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The role of quality labels in farming diversification and rural development

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THE ROLE OF QUALITY LABELS IN FARMING DIVERSIFICATION AND RURAL DEVELOPMENT

**A dissertation presented in part fulfilment of the
requirements for the Degree of Master of Science in
Sustainable Environmental Resource Management**

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October 2010

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ABSTRACT

The Role of Quality Labels in Farming Diversification and Rural Development

The European Union promotes marketing of quality food products through a quality labelling scheme having three labels known as PDO, PGI and TSG. Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI) are two labels that protect products with an association to a particular region. Such products need to have a traditional link with the area as well as unique attributes (known as specifications) that make the product different from the customary. PDO labels designate a product that is linked with an area in every aspect, while PGI labels indicate that the product has a unique geographical link in any phase from its production, processing or preparation. Traditional Speciality Guarantee (TSG) labels are assigned to food products that are produced using a traditional method but can still be reproduced in any other area.

Apart from providing consumers with information on their point of origin, EU quality labels are a means to enhance sustainable farming methods and amplify the rural economy. Through a system of certification and uniform enforcement, farmers have the possibility to produce less for more as well as tap value added benefits linked with quality labels. Unfortunately, the concepts of quality labelling and food certification in Malta did not yet take-off. Thus, Malta is missing out on quality food production, consumer satisfaction in buying local food products, increments in the farmers' pocket, international promotion of local food products and other fringe benefits linked with rural development. This dissertation sheds a light on the prospective of applying EU quality labels to traditional Maltese food products and how such process could be idyllically achieved.

From a consumer survey based on 300 respondents, it came out that the majority have never seen a quality label but there is the willingness to pay extra for quality food products. These results were consolidated by opinions gathered through eight interviews with relevant authorities and local producers. Moreover, a study visit linked with this dissertation was held with an Italian certification body in the region of Umbria in Italy. During this week in Perugia, information on quality labels was obtained through interviews as well as by participating in product conformity checks. This dissertation comes to an end by recommending policies that may possibly be adopted so that Maltese products could be able to obtain EU quality labels.

MSc SERM

October 2010

QUALITY LABELS CERTIFICATION SCHEME RURAL DEVELOPMENT

FARM DIVERSIFICATION GEOGRAPHICAL INDICATIONS

STATEMENT OF AUTHENTICITY

I, the undersigned, hereby declare that this dissertation is my original work.

Eman Vella (I.D. 640982M)

October 2010

DEDICATION

To my fiancée Sharon for her patience,
understanding and support

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Chapter 1:

Introduction

1.1 Quality Labels and Certification Schemes

Malta has been a European Union (EU) member since 2004 but local producers have not yet exploited the benefits of food quality label schemes. There are three EU schemes known as Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG) that aim at protecting and promoting quality agricultural products and foodstuffs. These three schemes are essential to help consumers trace the point of origin of a food product as well as guarantee an added value to the producer. Moreover, through product certification and accreditation, the EU benefits from these quality schemes as they encourage diverse agricultural production and protect traditional product names from misuse. In practice, food quality labels have the ability to encourage good farming practices as each product would have to follow regulatory procedures in order to achieve a quality label.

Obtaining a quality label for a traditional food product is not achieved simply by having an application approved by the European Commission. In the Maltese Islands there is no national food labelling scheme in place that would serve as the groundwork for producers, processors and consumers. This creates a lack of know-how on the subject of food certification, which is a stumbling block for local producers to achieve EU quality labels. Moreover, it is only in recent years that the Maltese culinary heritage is being revived and local products are getting more promotional coverage on local media. This lack of pride for the local product may be linked to the fact that Malta has less than fifty years of independence and it is still recovering from a history of colonisation that affected all aspects of life.

1.2 Dissertation statement

To research the potential effects of introducing EU quality labels to traditional Maltese food products and how it would impact farming sustainability and rural development.

1.3 Aim of the study

So far, the only application submitted for an EU quality label by Malta was the *Lumi-Laring ta' Ghawdex*, which is a sweet orange variety from the island of Gozo. It was however dismissed by the European Commission as the name is not traditional and there is no spoken distinction between *Lumi-laring* and *Laring*. Other products such as *Gbejna* (sheep cheeselet), *Kunserva* (Maltese tomato paste), *Zalzett tal-Malti* (Maltese sausage) and *Hobza tal-Malti* (Maltese loaf) have the potential to qualify for a quality label.

This dissertation sheds a light on the importance of achieving EU quality labels for local products. The central aim is to examine the current situation in Malta and recommend a way forward in this sector. Research work was not only based on the expectations of local producers and consumers. Since there is a lack of experience in food certification schemes in Malta, a study visit was carried out in the region of Umbria in Italy. Four traditional Maltese products, namely *Gbejna*, *Kunserva*, *Zalzett tal-Malti* and *Hobza tal-Malti* were studied as prospective cases to achieve an EU quality label.

1.4 Justification

A study on the way forward to introduce EU quality labels in Malta is urgently needed to create recognised product protection standards for traditional local products; to help farmers get a fair return for their agricultural products; to meet consumer demands; to promote Malta through its culinary heritage; to increase food traceability as well as to support rural development objectives among which are farming diversification and quality food production. Traditional Maltese products that could potentially achieve a food quality label include *gbejna*, *kunserva*, *zalzett tal-Malti*, *hobza tal-Malti*, *bigilla*, *galletti*, *tadam imqadded*, *gulepp tal-harrub*, *qaghaq tal-ghasel*, *ghasel tas-saghtar*, *pastizzi*, *qassatat*, *imqaret*, *karamelli tal-harrub*, *bambinella*, *ftira Maltija* and *ftira Ghawdxija*.

1.4 Methodology and Structure

The research of published material and legislations relevant to this dissertation was carried out between January and May 2010. Online journals turned out to be the most valuable secondary data available since there is a lack of published books on the subject of quality labels. Legislations pertinent to EU quality labels cited in this dissertation include EC 510/2006, EC 1898/2006, EC 509/2006, EC 1216/2007, EC 2081/92, EC 1132/2004, LN 305 of 2008 and LN 182 of 2004. Important standards referred to in this research include EN 45011, ISO 17065 and ISO 22005. A crucial source of information on EU quality labels and certification schemes came from EU Communication on the Common Agricultural Policy (2009) and the Green Paper on Agricultural Product Quality (2009).

Subsequently, two interviews were carried out with local authorities to get their views on applying certification schemes to local products. The first interview was held with Ms Ingrid Borg, Assistant Head at the Regulatory Affairs Directorate for foodstuffs at the Malta Standards Authority on 17th June 2010. This was the starting point of reference for this dissertation since MSA is the local control authority responsible for food certification schemes. Another interview was held with Dr Mario Spiteri, the Director General of Rural Development, together with Ms Eleanor Ċiantar, Principal at the Promotion and Information Unit in the Ministry for Resources and Rural Affairs. This interview took place at the Agricultural Research and Development Centre at Għammieri on 30th July 2010.

As part of the research on a certification body and its operation, a study visit to 3A-Parco Tecnologico Agroalimentare dell'Umbria took place between 19 and 23 July 2010. This study week was made possible through Dr Stefano Briganti, Director of International Projects at 3A-PTA, who was approached during a National Conference on the Common Agricultural Policy organised in Malta on 15th June 2010. During this study week, an interview was carried out with Dr Federico Mariotti, Manager of Certification Department at 3A-PTA as well as with Dr Paolo Canestrari, Director of *Consorzio di Tutela Vitellone Bianco dell' Appennino Centrale IGP*. On 21st July, an inspection control in a vineyard took place at *Azienda Agricola Pulcinella in Colli Trasimeni* with Mr Luigi Bonifazi and

Mr Ganluigi Petirossi. Another inspection was performed in an olive oil processing plant at *Azienda Agraria Iannarilli Ferruccio* in Terni on 22nd July with Mr Luca Garzilli. Furthermore, a comparative research on the shelf price of Italian PDO/PGI products in relation to similar products without certification was done at a COOP hypermarket in Perugia on 19th July.

