

## Interest in and market opportunities for special regional products

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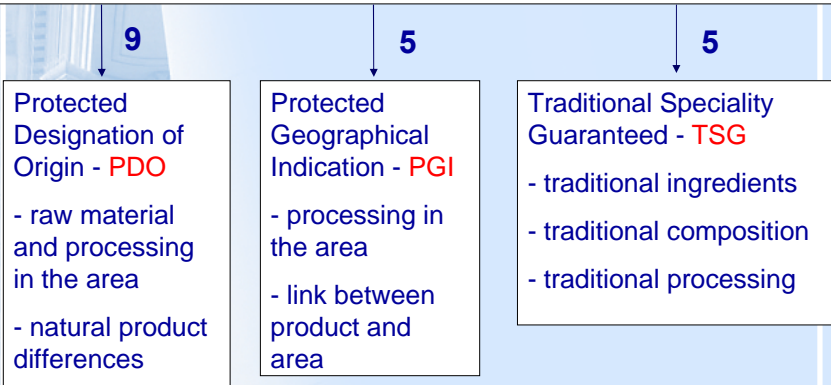
Antalya, September 20<sup>th</sup>, 2006

### Introduction

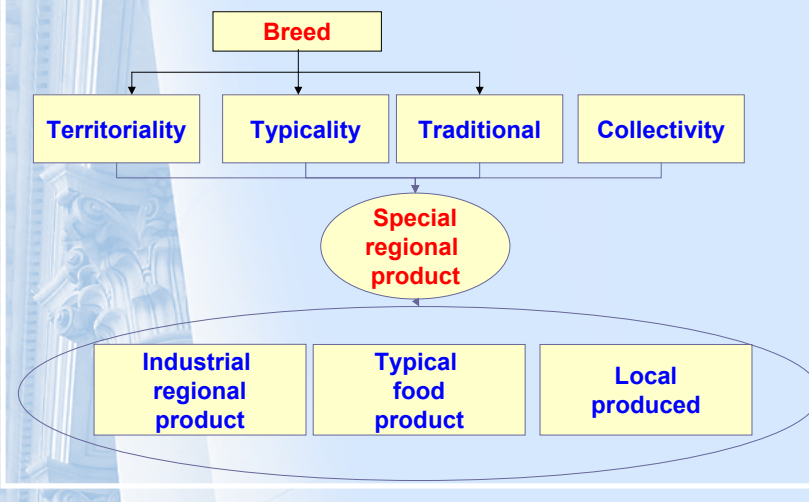
- Important option in agriculture is diversification.
- A questionnaire was held to ask farmers about their future plans.
- The results of this study were presented in Session 28.
- About half of the farmers choose for specialisation and about half for diversification.
- In the present study we look at market opportunities for special regional products as a form of diversification.
- This was a bilateral project between Slovenia and The Netherlands.

## EU definition

### Special Regional Products



## Categories of regional products and factors describing region-boundness



### Factors and aspects describing region-boundness (1)

Factor	Subject	Aspect
Territoriality	Chain	Regional agriculture Regional processing Regional trade organisation Local/regional consumption
Typicality	Physical product / processing	Typical raw material Regional recipe Artisanal processing Limited production capacity Typical shape or packing

### Factors and aspects describing region-boundness (2)

Factor	Subject	Aspect
Traditionality	Story of the product	Long tradition Exclusive historical bonds Quality of the story Traditional way (recipe, processing)
Collectiveness	Organisation	Primary producers Processors Marketing

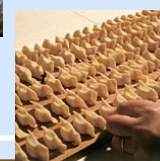
## Breed

- Nanos and Tolmin cheese from milk of Brown breed in two regions
- Mohant from milk of local breed Cika
- Karst and Kocevje honey from local breed bee
- Sebrelje stomach and Ham from Prekmurje from traditional breeds of pigs



## Questionnaire to collect basic data

- Nanos cheese
- Bovec cheese
- Extra virgin olive oil from Slovenian Istria
- Ham from Prekmurje
- Forest honey from Kocevsko
- Styrian Prekmurje pumpkin oil
- Karst honey
- Sebrelje stomach
- Prleska Tünka
- Prekmurska gibanica
- Idrijski Zlikrofi
- Kostelska rakija



## Interviews

- Nanos cheese
- Extra virgin olive oil from Slovenian Istria
- Ham from Prekmurje
- Forest honey from Kocevsko
- Karst honey
- Styrian Prekmurje pumpkin oil
- Sebrejše stomach
- Prleska Tünka
- Prekmurska gibanica
- Idrijski Zlikrofi



## SWOT analysis

### Impressions from questionnaire and interviews:

- Producers of special regional products present their products with enthusiasm and pride
- They know very well how to present the tradition, specialities and quality of their products – **strong points** (SWOT)
- They talk much more difficult about **weaknesses** of their products – SWOT
- They are very well able to indicate **opportunities** of their products – SWOT
- They are reluctant to start talking about **threats** facing them - SWOT





## Use of official labels

It is surprising that producers do **not yet** use the official labels of special products (*only Styrian Prekmurje pumpkin oil does*)

It is not enough clear, that these products are **certified** (*high costs*)



**Designation of Origin - PDO**



**Higher Quality**



**Geographical indication - PDO**



**Organic Farming**



**Traditional specialty guaranteed - TSG**



**Integrated Production**

## Information about products



- ➔ All producers agree that they need good, recognizable and wide spread advertising
  - ➔ Common for all products together
  - ➔ On national level
  - ➔ With financial and professional support
- ➔ They realize that their products are not enough recognized in the market

## Sale of regional local products



- ☺ Home sale (*direct contact with buyers*)
- ☺ Sale in market hall, on different performances (*market stall*)
- ☺ Sale in butik: special shop for all protected regional products (*in bigger cities and tourist centres*)
- ☺ Offer as souvenir (honey, rakija...)
- ☺ Sell in the range of tourist, hotel and catering: hotels, restaurants, health resorts, catering, sweetshops, ...
- ☹ Supermarkets: reserve **special place (market shelf)** for special regional protected products – **identification of products** (no direct contact) – **problem of logistics**

## Story

- ➡ The products need good and convincing **story**
  - ➡ Direct contact between buyer/customer and seller/producers
  - ➡ Public-informative material in different languages
  - ➡ Articles in newspapers and public appearance in media
  - ➡ Emphasis on the tradition, quality and specialties of product – part of story
  - ➡ The internal and external system of control is part of this story
  - ➡ Close link of product to region and/or province



## Organization of producers



- ↗ Producers are organised as association or organization of producers
- ↗ All members of such an organization do not yet certify their own products
- ↗ No uniform accession of producers on the market
- ↗ No **rules** and effective system of control concerning the use of the name of the product (e.g.. **idrijski zlikrofi**, **karst honey**)
  - **protection of the name!!!**
  - penalty for falsification
- ↗ In the market you can find products, that are sold under the same name at considerable lower prices (worse quality) – Consumers don't know the actual quality of products!

## Volume of production



- ➡ The volume is **limited**
  - ➡ Supply for most products is smaller than demand; No need to look for other market channels like supermarket
  - ➡ They wish to sell their products on foreign markets (**higher price!?!)**
  - ➡ **Too high profit margin** in supermarkets – they destroy the added value of special regional products (**Nanos cheese**)



## Opportunities

- Utilise local and traditional breed as part of the story
- Some products are health oriented, which is an international growth market
- Use positive image of the Alps in the product offer
- Alliances with tourist and governmental organisation could be useful!



**Thank you!**