The Benefits of a Public Label

Why and How It Can Be Profitable to a Market Development

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In France, Label Rouge was created in 1965 as a COLLECTIVE AND PUBLIC BRAND under the incentive of French poultry producers.

For the Ministry, the global aim was:

- To promote better quality products
- To better inform the consumers as regards the quality
- To facilitate the communication between the farmers, the processing industry and the consumers.

For the poultry producers, the aims were:

- To protect their tradition
- To offer a guarantee of quality to the consumers versus the new industrialization of agriculture and thus ensure a solid market share for themselves.
In France, more than 1100 products are registered today with a Sign of Quality and Origin (SIQO) Representing together an annual turnover of 30 billion €
⇒ nearly 1 French farmer out of 3
⇒ more than 500 groups of producers (agri-food sector and wine sector)
⇒ In France, 725 GIs (2nd position of the EU) and 440 red label products (315 for the meat and poultry sector).
⇒ The largest turnover in the EU (almost 40% of the total turnover of EU GIs)
**IS NOT JUST KNOWN BY CONSUMERS, IT IS ALSO PURCHASED!**

**SOME FIGURES:** Label Rouge for poultry represents today:
- **61%** of whole chickens purchased by French households
- **25%** of chickens (whole + cuts up) purchased by French households

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**WHOLE CHICKEN**

- **Label Rouge:** 61%
- **Organic production:** 16%
- **Extensive indoor:** 13%
- **Intensive indoor/"Standard":** 10%

**CHICKEN PARTS**

- **Label Rouge:** 12%
- **Organic production:** 4%
- **Extensive indoor:** 25%
- **Intensive indoor/"Standard":** 59%

*Source: Kantar worldpanel 2016*
Nowadays, *Why* would a farmer / manufacturer want to use a public Label like [logo] or [logo]?

For the same reasons:

A global *context* AND their *production* make it:

- necessary
- possible

A national public official Label is an opportunity.
Nowadays, **Why** would a farmer / manufacturer want to use a public Label like or?

In a context of:

* **Stronger competition** from lower cost/quality imports
* **Customers** needing reassurance, having new expectations, showing suspicion toward food stuff...
* **A production** facing difficulties of identification, differenciation, struggling with cheaper/confusing competition...

* **A country**/ state willing, through their agricultural policy, to sustain strong national agricultural system and network, generating rural development and employment, and induce a positive effect on public health.
Nowadays, **Why** would a farmer / manufacturer want to use a public Label like ![Label](image) or ![Label](image)?

**Possible and Profitable**

When their **production**:  

* Is noticeably different from a low standard one for the same product and thus more expensive  

* Corresponds to a quite well know product on the market and is already marketed.  

* Is not isolated (but involved in a larger chain of production or part of a group of producers) – even if originally is not part of a collective/association.
How can a farmer / manufacturer use profitably a public label like or ?

First and foremost: The Questions to Ask Oneself:

- Superior quality of my product?
- Know How, technical institute, national specifications?
- Identification of future market, segmentation, consumer target, volumes?
- Economic feasibility: price difference, evaluation of additional costs (production, controls)?
**How** can a farmer / manufacturer use profitably a public Label like 🟠 or 🟡?

First and foremost ✅ **Superior Quality**?

- The «standard» product usually purchased by my target market?
- Can I draw a table with main points of comparison between the standard product and my future Red Label product?
- What makes the superior quality of my product? Taste, nutrition, freshness, maturity, animal wellfare, GMO, Additives, environment friendly? Market expectations?
- Can I choose the most important points of differenciation and can I demonstrate the Superior Quality now and in the future?
- Can I supply any test or analysis of both the standard product and my future LR proving the superiority of mine?
How can a farmer / manufacturer use profitably a public Label like or ?

First and foremost

- ✔ Technical Knowledge and Support ?

- 🔄 Do I benefit (and the farmer if I am a processor) of adequate technical knowledge to supply the said premium product?

- 🔄 Are there technical institutes or external support I could get if needed to comply with specification, to improve, but also getting me information on the standard etc?

