DEVELOPMENT OF ORIGIN-BASED FOOD QUALITY LABELS IN THE BURSA REGION

Workshop Report: final seminar

December 4th, 2018
1. Introduction

Project background

In 2016, the Food and Agriculture Organisation of the United Nation (FAO) and the European Bank for Reconstruction and Development (EBRD) have launched a project for the development of origin-based food quality labels in the Bursa region, Turkey.

The project aims at:

- supporting pilot GIs in the Bursa region, that could demonstrate good practices for other groups of producers in the region and nationwide;
- strengthening the GI system in the country, from an institutional point of view and, possibly, from a legal/regulatory point of view;
- enhancing quality and value added in the Turkish agrifood sector and improve export market opportunities.

Under the FAO/EBRD cooperation, two GI pilots have been set up – PDO Bursa Black Fig and PDO Bursa Peach. The PDO Bursa Black is officially registered in Turkey and will be soon submitted to the EU Commission for European recognition while the PDO Bursa Peach’s registration is under process.

Seminar objectives

Following the development of two GI pilots, a closing seminar has been organised on December 4th, 2018 at the Hilton Bursa Convention Center; to present the results of the project in particular the steps for GIs development and the control and certification aspects. The participants of the seminar included the following stakeholders: public authorities, retailers, producers and producers’ organisations.

109 people participate to the seminar from 39 institutions and organisations. There were 22 producers and representatives of 7 agricultural cooperatives. The list of participants is available in Annex 1.

Seminar activities

The seminar was organised around two main activities:

- Presentations on project outcomes with lessons learned and discussions on the bets practices and opportunities of such development
- Field visit in Bursa black fig and Bursa peach orchards and at the cooperative with an example of a field control of a GI and discussion about the implementation of the control system.

The agenda of the seminar is available in Annex 2.

2. Main findings

Opening speeches

The seminar was opened by Haci Dursun Yıldız, Manager of Bursa Province Directorate of Agricultural Ministry, Prof. Dr. Ügur Bilgili, Bursa Uludag University, Dean of Agricultural Faculty, Burcu İslam, Principal Banker, agribusiness Türkiye, EBRD and Emilie Vandecandelaeere, Agribusiness economist, FAO who has explained the importance of GI as a tool to contribute to more sustainable food system, and emphasized the key result of the FAO-EBRD project which has provided key methodologies putting producers and their organizations at the centre of the processes of preparation of specification and marketing.
Key methodologies implemented during the project for successful GI achievement

Prior to explain the key steps for the development, Dr. Sertac DOKUZLU of Uludag University, introduced the GI concept. Then, she described the step by step approach used during the project and presented innovative methodologies used in particular to characterise the territory.

An important phase of the project was the identification and characterisation of the GI products. Several methodologies were used such as technical and social surveys, organoleptic tests and chemical and physical analysis of the products’ attributes. Once the products were characterized, the GI area were delimitated based on environmental specifications (climate, soil etc.) using a set of different resource mapping.

Based on these findings, the specification and the control and certification systems were set up before official registration.

In parallel several capacity building activities were conducted to empower producers, activate cooperation among stakeholders and guarantee the success of project implementation: workshops, training, study tour, marketing test.

Round table: the Bursa experience

The two pilot GI Producers and producers’ cooperative admitted that at the beginning they did not immediately understand the importance and the interest of the GI as a development tool. They were listening, participating to diverse meetings. It is only when the study tour in France was organised that they started to understand the meaning and impacts a GI could have. From this date, they understood that the development of a GI was not easy but would positively impact their activity. They started to get committed and deeply involved in the project. Indeed, the development of a GI is a long and challenging process: stakeholders must be committed, and it is recommended to start at small scale and then grow and widespread the concept to other actors/ producers.

Osman Özkan, President of Bursa Region Agricultural Cooperatives Union (Bursa Black Fig) and Haluk Kürel, Vice President of Bursa Region Agricultural Cooperatives Union (Bursa Peach), highlighted the new role of the cooperative thanks to the GI. Before, the cooperative as no key role, solely the storage and packaging of products. With the GI, the cooperative has a new role and for the first time the cooperative is marketing and selling the products. Besides, prior to the project, the cooperative was not representing the unity of voice of the producers: each producer was doing is own business and no more. With this project, farmers learnt to trust each other and to work together. Now they are looking for producers’ unity of voice.

