

# Study Tour: Geographical Indications – The Citrus Industry in the Amalfi Coast and Puglia Regions, Italy

## 1. BACKGROUND

1. The European Bank for Reconstruction and Development (EBRD) has made significant investments in Croatia's agribusiness sector. The EBRD has called on FAO's technical expertise in Geographical Indications (GI) development to implement a targeted technical assistance project under the FAO/EBRD cooperation aimed at promoting GIs in Croatia. The two pilot products chosen under the project are (i) the mandarins of the Neretva Valley and (ii) the Kulen sausage of Baranya (baranski Kulen).

Specifically, the project objectives are:

- increase the awareness of stakeholders at national and local level on the importance of developing GI products;
- strengthen interaction between the local agro-industry, farmers and government authorities for the development of sustainable GIs;
- enhance the role and the capacity of local administration in supporting GI registration and protection;
- increase consumer awareness on the concept of GIs in Croatia (in domestic and export niche markets); and
- pave the way for local farmers' organizations to market/promote origin-based quality products.

2. A study tour was organized for each of the products in order to build the capacity of local stakeholders based on the long and concrete experience of European countries in the field of GIs (Italy, in both cases).

3. Citrus, precisely sour orange *Citrus aurantium*, has been produced for a long time in Croatia: there are some travel books dating from the 15<sup>th</sup> century in which the cultivation of sour oranges near Dubrovnik was mentioned, but production was mostly limited to house gardens at this time. Cultivation of mandarin *Citrus reticulata* began in the Dubrovnik and Split areas with the first seedling imported from Japan in 1934. The first mandarin plantation was raised in the Neretva Valley, near Opuzen, around 1950. It was found that growing conditions in this area were quite good and, from that day forward, mandarin cultivation held great economic importance. A part of the Delta was restructured during the 1960s for intensifying citrus production under a FAO project (UNDP/SF/FAO/63), by regrouping and draining a part of the channel, allowing an increase of the size of the plots, better drainage, and increased density of the transportation routes and thus more frequent and denser plantations of mandarin trees in this zone. The Neretva Valley produces 90% of the region's mandarins (*Citrus reticulata*), in particular the *Citrus unshiu* (Satsuma) species, which are notable for their taste due to the saline water in the canals that irrigate the fruit and the specific microclimate conditions, chemical composition of the soil, specific way of plantation and several other factors. The Neretva Valley is a large valley, partially wetland, in the south of Croatia. Due to the mandarin's unique flavour and tradition of production, there is a strong case for creating a GI for the citrus and so its producers are learning about the opportunities, benefits and difficulties of developing a GI.

4. It was important for Neretva Valley producers to meet with Italian citrus producers, visit the farms and factories and discuss their GI-related organizations. Italy is one of the most experienced countries in terms of GI products and the citrus-producing regions of the Amalfi

Coast, Foggia and Taranto have highly applicable examples of GIs. The tourism industry that has been developed around the Italian citrus in all three regions is a strong model to apply to the Neretva Valley.

## **2. OBJECTIVES AND ORGANIZATION OF THE STUDY TOUR**

5. The purpose of the study tour was to learn from the Italian experience in developing the GIs for citrus fruit, get acquainted with the various synergies between public and private sector and, most importantly, explore the practical examples that GI protection can bring to the participating producers. Participants learned that the GI producers are organized into “Consortiums,” or GI Producers’ Associations, and that both producers and associations have a specific role in marketing the GI. The study tour focused on small-scale producers and the larger Consortiums that envelop them.

6. The tour was organized in close collaboration with the Croatian Ministry of Agriculture (MoA), Réseau Echanges – Développement Durable (REDD), Agrokor and the FAO.

7. The Croatian delegation was composed of thirteen small-scale mandarin producers from the Neretva Valley, Agrokor and Agrofructus and a representative from the MoA.

## **8. 3. PROCEEDING OF THE TOUR**

8. The tour took place from 5 to 9 March 2012 in Roma and the Campania and Puglia regions of Southern Italy, namely in the provinces of Salerno, Foggia and Taranto. The Amalfi Coast in Salerno was a good choice for a study tour on GI citrus products as this province is known worldwide for its excellence in lemon production. The Foggia and Taranto regions of Italy were chosen due to the high level performance of their GIs and extensive experience with lemon, orange and clementine production.

9. Five PGIs (Protected Geographical Indications) are registered in the two regions for citrus-related products: *Limone Costa d’Amalfi*, *Arancia del Gargano*, *Limone Femminello del Gargano*, *Clementina del Golfo di Taranto* and *Limone di Sorrento*. There are no PDOs for any citrus fruits in Italy.