Apart from the study visit in Perugia, another survey took place during the last week of July to obtain data on the perception of quality labels by local consumers. This consumer survey entitled 'Traditional Maltese Food Products' involved 300 participants from six different localities. A sample of 50 respondents was taken from each locality of San Ġwann, Rabat, Naxxar, Mosta, Mgarr and Hamrun. The main objectives of the consumer survey were to identify which products are considered as being traditionally Maltese, to get the general perception of *Ġbejna*, *Hobża tal-Malti*, *Zalzett tal-Malti* and *Kunserva*, as well as to enquire on the knowledge and acceptance of quality labels. This survey was carried out in the form of a one-on-one questionnaire in the main squares of the six above mentioned localities.

A set of interviews took place with representatives of local food producers to investigate their views on certification schemes and the potential application of quality labels in Malta. On 16th August, Mr Gejtu Buttigieg, director of the *Kooperativa Produtturi tal-Halib*, together with Mr Oscar Attard and Mr Stephan Mifsud, Sales Manager and Quality Assurance Manager respectively at the Malta Dairy Products Ltd were interviewed about market trends as well as on certification schemes. An interview with Mr Christopher Żahra, a *ġbejniet* producer and director of *Assoċjazzjoni tan-Nagħaġ*, took place on his farm at Buskett on 19th August. Another interview with Mr Marco Dimech, Agricultural Officer at the Agriculture Directorate, MRRA was held on 20th August 2010. Mr Dimech shed light on the upcoming national food certification scheme as well as on the results of a consumer survey carried out during January and February 2010.

Mr Louie Naudi, director of a farmer's association named *Assoċjazzjoni tal-Bdiewa*, was interviewed on the 23rd August and the subjects discussed ranged from the Maltese farming

situation, quality products as well the future of certification schemes in Malta. Mr Manoel Aġius, director of *Għaqda Produtturi tat-Tadam ta' Malta*, was interviewed on 6th September 2010 on tomato production for *kunserva* processing. In order to investigate the future prospects of the farming sector in Malta, an interview took place with Ms Jeanette Borg, lecturer at MCAST Agribusiness Institute on 4th October 2010.

Due to a restricted literature on the subject, three chapters in this dissertation were dedicated to provide the necessary background. Chapter 2 acts as an introduction to the role of food quality labels in the European continent and the importance that they are given for product protection and consumer safety. This chapter provides an explanation of PDO, PGI and TSG labels; their primary objectives; the procedure to apply for any of the three labels; the evolution of EU regulations; the role of the certification body; the purpose of having a product protection consortium and a clarification of voluntary certification schemes. Chapter 3 builds on the previous chapter as it puts into perspective the title of this dissertation. This chapter highlights the importance of quality labels in marketing traditional food products, linking the producer with the consumer, as well as in protecting local cultures and traditions. Chapter 4 develops the concepts of Chapter 2 and Chapter 3 in the current and future situation in Malta.

Chapter 5 starts with a presentation and discussion of the results obtained from the consumer survey and the comparative shelf price survey. These two surveys were very important to build up arguments on the applicability of EU quality labels in the Maltese context, since consumer acceptance and financial benefits for producers are two main driving factors. The last four sections of Chapter 5 give an appraisal of the applicability of EU quality labels to four Maltese traditional products, specifically *Gbejna*, *Kunserva*, *Zalzett tal-Malti* and *Hobza tal-Malti*. Finally, Chapter 6 presents the conclusions and takes a realistic review of the applicability of EU quality labels in the Maltese context. This is consolidated by a set of recommendations for policy and proposals for further studies. Thus, the dissertation comes to an end by giving an indication of the ideal way forward to assign EU quality labels to Maltese products.

1.5 Problems and limitations

The author's approach to this dissertation was one of enthusiasm and with a sense of belonging since it amalgamates the themes of farming sustainability and quality food products. From the beginning, this research was intended to involve all the necessary stakeholders in order to get a holistic picture of the current situation and to facilitate planning. Hence, this dissertation aims at proposing guidelines to be followed by various stakeholders in order to bridge the existing gap and arrive to a point where Malta could be able to benefit from EU quality labels. Nevertheless, the research prospective was not fully achieved due to problems and limitations that were met all along the way. In most cases, the utmost was done to find alternative solutions and keep on moving on the right track.

During the literature review phase, published material on the subject of EU quality labels and food certification schemes was lacking. Thus, it was necessary to research other sources such as journals and online articles. Since this dissertation is based on EU quality labels, EC legislations served as a valuable resource on which to build up arguments. With such a lack of published material, the logical alternative was to resort to interviews. However, with a lack of exposure to quality label schemes in Malta, there was the risk that those interviewed would make reference to theory rather than experience. This problem was solved by contacting Dr Stefano Briganti, Director of International Projects at 3A - Parco Tecnologico Agroalimentare dell' Umbria, who planned a study week in Perugia, where various experts were interviewed and hands-on experience was acquired.

General limitations that came about while gathering data for this dissertation, included the fact that most contact work and interviewing was done in the summer months, when most authorities have limited working schedules and summer vacations. This factor limited the ability to elaborate in certain research work. Nevertheless, apart from one particular processor, all the stakeholders asked for an interview accepted and collaborated in the completion of this dissertation. With great satisfaction, it was noted that there is a general consensus that without certification schemes, Maltese producers as well as consumers are missing out on numerous opportunities presented by quality labels.

1.6 Notes on Terminology

This dissertation presents a complex subject matter, comprising multiple interpretations of terms that can be misleading to the reader. Certain terminology is ambiguous and can be diversely defined in different countries. For this reason, this section presents a definition of the basic terms that will be used throughout the dissertation.

- Quality labels are labels found on food or beverage containers indicating that the product is certified to have followed a specific production and/or processing method.
- Certification scheme is a procedure where products are certified as having been produced using a quality method.
- Production protocol (*disciplinare* in Italian) is a legally binding document that indicates the standardised production method of a quality product.
- Product specification refers to unique attributes in quality products that make them different from conventional products. EU quality label certification is based on product specification and consistency.
- Geographical indication or GI is any word or phrase that designates the place of origin of an agricultural product or foodstuff. GIs have a reputation that associates them with a particular region.
- Certification Body is the organisation that certifies quality products by carrying out controls according to the production protocol before the product reaches the market.
- Product protection consortium (*Consorzio di Tutela* in Italian) is an organisation of producers and/or processors representing a quality labelled product in order to safeguard it from fraud and misuse while it circulates on the market.
- PDO is the abbreviation for Protected Designation of Origin. A PDO label guarantees that the product results exclusively from the terrain and abilities of producers in the region of production to which it is associated.

- PGI stands for Protected Geographical Indication. A PGI label guarantees that the product has at least one geographic link in production, processing or preparation that cannot be reproduced elsewhere.
- TSG is an abbreviation of Traditional Speciality Guaranteed. A TSG label guarantees that an agricultural product or foodstuff has been produced using a traditional recipe or traditional raw materials. This label does not protect a geographical indication, meaning that a TSG product can be easily reproduced in other regions.
- Generic terms are those terms that have become part of a spoken language or indicate a common name.

Chapter 2:
The role of food quality labels in European countries and their importance for product protection and consumer safety.

2.1 EU Certification Schemes: PDO, PGI and TSG

Throughout the European Union, there is a wide range of traditional food products. In most cases, when a product acquires an international reputation, it attracts competition and imitative naming. This unlawful activity created unfair competition that discouraged genuine producers as well as misled consumers. In 1992, the EU responded to this illegality by protecting ‘geographical indications’ through a standardized certification system¹. Geographical indication is a name describing an agricultural product or foodstuff that owes its characteristics or its reputation to the geographic area from which it originates (EU Green Paper, 2009²). An example is the case of parmesan cheese that can only be labelled *Parmigiano Reggiano* if it is produced in certain provinces in the Italian region of Emilia-Romagna.