Finally, producers and cooperatives understood that GIs are a tool design for producers to touch the field actors and get them directly benefitting from their activity. The economic benefits of the GI will allow the cooperatives to invest for the common goods especially by investing in materials, furniture and people. For instance, the peach cooperative has the opportunity to hire one of Dr. Sertac DOKUZLU of Uludag University, student to set up the GI system at the cooperative level.

Roundtable session on GI market opportunities

A brief introduction on GI registration process was provided by TPTI.
At first glance, retailers as METRO and Ozdilek were not so keen to buy GI products to the cooperative. They feared the lack of professionality of the cooperative, as in Turkey cooperative are not so trustful and most of the time they are not able to guarantee the quality of services in terms of logistics, quality etc.

It has been a hard work to find a compromise with the cooperative and retailers where Dr. Sertac of Uludag University, DOKUZLU was deeply involved. Commercial contracts have been signed between the stakeholders as well as specific agreements for the marketing test. In addition, because the project was hold by FAO and Uludag University, it provided confidence to the retailers.

Retailers are now very happy with the results of the marketing test, and for instance, METRO said that during the marketing test they could observe an increase of 11% of clients and 49% increase of turnover for fruits and vegetables.

Ozdilek highlighted that the packing design and the quality of the products were good. Consequently, the consumers get a very positive reaction which was not expected by the retailer. Due to the positive reaction of the consumers, Ozdilek offered the cooperative to buy extra amount of product in order to sell in Afyon province as well (Afyon province is the crossroad of several big cities, especially those for summer holidays). Ozdilek continued to work with the cooperatives after the marketing test ended.

Ultimately, retailers said that consumers were very interested with GIs and were pleased to buy a product from a cooperative union.

Q&A

1 – Do we have a cost estimates / analysis of the economic benefits of the GIs? Are we able to know the cost for control and use of the GIs? Faculty of Agriculture

The question of costs, in particular the control cost has been discussed during the designed phase. Jean-Claude PONS realised a cost assessment based on his worldwide experience on GI.

For both figs and peaches, if we consider the additional cost on a constant turnover, the control cost is negligible: about 0,08% for figs and 0,03% for peaches.

In case the control is conducted by a private third party, which is currently not the case, the cost of control may be slightly higher and would be around 0,15% of turnover for the figs and 0,09% for the peaches.

2 – the control system developed is a very nice model and should be promoted. Raising awareness about this process would be highly appreciated. What is the plan in this regard? Audit volunteer

This workshop is a first activity to disseminate lessons from the project to different stakeholders, in particular the users of Turkish GIs attending this event (i.e. Gemlik olive, MAYBİR Muğla honey). Then the methodologies and report on certification and marketing will be available on line.

The following GIs representatives participating to the seminar were: Bursa Knife, Gemlik Olive, Karacabey Onion, Ohangazi Gedelek Pickles, Inegol Meatballs, Iznik Encaustic Tile (ceremic). And also, so representatives of Hasanağa Artichoke, Mustafakemalpasa Cheese Desert, Inegol Sunflower Seeds, Bursa Silk and Inegol Leek which are under GI applications.

3 – Who is in charge of the control? Chamber of Agriculture

There are 3 levels of control:
- Self-assessment at the producers’ level: producers are responsible of their compliance to the Specifications.
- Internal Control: the cooperative shall ensure that the GI producers are compliant with the Specifications. They shall set up a management system to guarantee the credibility of the GI.
- External Control: for the time being, the Ministry of Agriculture is in charge of the control of the GIs. The current Specifications leave the room to involve another third party as private certification body (CB) but currently there is no CB involved in the GIs.

4 – What is the economic benefit of those GIs? Do you have an example? Ministry of Agriculture and Forest

We do not have specific example as such and each GI is unique.

What we could observed during the marketing test is that the figs could beneficiate from a higher price on the market because the fruit is very well-known, and it is a “rare” product on the market. Whereas this increase of price could not be seen for the peaches as there are plenty of peaches on the market at the same period.

Concerning the PDO Gemlik Olive, the GI benefits from a price twice higher than the non-GI products.

It has been reminded that there is no rule in terms of economic returns for a GI product.