10. The summary of the meetings and the visits to production sites are provided below in chronological order.

### **DAY 1 (5 March, Morning Session at FAO)**

11. Mr Hidier, Senior Economist at FAO, presented the FAO-EBRD project and objectives of the study tour.

12. Mr Carrozzino, who is in charge of the evaluation of GI protection request at the Italian Ministry of Agriculture, presented the European and Italian system of registration and protection for PDOs and PGIs.

13. Mr Bianchi, an expert on GIs who is particularly knowledgeable about the Amalfi region, presented the Citrus study tour, introducing the three cases in Southern Italy and their main characteristics. Ms Mikacic, Marketing Director from Agrokor gave a general introduction on Croatian mandarins followed by an intervention from Mr Jerkovic, Coop fruit producer, who explained in more detail the Neretva Valley mandarin production and needs.

## **DAY 2 (6 March, Campania)**

### **Amalfi Coast Lemons, Visit of “Limon Terrazza” with Lemon Tour Expert**

14. The “Lemon Terrace” is the area on the Amalfi Coast where a number of lemon groves can be found. All lemons certified under the Amalfi Coast Lemon IGP are grown in this territory. The designated area, in the Salerno province, comprises Altrani municipality as a whole and parts of the following municipalities: Amalfi, Cetera, Conca dei Marini, Furore, Maiori, Minori, Positano, Praiano, Ravello, Scala, Tramonti and Vietri sul Mare. This area is internationally known as the Amalfi Coast. The “Lemon Tour” is a tour through thirteen towns of the Amalfi Coast where representatives of the Association and/or associations of producers explain the distinctive features of the Limone Costa d’Amalfi, its specific way of production with an emphasis on organic certification, and tourism perspectives. After the visit in the fields, the participants enjoyed a buffet on the terrace with delicious lemon-based foods including a lemon and lemon cake. Then, there was a visit to the family producer of lemon liqueur where various local fruit liqueurs were tasted: these derivative products were indeed perceived by participants as a good way to add value to lemon. The tour ended with a visit to the local museum on lemon production, which also illustrated the type of activities that can be developed around a tour.

15. Indeed the strategy of developing tourism activities around lemon production is quite recent but has a strong potential in the area. Producers are aware of the need to add more value to their produce locally in order to take advantage of the interesting market of local consumers and tourist. At the moment, there is no real territorial strategy where local stakeholders involved in tourism activities promote the emblematic lemon.

### **Visit to the packaging unit and Consorzio Tutela Limone Costa d’Amalfi I.G.P., President Marco Aceto**

16. Lemons have grown on the Amalfi Coast since the 12th century. There are currently approximately 600 producers in the area, of which 300 are GI certified. The other producers are small-scale.

17. The Amalfi Consortium, founded on 3 October 2002, comprises 110 lemon producers, all of whom are GI certified, full-time farmers. The total growing area dedicated to lemons is approximately 700 hectares. Most plots are small, the largest being 2,5 hectares. They obtained the PGI registration in 2001. This is quite an exception as they could have obtained a PDO because both production and processing take place in the area, but they preferred a PGI because they didn’t want to put too many limits on production in case they need to extend the processing units.

18. The consortium fees are as following: to enter the consortium, farmers pay a one-time fee of 100 Euros; until now, an annual fee has not been established. The traders pay a one-time fee of 400 Euros and processors pay 300 Euros plus some additional cents per kilogram or piece.

19. Difference in price between certified and non certified lemons is about 10 cents per kilogram.

20. Farmers create plantations on terraces supported with rock walls to facilitate drainage and warmth retention. They are planted in wooden structures made from chestnut trees and, in the last 30 years, they have covered the lemons with plastic nets for protection against hail and wind damage. These wooden support structures must be changed every 15 years, incurring serious cost on the farmer.

21. A peculiarity of the Amalfi lemons is that harvesting is done manually and gradually, picking only the ripe fruits to support optimal blooming and control of supply. The lemons are picked with the leaves on as a show of quality and health of the fruit.

22. The yield of the Amalfi Association producers is approximately 25 tons per hectare on average. There are specific dimensions required to be able to sell the lemons with the GI certification. Sub-standard fruit is used for processing or is turned into derivative products such as liqueurs.