The EU created registers of geographical indications for agricultural products and foodstuffs, as well as wines and spirits³, in order to protect the nomenclatures of quality products. Geographical indications include two quality labels known as PDO (Protected Designation of Origin) and PGI (Protected Geographical Indication). For a name to qualify as a PDO, all the steps of production (e.g. sourcing of raw materials, cleaning, grading, processing, maturing and preparation of final product) must in principle take place in the geographic area on the label. Products bearing the PDO logo must have proven characteristics resulting solely from the terrain and abilities of producers in the region of production to which they are associated.

A PGI product must have a unique geographic link in at least one of the stages of production, processing or preparation that can be justified by reason of a specific quality,

¹ The EU quality label certification system, that was created in 1992, has been modified in 1997, in 2003 and in 2006 when the legislation was recast to introduce legislative clarifications in line with the World Trade Organisation panel ruling. These clarifications included simplification of procedures, clarification of the role of Member States and encouragement on the use of the symbols.

² Green Paper on Agricultural Product Quality: product standards, farming requirements and quality schemes, 2009

³ This dissertation will focus solely on agricultural products and foodstuffs. Wines and spirits will not be considered.

reputation or other characteristic linked to the area. Thus, products carrying the PGI logo must have a specific link that associates them with a given area, while the raw materials used in production may come from another region. Geographical indications protect product names that should include the name of a region, specific place or country or a traditional name that does not necessarily indicate the region but is associated to a certain region, specific place or country. PDO and PGI exclude names that might mislead consumers such as those that conflict with any plant variety or livestock breed; those that have long been used in a renowned trademark, and those names that have become generic⁴.

Food products with a PDO status can be recognised by the red and yellow ‘sun’ logos enclosing the EU stars. In the case of a PGI status, the ‘sun’ logo is blue and yellow enclosing the EU stars. In the middle of both labels, there is the symbol of the countryside, symbolizing through furrows the delimited geographical area to which the registered product is linked. These EU symbols provide guarantees of authenticity that the food products concerned are made in a specific region or use particular production methods. The symbols are aimed partly at preventing imitators from passing their products off as the genuine article, but they also allow producers to increase awareness of their products.



Figure 1: PDO and PGI quality label logos in English and in Maltese

⁴ Generic terms are those that are accepted in common language as signifying a type of product, rather than its origin. One of the most important conditions that need to be considered before registering a name for a PDO or PGI is that it is not already in widespread use. A number of conflict issues resulting from the use of generic terms ended up in the European Courts of Justice. A very famous case was that of Denmark, Germany and France opposing the Greek Feta cheese registration as PDO.

Another quality label that falls under the EU certification scheme is the TSG (Traditional Speciality Guaranteed) which has a logo similar to PGI but without the countryside symbol. A TSG label promotes and protects food products but does not involve the origin of the product. TSG are names of agricultural products or foodstuffs that are produced using traditional raw materials or traditional methods of production, or have a traditional composition. This scheme covers agricultural products intended for human consumption and a variety of foodstuffs like beer, confectionery, pasta, pre-cooked meals, soups, ice-creams and sorbets. Since its introduction in 1992, only 20 TSG names have been registered, while some 30 product names are awaiting registration. Thus, the number of TSG products is very low and few of the registered names are significant in economic terms. Unfortunately, most TSG registrations serve only to identify the traditional product, and not to protect the name (Green Paper on Agricultural Product Quality, 2009).



Figure 2: TSG quality label logo in English and in Maltese

Between 15th October and 31st December 2008, the EU invited stakeholders to contribute their ideas through a consultation questionnaire related with the Green Paper on Agriculture Product Quality. In a nutshell, the outcome was in favour of the PDO and PGI certification system since they were recognised as key instruments of the Agricultural Product Quality Policy for producers, consumers, member states as well as regions. There was a general request for the exploration of more products that could be eligible for PDO and PGI, as well as further discussion on the issue of generic names. Most stakeholders agreed that geographical indications are deemed to compliment trademarks and not one replacing the other.

Question 11 in the consultation questionnaire on the Green Paper (2009) asked respondents if there is a better way of identifying and promoting TSG products. Given the low number of producers adopting this quality scheme, most respondents urged its improvement by reserving the name, simplifying the control procedures, and better communicating the concept to consumers. The latter could be improved by including mandatory symbol use and targeting promotion campaigns of the whole system. A number of proposals argued that there are alternatives to TSG such as the introduction of a reserved term, conversion to a geographical indication system, replacement with a national system and the use of trade marks. There were also claims that since traditional products are linked to local know-how, a protection mechanism for local artisanal products at a regional level is needed.

2.2 Objectives of EU quality labels

The role of quality labels in the European Union include the encouragement of diverse agricultural production, the protection of product names from misuse and imitation, as well as to help consumers with the provision of information on the product specification. Quality labels usually discourage unsustainable agricultural practices as the production method confines the producer to focus on quality rather than quantity. In most cases, the guidelines to achieve a quality label imply that the farmer follows traditional production methods that go against the conventional mass-market oriented agricultural production. These production restrictions are in turn catered for in the market advantage of the quality label vis-à-vis other competing products. Thus, farmers would have the responsibility to protect a traditional product and in turn receive a value-added benefit and better promotion. Quality labels are hence a means to enhance rural development and support cultural tourism.

With the 2003 Common Agricultural Policy (CAP) Reform, the EU aimed to achieve a competitive agricultural sector, a fair standard of living and income stability for the agricultural community. The Council Decision 2006/144/EC on the strategic guidelines for Rural Development Programming Period 2007 to 2013, adds on the importance to the

consumer aspect of competitiveness and market-responsiveness. It identifies as a strategic guideline:

Europe's agricultural, forestry and food-processing sectors have great potential to further develop quality and value-added products that meet the diverse and growing demand of Europe's consumers and world markets. In order to live up to increasing competition on our own markets as well as global markets, EU agriculture has to play its strengths: emphasizing quality of different kinds, including that linked to geographical origin.

In 2009, the EU adopted a Communication on the Simplification of the CAP⁵ that followed the 2005 'Communication on Simplification and Better Regulation for the CAP'. Its general objective included reducing paperwork in the farm sector by making easily-understandable rules, reducing financial burdens for businesses and ensuring that European citizens receive value for money for the products bought. These guidelines were also applied in the recitals of Regulation (EC) No 510/2006⁶ on the 'protection of geographical indications and designations of origin of agricultural products and foodstuffs'. Among the specific objectives of the EU Communication on the CAP Simplification (2009), one can pinpoint the following:

1. To provide clearer information on product characteristics linked to geographic point of origin, in order to enable informed purchase choices by consumers. This adds to the degree of consumer satisfaction and adds to the knowledge of the Community symbols.
2. To provide a distinct approach at EU level for a system of protection of names for products with specific geographical qualities.
3. To increase the producers' satisfaction by ensuring a uniform enforcement throughout the EU of their intellectual property rights (registered names).
4. To direct the value added of PDO/PGI schemes towards improving farming income and investing in the rural economy.
5. To simplify the geographical indication systems throughout the EU and reduce the administrative burdens related to registration and enforcement procedures.

⁵ A simplified CAP for Europe: A success for all, Brussels (18.3.2009)

⁶ EC 510/2006 is the official document regulating the protection of geographical indications and designation of origin for agricultural products and foodstuffs. It replaced Regulation EC 2081/92.

2.3 Registering for a quality label in the EU

In order to obtain a PDO or PGI label, agricultural products or foodstuffs must comply with EU product specification (Article 4 of EC 510/2006 as laid down in EC 1898/2006). The latter implies the name on the label; the description of the product with an indication of its main physical attributes, chemical features, microbiological information, biological details and organoleptic characteristics⁷; a definition of the production area; proof that the product originates from that area; proof of the link between the product and geographical area, as well as a description of the production method in light of authentic local processing and packaging methods. In the case of a TSG label, the product name and recipe are protected and thus there is no need to provide a proof of the geographical link. Hence, if a product is protected with a TSG, it can be produced in another region or country using the same name and recipe (EC 1216/2007⁸).

