is used on products that have a **specific geographical origin** (*e.g.*, town, region, country) and possess **qualities or a reputation** that are due to that origin.
- The GI establishes a **clear link** between the product and its original place of production.
- Geographical indications are typically used for:
  - agricultural products, foodstuffs, wine and spirit drinks, handicrafts, industrial products
- Products reputed for their origin have existed for a long time: wine, marble, bronze, silk, incense were highly reputed due to their place of origin.

# Examples of geographical indications



# Protecting the link between a product and its geographical origin

- **Geographical origin:**

- Natural environment [natural factors ]

- Biological resources: cultivated and processed
- Climate, water of river, wood used for smoking...

- Traditional collective know-how [human factors]

- In using elements of the environment for producing the product;
- But also, taken alone without natural factors.

- These links are reflected in the **GI specifications** describing:

- the product,
- the method of production,
- the geographical area.



For the whole value-chain

# Linking together a product, a place & people

**Natural environment**  
(topography, climate, soil,...)



**TERRITORY**  
**GEOGRAPHICAL AREA**

**Producers**  
(tradition, know-how)



**PRACTICES ASSOCIATED**  
**WITH QUALITY**  
**COLLECTIVE ACTION**



**Specific product**  
(quality, reputation)



**NAME / REPUTATION**



# Function of a GI

- A geographical indication confers:
  - a **non-exclusive** (to all in the community);
  - **individual right of use** of the geographical indication;
  - to each producer/processor/trader of product **complying** with the specification;
  - a right **to prohibit** others from using the name for non-compliant products.



# Objectives of the GI

- To **add value** and **to protect the added value** of the product
  - Access to niche markets & premium prices
- To **fight usurpation**
  - Protecting the reputation of the product
- To promote **rural employment & territorial development**
  - Rural activities prevent rural exodus and foster diversification (tourism, gastronomy).
- To protect **traditional knowledge, biodiversity and landscapes**
  - Traditional know-how / techniques / local-adapted species, varieties & breeds (agrobiodiversity).
  - GI product as an element of identity for the local population
  - Marketing of GI products can prevent their disappearance.

# GI IN THE LAO PDR

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# Institutional context

- **Legislation:**

- **Law on Intellectual Property** (No 08/NA, 24 December 2007) adopted by the National Assembly → Law is revised and amended by the National Assembly in 2011.
- **Decision of the Minister of Science and Technology** on the implementation of the Law on Intellectual Property concerning GIs (No.757/MOST dated 20 September 2012).
- **Decree on GIs** (25 October 2016).

- **Challenges:**

- Documents required for GI registration (application, manual, etc.)
- Type of association that needs to be created for a GI application unclear.
- No clear certification body/procedure identified locally.

# Boloven Coffee

- Coffee planted on the plateau since the 1920s.
- Boloven Plateau:

Production area:	75,000 ha
Production:	70,000 tons
Exports:	30,000 tons
Markets	EU, USA, Asia

- Despite the development of new production areas, 95% of national production still in traditional areas: Champassak (44,975 ha), Saravan (21,204 ha), Sekong (8,008 ha).
- *Arabica Catimor* (rust disease resistant, good yields) introduced in 1992 through foreign support (mainly French).
- Today, extension of *Arabica* and reduction of *Robusta* areas.



# Main issues

- The value chain has **no genuine inter-profession**:
  - Lao Coffee Association (not representative),
  - Lao Coffee Board (not operational).
- **Many stakeholders** with different interests and strategies:
  - Lack of common vision & cooperation over what Bolaven coffee should be and how to get there,
  - Lack of internal communication between stakeholders within the coffee value chain.
- **Little continuous technical support** from the government (foreign financial support).
- **No other GI experience** to learn from.