23. Fruit prices fluctuate throughout the year. In 2012 the average price has been 0,60 euro cents per kilogram.

Website of the GI consortium: <http://www.limonecostadamalfiigp.com>

### **Discussion with the Certification Expert of ISMECERT Body**

24. ISMECERT is the certifier authorized for the Lemons of the Amalfi Coast. In Italy, the regulation requires that all certification is completed by an external independent body, either private or public. When the Association established its Code of Practice (CoP), they defined a maximum production yield as a way to ensure quality. Today, this limit is a significant obstacle because when a certain volume is produced (as some trees have larger yield production periods) the lemons cannot be certified, and the cost of certification remains high.

25. 300 producers are controlled in total, and 100 per year. The certification tariffs are established in a way that the processors cover inspection costs of producers, who may not bear all the cost by themselves. Tariffs have been provided: there is a fix and proportional cost (a farmer pays 55 Euros for three years while processors pay around 600 Euros per year, plus 0,8 Euros per piece).

26. It is difficult to fight against local usurpation of the PGI: producers outside of the Association use names such as “Lemon of the Coast”. The certifier is strict with certified producers because if there is a fraud, both the producer and the certifier pay a fee.

27. These visits and discussion in Amalfi were fruitful for participants who could see the benefits and difficulties related to the certification and the importance of diversifying activities with processed products (liqueurs, marmalades, etc.) and tourism activities (e.g. the Lemon Tour) to generate more added value and to reinforce reputation.

### **Day 3 (7 March, Vietri and Foggia University)**

28. The Croatian producers visited the Ente Ceramica Vietrese, a type of GI for ceramics made in Vietri, for another seminar and conversation that emphasized working together to promote the regional identity of a product locally and outside the region.

29. The group then attended a technical seminar at the University of Foggia where experts from the Faculty of Agronomy, D.A.Re. (a regional Apulian organization that shares food industry knowledge and technological applications) and Foggia’s Chamber of Commerce discussed topics related to GIs, technical innovations in post-harvest management, and product branding. It was interesting for participants see the synergies that can be created and reinforced thanks to regional entities, both public and private, by establishing contacts between the world of research and that of production. By joining the European Union, Croatia will find that specific funds will be available for regional development, and that such partnerships and consortium between research and private companies will be essential to benefit from these funds.

## DAY 4 (8 March, Puglia)

### Visit to the Arancia del Gargano IGP and Limone Femminiello del Gargano IGP

30. The Arancia del Gargano is a type of citrus fruit belonging to the *Biondo Comune del Gargano* variety, of the local *Duretta del Gargano* type known locally as "arancia tosta". The Arancia del Gargano is round and medium-sized with a soft skin, is an intense golden yellow colour all over, and has a yellow-orange pulp and juice. It is characterized by a sweet taste and unique smell. The production, growing and packaging area of Arancia del Gargano PGI is located in the areas of Vico del Gargano, Ischitella and Rodi Garganico and also along the coastline and the northern sub-coastline of the Gargano headland in the district of Foggia, in Apulia.

31. The distinguishing features of the Arancia del Gargano are linked to its maturation period, which takes place at the end of April and May and even in August, several months after that of all the other Italian citrus regions. Another characteristic is its ability to keep for up to 30 or 40 days, which has been extremely helpful for fruit transportation.

32. Gargano has two GI Associations in one *consorzio*, the *Arancia del Gargano IGP* and the *Limone Femminiello del Gargano IGP*. Their combined area covers two municipalities comprising approximately 400 hectares, mostly in smaller orchards up to 2,5 hectares. The lemons are planted on land closer to the sea. Average lemon yield is 25 tons per hectare.

33. Almost all production is exported out of the region: some goes to the northern Italy while much goes to other countries including America and Germany.

34. The Feminello lemon is an old variety that was once spread out in the Mediterranean but has been gradually abandoned; but in Gargano it is nurtured and cultivated. The plant has up to five blooms per year. Its unique characteristics and specific organoleptics can be attributed to the combination of climate, soil, proximity to the sea, agrotechnical measures used, etc.

35. The Arancia del Gargano PGI boasts ancient origins. The cultivation of citrus fruit in the Gargano area was first documented in 1003 when Melo, then Prince of Bari, sent *pomi citrini*, or "lemon-coloured apples", to Normandy from Gargano.

36. Prices in 2012 are approximately 0,80 euros per kilogram as compared to 0,20 euros per kilogram in 2000. This was achieved in conjunction with the Association, main stakeholders, marketing, wholesalers, and assistance from the local government and tourism sector. The Association is increasingly selling through ecommerce and green markets.