The application can be carried out by a group of producers or processors and in the case of Malta, it is sent to the national authority (Malta Standards Authority) for verification of the product's compliance with its specification (Article 3 in LN 305 of 2008⁹). After the application is scrutinized by the national authority, it is sent to the European Commission where it will undergo a number of control procedures. The authority shall then publish a summary of the application on the Government Gazette. If it meets the requirements, the denomination will be published in a monthly list within the Official Journal of the European Communities. The next step is the translation of the document in all EU languages, after which it is made public for six months on EU media for appeals. During this period, any member state or legal person who may have a legitimate interest can object to the proposed registration. If the Commission does not receive any objection, the name is registered. In the case of an objection the parties should reach an agreement (Article 7 of EC 510/2006).

⁷ Organoleptic refers to any sensory properties of a product, involving taste, colour, odour and feel. Organoleptic testing involves inspection through visual examination, feeling and smelling of products.

⁸ EC 1216/2007 builds up on EC 509/2006 which is the equivalent to EC 510/2006 regulation but related with the protection of TSG products.

⁹ LN 305 of 2008 amends EC 510/2006 on the role of Malta Standards Authority as the control authority on geographical indications in Malta and on modifications on the label of quality products.

After the lengthy registration process, the product gets the PDO/PGI/TSG label and the Certification Body as well as the national authorities can commence the official controls. These controls ensure that the product quality is consistent with its specifications. In the case where the Commission deems that the product is not in line with the quality specifications, it may initiate the procedure to cancel the registration. However, a crucial objective of quality labels is their protection against imitations from products that may have the same geographical origin or use misleading terms on the label such as “similar”, “style”, “method” or “as produced in”. Quality labels protect the product from other practices such as the style of packing, the packing material and more importantly from the use of registered names in imitations.

2.4 Evolution of EU Quality Labels Regulations

The PDO/PGI scheme was first introduced in 1992 by EC Council Regulation No 2081/92¹⁰ on the protection of geographical indications and designations of origin for agricultural products and foodstuffs. In 1999, the United States and Australia formally complained to the World Trade Organisation (WTO) against EU regulation EC 2081/92. Their main argument was that this regulation discriminated against non-EU geographical indications and that it did not provide sufficient protection to pre-existing trademarks that conflicted with EU quality-labelled products.

In March 2005, the WTO released the Panel Reports regarding the European GI scheme¹¹. The panel’s main conclusions were that Regulation EC 2081/92 was inconsistent with Article 3.1 of the TRIPS Agreement¹² with respect to the equivalence and reciprocity

¹⁰ EC 2081/92 regulations predate EC 510/2006 and were the original regulations that protected of geographical indication and denominations of origin of agricultural products and foodstuffs.

¹¹ Panel Report, European Communities: Protection of trademarks and geographical indications for agricultural products and foodstuffs; complaint by the United States, WT/DS174/R 15 March 2005, and Panel Report, European Communities: Protection of trademarks and geographical indications for agricultural products and foodstuffs; complaint by Australia, WT/DS290 15 March 2005

¹² TRIPS is an abbreviation for trade-related aspects of intellectual property rights. It is an international agreement administered by the World Trade Organisation indicating the minimum standards for intellectual property regulation.

conditions, as applicable to the availability of protection for geographical indications; the application procedures, since they require examination and transmission of applications by governments; the objection procedures, as they require verification and transmission of objections by governments; on the requirements of government participation in the inspection controls structures under Article 10 of Regulation EC 2081/92, and the provision of the declaration by governments under Article 12a(2)(b).

The panel recommended that the European Community had to bring the Regulation into conformity with the TRIPS Agreement and GATT 1994¹³. In response, the European Union revised the rules governing how international geographical indications are treated through the adoption of Regulation EC 510/2006. The application process for PDO/PGI was simplified and non-EU countries were given the permission to apply directly for this quality scheme. The main differences between Regulations EC 2081/92 and EC 510/2006 are related to the application process, labelling of PDO and PGI products, enforcement activities and compliance control.

Under EC 2081/92, the applicants submitted a request for a product name registration with the member state authority. Subsequently, the authorities investigated the request, before sending the whole application to the Commission, which would then verify it through a formal examination. Under EC 510/2006, member states examine the application using uniform EU rules, and the Commission verifies only the main elements of the application to ensure that it satisfies the conditions. Another contrast between the two Regulations is the fact that under EC 2081/92, member states had to ensure that inspection authorities are simply in place. In Regulation EC 510/2006, official compliance controls and enforcement activities are controlled by another regulation, namely EC 882/2004¹⁴.

¹³ GATT is an abbreviation of General Agreement on Tariffs and Trade that was negotiated during the UN Conference on Trade and Employment in 1947. It was replaced by the World Trade Organisation in 1995 but its text is still in use under the amended GATT 1994.

¹⁴ EC 882/2004 regulates official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules.

2.5 The role of the Certification Body: A study visit to 3A – Parco Tecnologico Agroalimentare dell’Umbria¹⁵

On 19th July 2010, an interview was held with Dr Federico Mariotti, manager of the Certification Department at 3A-Parco Tecnologico Agroalimentare dell’Umbria. Dr Mariotti claimed that there are two distinct bodies that check and monitor certified products. First, there is the Certification Body, also known as Conformity Assessment Body, which has the role of checking certified products before they end up on the market. The second monitoring body is the Product Protection Consortium, known as *Consorzio di Tutela*, that according to law has the role to keep watch over certified products as soon as they end up on the market. 3A-PTA is a Certification Body that checks certified products before they are introduced on the market. Among other responsibilities, 3A-PTA certifies food products such as DOP¹⁶ Umbria (*Olio extravergine d’oliva*), DOP Alto Crotonese (*Olio extravergine d’oliva*), DOP Colline Pontine (*Olio extravergine d’oliva*), DOP Farro di Monteleone di Spoleto, IGP¹⁷ Prosciutto di Norcia, IGP Prosciutto Amatriciano, IGP Vitellone Bianco dell’Appennino centrale and IGP Lenticchia di Castelluccio di Norcia.

Dr Mariotti stated that a producer association representing a particular certified product needs to have two thirds of its members that represent the production or processing method according to the kind of product. This would mean that in the case of a ‘prosciutto’, two thirds of the members should be pig farm owners while in the case of a *salami*, two thirds of the members have to be *salumerie*. Moreover, the number of association members producing the certified product has to represent at least 30% of the total producers and their production should be at least 51% of the total PDO or PGI production. Producers that follow the PDO/PGI protocol need also to join a Certification Body so that their product is checked, certified and protected from misuse.

¹⁵ A study visit was carried out at 3A Parco Tecnologico Agroalimentare dell’Umbria between 19th and 22nd July 2010. The scope of this visit was to research on what is being done in this Italian region in relation to product certification and food quality protection.

¹⁶ DOP is the Italian translation of PDO, standing for Denominazione di Origine Protetta.

¹⁷ IGP is the Italian translation of PGI, standing for Identificazione Geografica Protetta.

A Certification Body creates legal obligations for all the concerned parts throughout the production line and makes sure that they are adhered to by its members. This is done during on-site checks, where the Certification Body officials verify that the products characteristics are in accordance to the protocol. They could also take samples that are analysed by expert panel tests or by laboratory tests. Since, the certification committee within the Certification Body judges the producer; it has to be a third party, checked by the Government Ministry to carry out such controls. In Italy, the laboratories used for sample tests need to be accredited by the Ministry concerned as well as approved by the Certification Body. In the case of lack of adherence to the protocol, the producer can ask for a re-examination by an impartial body. All these checks cost money and when the results are negative, the expenses are covered by the producer.

Dr Mariotti declared that the on-site checks done by 3A-PTA are carried out during the most significant growth phases of the quality product. Thus, olive trees producing a certified olive oil are checked during the harvesting period for production levels or during pruning stages to check method compliance with the protocol. During the study week in Perugia, the author joined an inspection control visit on 21st July that occurred in *Azienda Agricola Pulcinella*, a large wine estate in Colli Trasimeni. This on-site check included counting grape bunches samples per vine to check whether their production is within the DOC¹⁸ established limit. Beside the productivity check, the officials checked for document compliance. The procedure followed by 3A-PTA is that new members are checked within the first year, while 35% of the other members are checked each year. When samples go through laboratory tests, there is a different method for each product. However, it is standard that after three days, the committee takes a decision on whether the sample is in line with the quality label. The producer can then ask for another test within seven days.