- 🔄 Is the Association or group of producers that I intend to belong with, able to supply the required level of technicity? Will we be able to share it among the farmers?
How can a farmer / manufacturer use profitably a public label like or ?

First and foremost 🔄 My Future Market(s) ?

 располагаем учитывать размеры и структуру рынка.

Are competing products on these same markets?

How is my product going to be sold on these markets?

Type of consumer/users of my product? How does my SQ product comply with their expectations?

Are Quality Labels known by the public of my future target market?
How can a farmer / manufacturer use profitably a public Label like  or?

First and foremost ✅ Economic Feasibility?

📌 What volume of sale is contemplated of LR versus other standard reference on the target market (s) ?

📌 Price differential of my RL product / the standard product? Is it compatible with what market is ready for?

📌 Additional costs linked to the whole RL procedure?
  - Higher production costs
  - Control, analysis costs
How can a farmer / manufacturer use profitably a public label like or ?

First and foremost

- Production Costs Acceptable for My Market?
  - Higher production costs
    - Varieties, breeds, fertilising, antibiotics, protection of cultures
  - Control, analysis costs
    - Documentation (self controls, internal controls, analysis —nutrition, microbiology, microbiology-), external controls, traceability,
  - Certifying Body costs
My Superior Quality product costs more money to produce/process

My SQ product costs money to control hence it offers official guarantees to the consumers.
Examples

My POULTRY is more valuable
### VERY STRICT SPECIFICATIONS

| Small poultry houses       | Maxi size: 400 m²  
Maximum 4 poultry houses/site of farm: 1600 m² maxi per site  
Integration in the landscape  
With natural light and natural ventilation |
|----------------------------|-------------------------------------------------|
| Low stocking density       | 11 broilers/m² and 25 kg/m² maximum  
4400 broilers max in a poultryhouse |
| Open air rearing           | Open air access at 42 days max, grassy open air with trees  
Open space with 2 m² min/broiler  
Doors open from 9 am until dusk |
| Feed quality               | Exclusively vegetarian and mineral, with 75% of cereals |
| High level of hygiene      | A lot of biosecurity measures in farms (sanitary barriers...)  
Use of antibiotics only when necessary, to treat sick animals  
; no systematic use of antibiotic.  
No treatment the 10 last days before slaughtering.  
At least 2 weeks of depopulation and disinfection between 2 flocks |
**VERY STRICT SPECIFICATIONS (2)**

<table>
<thead>
<tr>
<th>Collection and transport to the slaughterhouse</th>
<th>Animal welfare is respected both before and during slaughter:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Distance between farm and slaughterhouse: less than 100km or</td>
</tr>
<tr>
<td></td>
<td>duration of farm-slaughterhouse transport less than 3 h</td>
</tr>
<tr>
<td></td>
<td>Period between removal and slaughter: 12 h max</td>
</tr>
<tr>
<td></td>
<td>Waiting time after transport: at least 30 mn</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Slaughtering</th>
<th>Age of 81 days min. (81 to 110 days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>When cutting: 6 hours min after slaughtering, to guarantee a high quality of cuttings (breast fillets legs)</td>
</tr>
</tbody>
</table>
These strict specifications ensure a higher quality product.

Sensory tests (hedonic tests by naive assessors and descriptive quantitative test by expert assessors) are carried out each year by certified laboratory for each label.

⇒ Results for Label Rouge versus standard poultry:
  • Better look
  • Firmer
  • More intensive odor and flavor
  • Preferred by the consumers

Anon, 1980; Lassaut et al, 1984; Touraille et al, 1985; Qualité France, 1996/97...
THE CONTROLS

At each step of production:

➢ Internal controls by the ODG
➢ Third-party controls by an independent certifying body (standard ISO 17065)

= each flock is controlled twice in farms.