## DAY 5 (9 March, Puglia)

### Visit to Clementine del Golfo di Taranto IGP

37. The geographical area of production of Clementine del Golfo di Taranto is situated in the province of Taranto in the Apulia region and comprises the municipalities of Palagiano, Massafra, Ginosa, Castellaneta, Palagianello, Taranto and Statte. The land bordering on the Gulf of Taranto is regarded as ideal for citrus growing since, in addition to being homogeneous and almost invariably flat, it is fertile, deep and well drained. Two features of the area are its excellent southern exposure and the Murgia, a hilly ridge which provides protection from cold northern winds. Using plants and nets, growers often build windbreaks to protect the clementines from the sirocco, libeccio and other southern winds which, since they come in from the sea, can harm the trees. The temperatures are well suited to citrus growing since they rarely fall below 0°C. In

addition, appreciable differences between daytime and night-time temperatures during the period of ripening contribute to the aesthetic and organoleptic characteristics of the fruit.

38. The clementine was first introduced in the province of Taranto in the 18th century, but did not become a widespread specialized citrus crop there until the 20th century. The geographical and socioeconomic centre of the area covered by the designation is situated in the municipalities of the province of Taranto that border on the gulf of the same name. In the 1950s, thanks to the discovery or provision of suitable irrigation resources or facilities as part of a land reform, citrus-growing became, after a period of expansion and specialization, a major crop in the area of production. The Gulf of Taranto's warm, sunny and fairly dry weather encourages the growth and ripening of the fruit and helps give it excellent characteristics in terms of colour, flavour and conservation.

39. The Association was established in 1987 and has 80 members working 230 hectares of land, of which 150 are dedicated to clementines, 40 to oranges and 40 to grapes. In 2011 the Cooperative sold 4000 tons of clementines.

40. The PGI *Clementina del Golfo di Taranto* was registered in 2003. The clementine market is 30% export, mostly to Poland and the Czech Republic. The participants met with the new chairman of the Cooperative that is of the opinion that GI protection has created little added value and no extra margin up to this point. In fact, the Coop no longer uses the official GI label on its clementines. This visit was a useful example to illustrate the GI label is not a magic tool but is rather a participative process and collective strategy to adopt to ensure benefits from the market and for all the value chain actors.

41. Trees bearing Clementine del Golfo di Taranto are grown in a ball or vase-like shape. Pruning takes place annually during the spring and is light, especially in the first few years. The density is 350 to 750 trees per hectare but does not exceed 500 trees per hectare in new groves. Irrigation is a major feature of cultivation: it is practiced almost throughout the year whenever rainfall is insufficient. The most common method is drip irrigation or a direct jet, which maintains a certain distance from the top of the tree to avoid possible attacks of mould around its collar. The maximum production allowed is 50 tonnes per hectare. Picking is done manually using scissors and taking care to avoid any damage to the fruit. The fruit must be dry when picked and either have no leaves or only a few leaves attached. Fruit without a calyx (*rosetta*) is discarded and de-greening is not allowed.

#### **4. CONCLUSION AND RECOMMENDATIONS**

42. The protection of a geographical indication is particularly economically justifiable if there is a threat (existent or potential) that a specialty product is copied by producer(s) outside the geographical area of origin. By offering counterfeit product at a price that is usually lower than the GI product, outsiders take away the market share from the registered producers. Registered geographical indication adds value to a product and therefore helps small-scale producers generate additional revenues. A GI strategy also serves differentiation purpose: in the case of citrus, it is important for producers to show consumers the unique qualities of their products compared to others by linking them to the specific production territory. Indeed, in the three coastal regions visited during the tour the territories presented peculiarities in relation to their location, climate, and history. These cases showed the potential synergies between the GI and the beauty of the area: the way local stakeholders succeed--or do not succeed--in establishing an extended territorial strategy to benefit from the potential for reinforcing the attractiveness and reputation of the area and the product is important.

43. Throughout the visits and discussions with participants the following elements were highlighted:

- (i) The sense of product-linked hospitality (touring the premises, product presentation, demonstrating the quality of procedures, tasting etc.) reinforces the reputation and image of the product;
- (ii) The GI organization plays a crucial role of coordination among producers and producer representatives in front of public authorities and civil society. It also is the key point of communication, information and education to consumers and thus supports the promotion not only of the product but of the territory and all of its attractions;
- (iii) The obvious synergy between GI products and tourism in Amalfi (e.g. Lemon Tour, branded merchandise at tourist shops, derivative products) strengthened the willingness of producers to develop rural tourism in Neretva.