All the documents used by a Certification Body have to be certified by the Ministry and each certified product needs to have its unique checklist due to geographic variations. Dr Mariotti stated that members of the Certification Body pay an annual rate as well as the

¹⁸ DOC or *Denominazione di Origine Controllata* is a quality label used for wines and is the equivalent of DOP used in food products.

check expenses to cover the certification costs. The membership fee varies according to production quantities or amount of farm animals that achieve PDO/PGI. In turn, the products are protected from unfair competition, benefit from effective promotion as well as from an international status. Thus, 3A-PTA contributes to the development of the agri-food sector, as the product compliance certification service offers valorisation and protection of products from possible market crises. Moreover, certification represents an essential form of assurance for consumers that the goods found on the market are produced within a transparent processing chain.

2.6 The role of Product Protection Consortium: A Case Study of ‘Consorzio di Tutela Vitellone Bianco dell’ Appennino Centrale IGP’¹⁹

In Italy, a Product Protection Consortium or ‘Consorzio di Tutela’ has the role of monitoring and safeguarding certified products from fraud and illegalities. Representatives of *Consorzio di Tutela* are public officers recognized by government with the authority to issue penalties. According to Article 5 of DM²⁰ 61413 of 2000, a *Consorzio di Tutela* has to represent at least 66% of the production of the certified product. On 20th July 2010, an interview was carried out with Dr Paolo Canestrari, director of ‘Consorzio di Tutela Vitellone Bianco dell’ Appennino Centrale IGP’. He explained that this consortium was born out of necessity by a group of local cattle breeders to protect the native breeds and find new markets to promote them with consumers. The native cattle species were less appreciated due to competition from English and French breeds that mature faster, are fatter and even tastier. The native Italian cattle breeds were being outcompeted as they require between 22 and 24 months to mature, whilst the foreign ones do so in 16 to 18 months.

Dr Canestrari mentioned the causes for which the Italian cattle industry was being surpassed by its European competitors. Until the 1980’s, there were structural problems

¹⁹ An interview with the Director of this consortium was carried out on the 20th July 2010 at their premises in Ponte San Giovanni in Perugia.

²⁰ DM stands for Dcreto Ministeriale that is a law passed through Italian Parliament.

with small farms that produced low quantities using old breeding methods. Moreover, the maturation time for the cattle was long and even the average age of the breeders was high. In 1983, the genetic bank research on native species started to operate, but it was fifteen years behind the French, which had already developed species that mature within 18 months. In the same year, 'Consorzio 5R' was founded by a group of cattle breeders but it lasted eleven years due to an inability to produce large quantities of beef and exploit a large market. It was followed by CCBI (Consorzio Produttori Carne Bovina Pregiata delle Razze Italiane), another consortium that was aimed at exploiting the big butchers and big distributors. CCBI targeted a larger production, product uniformity and stabilisation of prices. These targets were achieved by forming a critical marketing mass and by raising awareness amongst the breeders on how to properly fatten their cattle.

Consorzio Produttori Carne Bovina Pregiata delle Razze Italiane, added Dr Canestrari, applied for PGI certification in 1992 and was given authorisation only in 1998. In those days, the labelling process was still new to the European Community and the national authorities took over a year to process the technical policies that govern the production of cattle with PGI. In 1998, the labels were ready and discussions started with COOP²¹ so that the consortium could merge with a large distribution market. Furthermore, there was the need for a group of breeders to unite their forces and accept regulations and technical controls on the breeding site. COOP was organised enough to carry out food controls, both at the butcher level and along its distribution line on the larger market. The creation of a critical marketing mass guaranteed a standardized food product and provided a driving factor. This was the first attempt at certifying cattle products. Thus, the consortium provided production security as well as promoted the product on a large scale market.

Dr Canestrari claimed that in the year 2000, consumers became aware of the certification schemes and their benefits for product traceability from the cradle to the grave. Hence, they started demanding certified products but the majority of the breeders were not prepared for this revolution. This chaotic situation caused around 80% loss in the COOP business on

²¹ COOP is the largest Italian supermarket chain.

products without certification. Producers started asking CCBI for help on PGI, as it was the only consortium that had already applied certification and controls. The sale of the consortium's products was thus guaranteed and the other regions followed with the certification process. This time of crises brought about a positive change in the sector but small scale breeders had to invest or else close down. Since then, the population of the five species of cattle in central Italy (Romagnola, Chianina, Marchigiana, Maremmana, and Podolica) increased from about 100,000 in 2001 to 150,000 in 2010.

Dr. Canestrari explained that product marketing in Italy is not part and parcel of PGI schemes. Hence, a number of breeders joined forces and set up a *Consorzio di Tutela* that can be defined as a product protection consortium. 'Consorzio di Tutela Vitellone Bianco dell' Appennino Centrale IGP' was established in 2004 and functions to promote its products and inspecting them whilst on the market. This consortium certifies over 14,000 items and markets about 5,000 items around Italy through various commercial businesses. Another advantage of consortia is that they have a wider access to public funds since they obtain more points from the Regional Development Fund.

The PGI *Vitellone Bianco dell' Appennino Centrale* requires cattle be butchered between the age of 21 months and 24 months. If this period is missed by just one day, the beef loses its PGI status and the price is lowered. Dr Canestrari cited examples of market prices of PGI beef as compared to non-certified beef. For the PGI Romagnola breed, the cost per kilogram exclusive of VAT would be €4.70 while if it is older than 24 months, it would cost €3.30. The PGI Chianina breed costs €5.43 per kilogram and without PGI it would drop by €1.50. He added that the certification expenses amount to €40 per animal and when considering that cattle weigh approximately 400 kilograms, the producer spends €0.10 on certification cost per one kilogram of beef.

Dr Canestrari concluded that 'Consorzio di Tutela Vitellone Bianco dell'Appennino Centrale IGP' is a success story as it has continued to sign up more members, is self-sustaining and follows EC 510/2006 regulations. It was not possible to save the bovine breed known as *Vitellone Bianco* without this Consortium since it would have lost to

foreign breeds as well as to the introduction of farm machinery. In actual fact, in 1910 there were about 800,000 registered cattle of the Romagnola breed that were used to work the fields, until they started to be replaced by farm machinery in the 1960s.

Other than protecting the genetic diversity, Dr Canestrari insisted that the cultural and historical heritage linked with this native breed was not lost forever. Moreover, the region has not suffered from the introduction of foreign species that could have replaced the autochthonous breed. This Consortium has also contributed towards the preservation of the agro-food industry in the region that was able to withstand competition from industrial and service sectors. It has also introduced price stability for breeders who today breed productive species and have invested to improve food quality standards.

2.7 Voluntary Certification Schemes

Dr Federico Mariotti (Interview 19/7/10) explained that there are voluntary certification schemes that vary from EU quality label schemes. Such schemes are applied by various certification bodies using ISO 22005 standards²² involving traceability and baseline principles in the feed and food chain. In voluntary schemes, the applicant declares the location of a production zone on a map and the final intervention. This is helpful for consumers as they get to know the traceability of the product. However, in such voluntary schemes, one has to decide which item is the lowest traceable unit along the way, e.g. a single bottle of olive oil or a single lot. Such voluntary schemes would function best when a registry of producers and consumers is created for better transparency. Since there are no Product Protection Consortia for these products, those who are caught in fraudulent activities on this certification scheme are reported to the police fraud section or the Certification Body. Dr Mariotti added that this scheme could be used as a first step in quality labelling, leading to a recognised certification scheme such as PDO/PGI.

²² ISO 22005 is an international standard on food traceability with the aim to support food safety and quality by determining the history of the product, facilitate its withdrawal, inform consumers and meet their specifications.