<table>
<thead>
<tr>
<th>Step of production</th>
<th>Minimal numbers of controls by the ODG</th>
<th>Minimal numbers of third-party controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breeder</td>
<td></td>
<td>1 control/3 years</td>
</tr>
<tr>
<td>Hatchery</td>
<td>1 control/ 2 years</td>
<td>1 control/year</td>
</tr>
<tr>
<td>Feed production</td>
<td>1 control/year</td>
<td>2 controls/year</td>
</tr>
<tr>
<td>Farms</td>
<td>1 control/flock</td>
<td>1 control/flock</td>
</tr>
<tr>
<td>Slaughterhouses</td>
<td>1 control/year</td>
<td>4 controls/year</td>
</tr>
</tbody>
</table>
Etiquetage des carcasses de Porc Fermier Cénomans Label Rouge

ENGAGEMENT QUALITÉ

Si malgré tous les soins apportés à l'élevage et à la préparation de cet Porc Fermier Cénomans Label Rouge, vous constatez une anomalie, merci de compléter cette fiche et de l'adresser à L.P.S., ou de nous appeler au :

02.43.28.58.58

Décrite le problème rencontré et notez ici vos observations ou les circonstances (temps, réception, remarques de clients, élab./liant, ...): 

Fournisseur:

Date de réception :

Description et évaluation du problème mettant en jeu la garantie de qualité

L'évaluation de la viande remontée par le client final permet de mieux connaître les problèmes éventuels et faire progresser la qualité globale.
Selected varieties

Cropped full maturity

Limited fertilization & pesticides

Thorough cleaning, sorting.

Adequate storage

Final product of premium quality: sugar content, aroma, nutritional density, colour, shape, homogeneity...

Proved by analysis/sensory examination.
My Processed Products more valuable

- Selected raw materials, SQL when they exist.
- Limited additives and non required ingredients -palm, GMO...
- Limited and adequate process
- Final product of premium quality: Taste, nutrition, texture, appearance,... Proved by analysis/sensory examination.
Selling price needs to be higher.

In France, a certified product with the Label Rouge can be sold up to 50% more expensive.

In order to achieve this, it is important that it meets customers’ expectations & offers a strong promise.

The logo, the 3 specific characteristics, and a quality emphasizing packaging are fundamental marketing tools.
The State / Government owning the logo can publicize the logo and its promise/guarantee in order for the consumers to have a better knowledge of its existence and meaning.

The Association (ODG) can publicize it through generic publicity of its certified products.

The members of the Association – firms, manufacturers - in charge with the actual marketing can decide to put an emphasis on the logo.

And the retailers, by attracting public attention on the SQL Products will participate in the positive dynamic.
To make the logo famous and emphasized is gonna be profitable to all
A collective Organization is required.

Every operator are part of a larger organization (ODG) including other farmers/producers/manufacturers involved in the same production.

The Association- called ODG (Management Association) – must also be opened in order to include new members if they comply with the statutes.

Together they advertise and endeavour to make their products famous.
A COLLECTIVE AND REGIONAL ORGANISATION: ODG (ORGANISATION DE DÉFENSE ET DE GESTION)

SQL POULTRY: A profitable collective organization

- Farmer / farmer organisation
- stores
- slaughterer
- Farmer / farmer organisation
- breeder
- hatcher
- feed manufacturer
To CAPITALIZE on the 3 SC is gonna help the marketing strategies too

- High essential Oil content
- Sweet and aromatic
- Made of SQL farmer raised pork
- Fed with 100% plants and minerals
- Cropped at full maturity
- Cropped at full maturity
- Reduced fat content
- High omega3/omega6
- High Protein content
Marketing keys to success:

- A strong **REPUTATION** which clearly connotes / implies:
  * State (public, official)
  * No « stain »
  * Strong points (food safety, taste, origin and methods of production...)

- **LOGO** well identified and well known from the public, and associated with these (official, safety, independently assessed...).

- The packaging, the presentation, the reputation of the certified products **reflect the superior quality** that the National Label stands for, and the SC.

- The products that are certified cannot be deceptive.
The proven Superior Quality

The LOGO & the SC

The Official Public image

TRUSTWORTHY REASSURING FAMILIAR
Thank you very much for your attention