It is recommended to use the economic benefits first to invest in the producers’ organisation to strengthen its functioning and ensure a long-term project / activity.
GI management: Field visit and simulation of audit

In the afternoon, a field visit was organised on figs and peaches plots. The day ended with the visit of the peach cooperative and the preparation of Deveci pears.

Jean-Claude PONS, the international GI expert of the project, introduced the importance of control, demonstrated its interest and explained how it should be conducted. He reminded the different types of control: self-assessment, internal control and external control. He insisted on the responsibility of each producer to comply with the Book of Specification. He highlighted the importance of producers and cooperative commitment to not jeopardize the reputation of the GI.

Then, Jean-Claude PONS explained that usually a control is based on three means of verification: document review (verification of the records), field observations and interviews with producers/cooperatives staff. Based on the data collected, the information will be analysed and cross-check to verify its consistency and credibility. For the demo, solely field observations and interviews were used.

The audit consists in verifying the compliance of the producers and cooperative with the rules of the Book of Specifications using a checklist. The checklist detailed check points and the sanctions that should be applied in case of non-compliance. Depending on the gravity of the non-compliance the sanction can be a simple warning or can lead to the downgrading of a plot or a lot.

At the producers’ level, the verification mostly consists in verifying the signature of the agreement with the cooperative, the location of the fields, the production methods and records keeping.
At the cooperative level, the audit focuses on the management system implemented by the cooperative to guarantee the compliance of its members and then the system implemented to ensure the integrity of the product (physical and financial traceability of the products). The labelling and packaging were also discussed.
1. **Annex: Agenda of the seminar**

9:00 Welcome coffee

9:30 **Opening speeches** *(20 min)*  
*Hacı Dursun Yıldız, Manager of Bursa Province Directorate of Agricultural Ministry*  
*Prof. Dr. Uğur Bilgili, Bursa Uludag University, Dean of Agricultural Faculty*  
*Burcu İslam, Principal Banker, Agribusiness Türkiye, EBRD*  
*Emilie Vandecandelaere, Agribusiness economist, FAO*

**Chairman:** Prof. Dr. Yavuz Tekelioğlu, President of Local Products and Geographical Indications Turkey Research Network (YUCiTA)

10:00 **Key methodology for successful GI achievement** *(15 min)*  
- Presentation of the GI process with a particular focus on the product selection methodology, the delimitation of area and the marketing test  
*Doc. Dr. Sertaç DOKUZLU, Uludag University*

10:30 **The Bursa experience** *(20 min)*  
- Presentation on the Bursa black figs and peaches Association’s experience with the GI development: how were they involved in the full process, from start to finish; how their involvement in the CoP redaction was essential; how the collective organization was put in place to work all together towards the GI  
*Osman Özkan, President of Bursa Region Agricultural Cooperatives Union (Bursa Black Fig)*  
*Haluk Kürel, Vice President of Bursa Region Agricultural Cooperatives Union (Bursa Peach)*

10:50 Questions, answers and discussion time

11:30 Coffee break  
**Chairman:** Prof. Dr. Beraat Özçelik, Istanbul Technical University

11:50 **Roundtable session on GI market opportunities**  
- Lessons learnt from the project, and other experiences in Turkey  
- Discussing a win-win strategy for producers and retailers  
*Hakan Kızıltepe, Turkish Patent and Trademark Office, President of Geographical Indications Division*  
*Osman Özkan, President of the Bursa Region Agricultural Cooperatives Union*  
*Haluk Kürel, Vice president of the Bursa Region Agricultural Cooperatives Union*  
*Bİrol Uluşan, Category Manager – Food Fruits&Vegetables, Metro Market*  
*Hüseyin Akgün, Product Manager, Özdilek Market*

12:45 Questions, answers and discussion

13:30 Lunch

14:30 **GI management: Field visit and simulation of audit**  
- Presentation on the importance of controls and on control modalities: external and internal controls
- Presentation and discussion on how can be conducted an internal control: who, when, how, what
- Simulation of a control at the producers’ level (in the field – depending on weather conditions): verification points and questions, discussion on the outcomes of the control
- Visit the peach cooperative facility in Barakfakih and participate to the preparation of Deveci pear (selection and packaging)

Jean-Claude Pons, International GI expert