There are also voluntary certification schemes that are not controlled by law. Norms in these schemes are produced by the Certification Body after a clear demonstration of controls is carried out by a technical body. The Certification Body can then find the most relevant aspects that make the product unique and make it public. A voluntary scheme can commence prior to PDO/PGI product evaluation. It can thus serve as a pilot study for consumer acceptance or rejection of the product and its cost. Thus, such voluntary schemes provide the required learning curve until the PDO/PGI application is prepared and sent to Brussels for verification. Dr Mariotti claimed that in Argentina, 3A-PTA used this system to certify two olive oil varieties and one table grape that is used as dry fruit in *panettoni*. Now Argentina can use this voluntary certification scheme as a basis to apply as a third party for a European Certification Scheme, which is permitted under EC 510/2006 regulations.

Chapter 3:
EU quality labels and their role
in Farming Diversification
and Rural Development.

3.1 Quality labels as a cutting edge in a marketing-oriented business

Agribusiness companies are operating in highly competitive, market-oriented environments with food markets being considered as buyers' rather than sellers' markets (Steenkamp and Van Trijp (1996) cited in Fotopoulos and Krystallis, 2000). In order to be successful, agribusiness has become more market-oriented and focuses more on value-added benefits for the consumer. Thus, investors in this sector have to balance between costs and the consumer-desired benefit package. Fotopoulos and Krystallis (2000) claim that these requirements are greater than ever due to increased knowledge about the links between diet and health, awareness of quality characteristics, and access to information about new production and processing technologies. Hence, food markets require agribusinesses to improve product quality and facilitate labelling for consumers.

Effective labelling on quality products is considered a powerful marketing tool since it provides the consumer with information as well as with food security. Consumers are attracted to a product during the 'search' phase before its purchase as well as after experiencing its attributes such as structure, taste and aroma. Moreover, a successful marketing strategy implies that the consumer quickly assimilates information on the quality attributes through branding exercises, informative labels and effective advertising. In an interview with Malta Diary Products representatives²³, it was pointed out that market analysis should be ongoing to check for consumer trends and competition on the market. They also claimed that market research is done before a new product is launched on the market to anticipate consumer trends.

When a consumer is satisfied with the 'search', 'experience' and 'information' phases, a sense of trust vis-à-vis the food product is fostered. This is not an easy process as product characteristics change continuously and consumers are not perfect information processors (Fotopoulos and Krystallis, 2000). Rovamo (2006) claims that consumer choices are not

²³ On 17th August 2010, an interview was held with Mr Gejtu Buttigieg, director of Koperativa tal-Ħalib (KPH) as well as with Mr Oscar Attard and Mr Stephan Mifsud, sales manager and quality assurance manager respectively at the Malta Diary Products (MDP).

always based on rational judgement but are also affected by emotional preferences. Besides, a geographical indication can have the effect of a trade mark on consumers by becoming more appealing than others due to its prestige. This status can be built on the connection to specific culture and heritage attributes. Rovamo (2006) argues that a geographical indication may enable consumers to ‘strive for status through the process of consumption’. In simple words, certain consumers use quality labelled products as a life-style statement such as when a person identifies his social status with drinking Champagne.

3.2 Quality labels as a link between the producer and the consumer

The EU quality scheme has the ability to increase label recognition and credibility of registered names amongst consumers. Van Trijp *et al.* (1996) cited in Fotopoulos and Krystallis (2000) argue that quality labels assist the imperfectly informed consumers in their decision making process by structuring the information. Such labels provide added value to the raw material, which ultimately may materialize in higher consumption, higher prices and margins, leading to a firms’ competitive advantage (de Charnatony and Harris, 2000 cited in Fotopoulos and Krystallis, 2000). However, if consumers are faced with a range of national, regional and voluntary quality labels, they receive fragmented information. Hence, replacing national and voluntary quality labels with the EU certification scheme is definitely a step toward consolidating consumer information.

With PDO/PGI/TSG labels, the EU certification scheme caters for products of specific characteristics such as place of production, name, method, and overall quality. EU quality-labelled products are produced in line with strict specifications that are thoroughly controlled and inspected. These specifications enhance the product value, making it easily perceived by the consumer as well as provide a competitive advantage to small producers with a strong and widely known brand name (Fotopoulos and Krystallis, 2000). Thus, EU quality labels do not only provide a value added benefit to the product but also help in creating jobs and a higher regional income potential. It is for these socio-economic aspects that EU quality labels enhance farming diversification and rural development.

Urbano *et al.* (2008) argued that for unfamiliar products that achieve a PGI status, the appropriate way forward should be to keep the prices as low as possible and focus more on intensive public information campaigns. Such products could be marketed by directing them to renowned restaurants or food outlets, in order to reach those consumers willing to pay more for the product. Moreover, Urbano *et al.* (2008) claimed that once the consumers who are willing to pay more for PGI products are identified, it is important to distribute these products in the establishments where this population segment is used to buy. An effective promotional campaign about a product awarded a PGI status should be aimed at reaching most of the consumers in the target markets, and that it should be more intense as the distance from the production area increases because the knowledge of the product decreases (Urbano *et al.*, 2008).

Rovamo (2006) argues that it is in the interest of the producer to try in some way to differentiate his products from those of the competitors. Food quality labels may provide producers with a new or extra means to identify their products as being of an adequate quality. This acquired status is a sales-promoting effect on its own and even more if the label is recognized on a continental level. As a result of this selling power, geographical indications may draw premium prices for products that would otherwise be regarded as a commodity. This allows producers to unlock value by capitalizing on consumer desire for typical and diverse quality products (Rovamo, 2006).

When a quality labelled product attains a renowned status or a greater selling power, other producers may try to imitate it. Riding on the sales-promoting effect of established quality labels is an unlawful activity and creates unfair competition. This was the main reason for the establishment of an EU food certification scheme using the PDO, PGI and TSG labels. In 1992, the EU Commission originally intended to create an exclusive food certification scheme that would harmonise all labelled products under PDO, PGI and TSG. This would have implied that all national geographical indications would have to be abolished if they did not satisfy the criteria of EC Regulation 2081/92 (Article 8). However, this approach was abandoned since there were already strong national laws in place, especially the *Appellation d'Origine Contrôlée* in France and the *Denominación de Origen* in Spain.

3.3 Protecting Local Culture and Traditions through Quality Labels

Beyond their benefits linked with producers and consumers, geographical indications are an instrument for the preservation of local traditions and cultural diversity. One of the main purposes of quality labels is to safeguard the traditional name and region on a label. Broude (2005) argues that such protection does not follow the norms of other intellectual property rights, which are usually aimed at encouraging innovation and individual creativity through the grant of a temporary monopoly. Quality labels are different as they are based on commonly used place-names, aimed at establishing communal rights and are utilized to protect traditional knowledge.

Broude (2005) argues that geographical indications are expected to protect culture as there is a fear of the effect of globalisation and international trade of food products. In recent decades, multinational food companies brought about a global proliferation of standardized products of mass culture through international free trade. This threatens to suppress national cultures and traditions that are embodied in locally-produced food. A food product, like any other good, can symbolize culture if it is produced using traditional practises. Moreover, the concept of *terroir*²⁴ puts down a cultural value on the place of production. A quality food product can also add to its cultural weight through its consumption in socio-cultural activities. More than in the production and consumption phase, a food product may have a symbolic meaning adding to its cultural identity, such as when consuming a quality food product to express social status.

If one were to protect quality-labelled food products from mass culture goods by imposing trade restrictions, cultural degradation might be prevented. By doing so, conflicts between international trade liberalization and domestic policies protecting cultural goods may arise. However, geographical indications are somewhat different as they do not have the obvious trade restrictive effects of other measures. In fact, the primary goal of PDO and PGI labels

²⁴ *Terroir* is a French term that literally translates as 'terrain' but has come to mean the way foods and wine express the soil, climate, culture and tradition of a region. *Terroir* is an ambiguous concept that links food quality based not on price, but on where it comes from and how it is grown.

is not cultural diversity but consumer protection by preventing the loss of genuine food products. Nevertheless, this is done by valorising cultural attributes of quality food products that are converted into a commercial reinforcement. On the other hand, if this valorisation is done by inventing traditions, culture is diluted and identity gets distorted (Broude, 2005).