### **Recommendations to the GI Producers and their Association for the GI establishment**

- The Neretva Valley mandarin producers should play a leading role in implementing the GI system and promoting the products and thus the territory. In particular, the existing producers' association that represents them should play a key role in the establishment and, once registered, in the management of the GI. It should make relevant contacts with local authorities and civil society, tourism stakeholders and other producers interested in promoting the region in order to build a territory-wide strategy.
- The tour participants should use the positive momentum built during the tour to organize a post-tour meeting with other stakeholders and producers in order to share their new knowledge and to discuss next steps at the regional level for GI implementation, promotion of the product, and also to illustrate the role the existing producer association could play in this process.
- The GI process should be the opportunity to reinforce the existing producers' association around this collective project, which will bring collective benefits. The tour participants took note of the key role of the GI producers' association both in establishing the CoP and managing the GI system once the GI was registered. They agreed on setting up a working group with other interested leaders and members of the association to start working on a CoP draft that will then be discussed with the other association members, thereby ensuring a leading group will drive a participative process. It is recommended to quickly establish the working group and get it endorsed by the producers' association so it can immediately start developing the Neretva mandarin CoP with the support of the project team.
- To start, a skeleton and various examples of European citrus GIs will be provided by the project team on which the working group will build their own content. The project team will provide comments and advice as necessary until the first draft can be shared with the other producers' association members for discussion. The project team will also provide input in case of conflict or disagreement so as to support the creation of shared rules for the GI and establishment of a full-fledged CoP. The team's next mission will be coordinated with a meeting of the producers' association.
- The Neretva CoP should highlight the specificities of the mandarin, its production and the territory. Based on the first report of the diagnostic mission, the Neretva delta itself has high specificities providing typicality to the local culture; and this is already an important aspect of demonstrating the link to origin required for a GI. The consumer survey (January 2012 by IPSOS) also provides important key features regarding the reputation and characteristics

of the Neretva mandarin as recognized by consumers, which are useful elements for describing the product in the CoP. Regarding the agricultural and processing-packaging practices, there will be some discussion and even conflicts among producers: these should not scare the stakeholders as this discussion is a normal process that allows the group to find a consensus that benefits all. Indeed, GI registration process can last for years, especially if there are conflicts and opposition to its registration. To minimize the delays, the producers' association with support from the project team should make sure the CoP is fully accepted by its members and should try to capture thorough membership to the fullest extent possible.

- The choice of the denomination is very important as well and should not be too generic. The “Neretva Mandarin” is a good option as it refers to Neretva Valley, which benefits from a good reputation as shown in the consumer survey. When making a decision on which GI to register, one should also clearly understand the difference between Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI). In the case of Neretva mandarins, the product is grown and packed (and could be processed if producers want to develop derivative products such as marmalades, liquors, etc. as they saw during the study tour) in the region, so producers should aim to create a PDO. If exceptions emerge (for example, a packager may be located outside the area), decisions will have to be made whether to include packaging regulations in the CoP or whether to relocate those packagers outside of the region.
- Once the GI is established, clear labelling will help the consumer distinguish between the premium quality of a GI product and others. A specific logo for mandarins of Neretva could be registered together with the GI and could be submitted with the CoP. The GI producers' association may prepare such a logo and design for the GI producers with support from the project team. Once the GI and its logo are registered, the association will exercise a surveillance role by monitoring retail outlets and identifying cases of misuse of the GI attributes in association with the responsible authority.
- A main point to be discussed by association members is the fee structure. Members will need to pay fees to cover various related costs, in particular for promotion and communication. Fees proportional to volume and capacity according to type of stakeholder (category and size) should be taken into account for establishing a fair and efficient system. The association may also consider regional development budgets or other possible funds to be solicited from donors to co-finance the promotion of geographical indication.

### **Recommendations to the GI producers and their association for territorial development and diversification**

- In order to build a territorial development strategy, the producers should identify and approach the institutions and businesses potentially interested in regional development. These can range from tourism sector stakeholders and HORECA (hospitality, restaurants and catering) operators to wineries and other traditional food producers from the private sector and even local and regional public authorities interested in supporting the image of their region.
- It could be interesting for producers, individually and collectively, to think of diversifying activities: processing the mandarins and other citrus to produce liqueurs or jams is a particularly good way to add value, especially in an area where there is tourism. Developing new services like the Lemon Tour is a good way to generate new employment and reinforce the reputation and the image of the product linked to its territory.



- The GI association could play a key role in promoting these activities by coordinating stakeholders and promoting these new products and activities through fairs, webpage and promotion materials.