# Strengths

- **A unique product:**
  - No other country grows *Coffea canephora* at these altitudes and latitude (600-1400 masl at 15°N).
  - Specific climatic (high rainfalls) and soil (ferralitic soils) conditions.
- **Proven experience** of coffee certification by some stakeholders (fair trade, organic)
- Coffee considered as a **strategic commodity** by the GoL:
  - Agriculture Development Strategy to 2025 and Vision to 2030
  - 8th NSEDP
  - Lao National Coffee Development Strategy (quality, value addition, capacity building)

# GEOGRAPHICAL INDICATIONS FOR TEA IN ASIA

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# Shan Tuyet tea from Moc Chau (VN)



- **Product:**
  - Shan Tuyet variety, black & green tea,
- **Locations (Sơn La Province):**
  - Moc Chau (1,500 ha),
  - Van Hồ (1,150 ha).
- **Processing:**
  - All processing stages carried out in the GI area.
- **Production:**
  - Fresh tea leaves: 16,500 tons (80% of the total production of tea),
  - Shan Tuyet processed tea: 3,550 tons

# Darjeeling tea from India



- **Product:**

- Camellia Sinensis L.

- **Location:**

- Specific subdistricts (Sadar, specific areas of Kalimpong and Subtighuri districts) of Darjeeling district.
- 600-2,250 masl.

- **Climate, altitude, soil**

- **Product**

- Whole leaf; broken Leaf, fannings; dust
  - FTGOP: Fine Tippy Golden Flowery Orange Pekoe;
  - TGBOP: Tippy Golden Broken Orange Pekoe;
  - GOF: Golden Orange Fannings).

- **Harvesting**

- From late February to mid November

FAIR TRADE

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# What is fair trade?



- **Definition:** fair trade is a social movement that aims to help producers in developing countries achieve **better trading conditions** and to promote **sustainable farming**.
- **Mission:** to create trade partnerships that are economically equitable and environmentally conscious.
- **Economic goals:**
  - Stabilize and increase the incomes of the farmers
  - Promote labor rights
  - Equal distribution of economic gains
  - Linking consumers to producers
  - Promote consumer awareness of issues faced by the farmers



# FT Standards

## Social

- Democratically organized **cooperatives**
- Encourages the creation of unions
- Regulation of labor conditions
- No child labor
- No discrimination

## Economic

- Minimum FT price
- FT social premium
- Transparent trade relations
- Prefinancing
- Use of the Fairtrade label

## Environmental

- Encourages organic / sustainable practices
- Protection of natural resources
- Dangerous chemicals forbidden
- No GMOs



# ETHIQUABLE

CE QUE JE BOIS

**THÉ VERT**  
**MENTHE**  
THÉ DU VIETNAM



CE QUE JE DÉFENDS

**DES REVENUS SÉCURISÉS POUR LES PAYSANS** Dans cette région réculée, le commerce équitable et les producteurs dynamisent la vie locale en sécurisant leurs revenus dans le respect de l'environnement.



# GIs and FT

- Voluntary approaches for differentiating a product with specific characteristics.
- **Common characteristics:**
  - a **voluntary approach** to address a specific target (niche),
  - **specification**, code of practice related to specific characteristics (social, environmental, culture, etc.),
  - **guarantee system** (verification, certification),
  - **information** (labeling),
  - **whole value chain** approach.
- **Differences:**
  - **FT:** focuses on farmer organizations and also on raising consumer awareness
  - **GI:** focus on a territory.

# Conclusions

- GIs and fair trade are an interesting tools to add-value to agricultural products, differentiate and protect them on global markets, and strengthen farmers and their organizations.
- Asian countries are very dynamic in the area of GIs:
  - Kintamani coffee, Kampot pepper, Nuoc Mam Phu Quoc, Hom Mali rice, Doi Tung coffee, etc.
- Asian countries are not so dynamic in terms of fair trade. Why?
- **Challenges**
  - Need to overcome the lack of awareness among producers and consumers
  - Need to overcome resistance to farmer organizations.

THANK YOU / MERCI / ຂອບໃຈ

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