More than protecting local culture and traditions, EU quality labels have the ability to maintain diversity and tradition by preserving autochthonous species. Urbano *et al.* (2008) argue that one of the negative effects of modern agriculture is the loss of traditional cultivated plants because of their replacement by modern cultivars. This phenomenon could be resisted by ‘on-farm’ conservation measures such as cultivating autochthonous crops that are made economically viable through quality labels. In fact, PDO and the PGI labels serve as recognition of the genuineness and characteristics of typical agricultural products, which is a way to preserve native cultivars. However, it is important that there is already a market requesting these products or else a strong traditional use in cooking (Urbano *et al.*, 2008).

Chapter 4:

Farming in Malta and the future of food quality labels

4.1 Farming in Malta: the way forward

Farming in Malta contributes only to 2.2% of the Maltese GDP but it is the largest land user, occupying 47.8% of the land cover. Farmers do not only cater for the local fresh food demand but are also the major stakeholders in countryside management in the Maltese Islands. In the Rural Development Plan for Malta (2007)²⁵, agriculture is considered as having multiple functions and a value beyond its economic contribution. It has been particularly important in shaping the rural landscape and the environmental character of this densely populated archipelago. It is also an integral component of the cultural heritage and a crucial backdrop for the tourism industry (RDP for Malta, 2007).

A major hurdle for the development of farming in Malta has always been the small size of farm holdings coupled with land fragmentation. The total number of agricultural holdings in 2005 amounted to 11,072, with 7903 or 71.3% of these holdings being less than 1 hectare of utilised agriculture area (UAA). Merely 2,980 agricultural holdings (26.9%) have 1 ha or more UAA but they make up a total of 7,169 ha (69.9%) of the UAA (RDP for Malta, 2007). A typical feature of Maltese agriculture is the small size of parcels or fields that are normally delineated by rubble walls. This can be a big stumbling block for farmers as a single agricultural holding can have several parcels scattered around the island.

Land fragmentation is not simply a result of a small densely populated nation with a lack of farming space. It is primarily linked with customary inheritance practices where the occupant divides farmland between progeny. Farmland is further fragmented with time, rendering full-time farming less viable as an occupation. In Malta, there are 973 registered full-time farmers and 14,575 registered part-time farmers, out of which around 3000 are thought to be active (PQ 11056, XI Legislation by Onor. Philip Mifsud to Onor. Minister George Pullicino, 29/9/2009).

²⁵ As stated in the EU Council decision on Community strategic guidelines for Rural Development (2007-2013), each Member State is to prepare its rural development strategies on the basis of the outlined Community priorities - particularly the Göteborg sustainability goals and the Lisbon strategy for growth and jobs. These strategies were presented in the Rural Development Plan for Malta (2007).

Amongst the weaknesses identified in the RDP for Malta (2007), the farming population is ageing and tends to be very conservative and unwilling to change. Moreover young people are less attracted to a career in agriculture as other sectors provide more appealing employment possibilities. This is not just a Maltese trend as globally farming is not appealing to young people. Nevertheless there is a counter trend in certain countries as more people become connected to the nutritional value of food. In an interview with Ms Jeanette Borg²⁶, it came out that the number of students at MCAST Agribusiness Institute is on the increase. Ms Borg argued that it is not the case that young people are not attracted to agriculture, but other industries such as tourism and ICT are attracting more students through massive promotion.

4.2 Rural Development goals for farming and the food sector

The Rural Development Plan for Malta (2007) asserts that in the past 50 years, farming survived due to a series of protective measures that encouraged production by ensuring a regular income flow for local farmers and animal breeders through a system of price guarantees and quota restrictions on imports. There were very few incentives for farmers to upgrade their production through a consumer oriented system with product selection and distribution. Thus, agricultural growth was dominated by tradition rather than by marketing, with a focus on the domestic market and very little planning for product export (Delia, 2005 cited in RDP, 2007). With this inward-oriented policy, local farmers found it increasingly difficult to compete with imported food products since the EU accession and the dismantling of protective levies.

Prior to the EU accession, domestic farming supplies were secured by a closed market system and an obsolete quantity oriented approach. Such an approach demanded a focus on a narrow variation of quantity crops that were cultivated using unsustainable farming methods with little concern on their effect on natural resources and environmental

²⁶ An interview with Ms Jeanette Borg was held on 4th October 2010. Ms Borg is a lecturer in the MCAST Agribusiness Institute at the Għammieri Research and Development Centre in Marsa.

compatibility. Unfortunately, this situation led to a neglect of traditional specialities, local crop varieties and traditional skills. Hence, this closed market system protected low-quality production and farmers had no incentives to invest in marketing quality products or delving into agro-tourism. Moreover, this quantity oriented approach further increased individualism in the farming sector, as farmers competed with each other on the amount of produce entering the wholesale market (RDP for Malta, 2007). A step forward in this sector came about with the successful opening of the twice-weekly farmer's market in Ta' Qali, where farmers sell their products directly to consumers, bypassing the wholesale market²⁷.

Amongst the rural development goals in the RDP for Malta (2007), there is an expressed need for the farming and food sector to develop niche markets. These sectors can no longer depend on quantity production and individualism but have to invest in new marketing channels. This major challenge must be based on restructuring the marketing and processing methods, taking into consideration the very short supply chain from producer to consumer as well as the potential offered by over one million tourist visits per year (RDP for Malta, 2007). Thus, producers and agro-processors need to offer distinguished high quality produce that promotes the character of the Maltese product being sold. To achieve the niche market goals, the Rural Development Plan for Malta points out the:

'introduction of quality identification marks coupled with improved educational and marketing strategies that focus on sustainable practices, care for the environment and landscape, appreciation of traditional delicacies and artisan methodologies, cultivation of indigenous varieties, and an all-round quality orientation that is increasingly sought after by more demanding consumer markets, both current and potential, locally and internationally.'

Under Axis 1 of the National Rural Development Strategy for the Programming Period 2007-2013, the Maltese Government issued a number of measures aimed at 'improving the competitiveness of the agricultural sector'. Amongst funding measures issued under Axis 1 that are aimed to transform the current farming situation, one can mention Measure 121 -

²⁷ Times of Malta; <http://www.timesofmalta.com/articles/view/20101002/local/farmers-market-opens-at-taqali> (last accessed on 5th October 2010).

Modernisation of Agricultural Holdings; Measure 123 - Adding Value to Agricultural Products; Measure 124 - Cooperation for development of new products, processes and technologies in the agriculture and food sectors; Measure 132 - Participation of farmers in food quality schemes; Measure 133 - Information and promotion activities on food quality schemes and Measure 142 - Setting up of Producer Groups. Some measures, such as Measure 121, were of benefit to a large category of producers while others are more specific and linked with the transformation of farming from a quantity-based to a quality-based system.

Under Measure 132, farmers are encouraged to participate in Community quality schemes, such as PDO, PGI, TSG, Quality Wines, Organic production and other national schemes. This measure is aimed at supporting farmers financially to compensate for additional costs and obligations that arise from participating in quality schemes. Unfortunately, funds under this measure are only accessible to organic producers as there are no national food quality schemes to date. The programme could be amended in the future if food quality schemes are introduced in Malta. Nevertheless, when considering that national certification schemes are still in the pipeline and the funding period closes in 2013, the possibility to benefit from such funds is very limited due to the short time frame. The same applies to Measure 133 which funds information, promotion and advertising activities on food quality schemes in the internal market.

Measure 142 deals with the setting up of Producer Groups that is a vital aspect in the success of food quality schemes and certification. This measure is aimed at specific sectors, namely potatoes, pork, poultry, milk, honey, cheeselets, rabbits and wine. As Ms Ciantar explained in the interview with MRRA representatives²⁸, there is a problem of fragmentation amongst producers in Malta, that instead of joining forces, most end up forming new organisations. Thus, the formation of producer groups that work on protecting and marketing quality products is the prerequisite for an eventual application to achieve a

²⁸ An interview was carried out with Dr Mario Spiteri and Ms Eleanor Ciantar on 30/7/10 at Ghammieri Research and Development Centre in Marsa. Dr Spiteri is the Director General of Rural Development and Aquaculture, while Ms Ciantar is the Principal of Promotion and Information Unit at the Ministry for Resources and Rural Affairs.

quality label. Article 5 of EC 510/2006 regulation states that only a group shall be entitled to apply for registration. A group under this regulation denotes any association, irrespective of its legal form or composition, of producers or processors working on an agricultural product or foodstuff. However, other interested parties may participate in the group.

4.3 Quality labels in Malta

Legal Notice 182 of 2004²⁹ (Article 4) states that the Malta Standards Authority (MSA) is the competent authority for the verification of quality product specifications and to control quality labels. A standing committee within the MSA is responsible for the implementation of registering quality labels in line with EU Regulation EC 510/2006 as laid down in EC 1898/2006. This contrasts with the other EU member states, where the institution responsible for the administration of the EU quality scheme is the public authority linked to the agricultural or food sector (such as a Ministry of Agriculture). Such administrative responsibilities in three of the member states (Austria, Czech Republic and Germany) lie with an institution dealing with intellectual property rights. In Malta, such responsibilities fall under the MSA which is a national standard-setting organisation.

The only EU quality label submitted by Malta, PDO “*Lumi-Laring ta’ Ghawdex*”, was not accepted by the European Commission as the name is not traditional. There are other traditional products that could qualify for a quality label such as the *Ġbejna* (sheep cheeselet), *Kunserva* (tomato paste), *Zalzett tal-Malti* (Maltese sausage), *Hobza tal-Malti* (Maltese loaf), *Ftira* (low bread), *Tadam Imqadded* (sundried tomatoes), *Għasel tas-Sagħtar* (Thyme honey), *Ġulepp tal-Harrub* (Carob syrup), *Qagħaq tal-għasel* (honey rings), *Galletti* (water biscuits), *Bigilla* (bean paste), *Pastizzi* (ricotta or pea filled pastries), *Qassatat* (round pastries), *Imqaret* (deep fried pastry filled with a fig paste), *Karamelli tal-harrub* (carob sweets) and *Bambinella* (small pear). This dissertation will be focusing on

²⁹ LN 182 of 2004 regulates geographical indications and designations in the Maltese Islands and builds upon EC 2081/92 Regulations.

Gbejna, *Kunsera*, *Zalzett tal-Malti* and *Hobza tal-Malti* as case studies of how they qualify for a quality label.

As explained in section 2.4 and 2.5, food certification schemes require a certification body and product protection consortia so as to function properly. The current situation in Malta is that both roles are assumed by the MSA (MRRA Interview, 30/7/10). Dr Federico Mariotti (Interview 19/7/10) claimed that as from 1st January 2010, only accredited private certification bodies working with ISO 17065³⁰ will be recognized by the EU. ISO 17065 will replace EN 45011³¹, which is the recognised European standard for product certification. In an interview with Ms Ingrid Borg³², she pointed out that the MSA is a public control authority and not a private entity. Thus, it does not require accreditation and can still certify products. However, Malta does not have a private Certification Body, which needs to be created from scratch and given accreditation. Another option for Malta is to get the service of a foreign accredited Certification Body, which would have all the groundwork in place.

Dr Mariotti explained that at the moment, 3A-PTA Certification Body is accredited by ACCREDIA, which is the Italian accreditation entity. With the introduction of EC 765/2008³³, each European country has to have its accreditation body that evaluates certification bodies and their conformity to obligatory and voluntary rules. ACCREDIA deals with certification inspections and accredits laboratories used by the Certification Body. This process guarantees that products with an ACCREDIA label are conformant with international requisites as well as with strict surveillance of the Certification Body. Dr Mariotti claimed that at the moment (19/7/10), 3A-PTA and ACCREDIA logos cannot be used with PDO/PGI labels but this will be soon applied. The ACCREDIA logo is very

³⁰ ISO 17065 specifies principles and requirements for certification bodies certifying products, processes and services.

³¹ The objective of EN 45011 standard is to promote confidence in the way product certification is carried out, giving confidence to the consumer that products meet identifiable and consistent quality standards.

³² An interview was held with Ms Ingrid Borg, Head at the Regulatory Affairs Directorate for Foodstuffs at the Malta Standards Authority on 17th June 2010.

³³ EC 765/2008 - setting out the requirements for accreditation and market surveillance relating to the marketing of products and repealing Regulation (EEC) No 339/93

important for international trade as it is recognized by the International Accreditation Forum (IAF) and European Co-operation for Accreditation (EA).

In an interview carried out with Mr Louie Naudi³⁴, he argued that local producers did not yet reap the fruits of food certification schemes for a variety of linked reasons. Mr Naudi cited the lack of information available, the need for more focused professional assistance, a lack of consistent production procedures and the fact that the local market does not ask for such certification. Moreover, he mentioned that local producers are fragmented and most of them are not prepared to attend courses leading to certification. However, Mr Naudi argued that Maltese farmers already produce quality produce, but they are not organised and do not keep the records required to register their products as ‘quality’ products.

When asked about Malta’s position in relation to EU quality labels, Mr Naudi claimed that there is a lot of fundamental work and planning to be done just to get to the starting point. He added that the essential component of any quality labelling policy is the protection of the local element. Thus, if in Malta we continue to allow business interests to market produce with traditional nomenclatures without ensuring that the ingredients are local, then encouraging a local quality policy would be just hype or a myth. Mr Naudi also added to his argument the fact that local producers have little exposure to certification. One such case entails potatoes for exportation that are mostly certified by GlobalGAP³⁵ or as A H Compliant³⁶. Concerning the way forward for the introduction of certification schemes in Malta, he claimed that a national scheme should serve as the foundation for EU quality labelling scheme. By doing so, one would be building a system that allows farmers the ability to upgrade to internationally recognised schemes such as PDO/PGI/TSG labelling systems.

³⁴ An Interview was held with Mr Louie Naudi, Director of Assoċjazzjoni tal-Bdiewa (a local farmers’ producer group) on the 23rd August 2010.

³⁵ GlobalGAP is an internationally recognised scheme that serves as a practical manual for Good Agricultural Practice (G.A.P.) around in the world.

³⁶ A H compliant products are certified by Albert Heijn Group that is a Dutch supermarket chain that applies a third-party quality scheme of a much higher level than GlobalGAP. It is reached by first reaching GlobalGAP and then applying for A H Certificate that is used exclusively by A H Group. These products are certified by ISACERT, which is an international Certification Body that does audits and certification along the entire food chain.

Chapter 5:

Results and Discussion

5.1 Consumer Survey

A consumer survey took place between July 24th and July 31st, 2010. A total of 300 respondents, 50 from six localities, were interviewed. The six localities include San Ġwann (24/7/10), Rabat (26/7/10), Naxxar (27/7/10), Mosta (28/7/10), Mġarr (29/7/10) and Hamrun (31/7/10). This survey consisted of a one-to-one questionnaire in the main squares of the six above mentioned localities. The title of the consumer survey was ‘Traditional Maltese Food Products’ and the respondents were informed that it dealt merely with food products, thus excluding drinks. Out of 300 respondents, 83 were males and 217 were females, with an average of 14 males and 36 females from each locality. There were 7.7% younger than 20 years old, 9.3% between 20 and 30 years old, 47% between 30 and 50 years old, 19.7% between 50 and 60 years old and the remaining 16.3% were over 60 years of age. After noting the respondents’ age and gender, the following questions were asked in the given order:

1. Name five food products that you consider as being traditionally Maltese.
2. From which kind of milk is the Maltese *ġbejna* produced?
3. a. What do you understand by the word ‘*ħobża*’?
b. What do you understand by the word ‘*ħobż*’?
4. From which kind of meat is the *zalzett* tal-Malti produced?
5. Name three main ingredients that make up the *kunserva* paste.
6. a. Did you ever notice the following labels on a food product?



- b. If yes, what do they represent?
7. Would you be ready to pay more for a food product that is certified to be produced using the local traditional method? Why?

Question 1 was straightforward and was meant to identify which products are considered as being traditionally Maltese. The respondents had to mention up to five food products that are representative of the Maltese culinary tradition. This exercise is very important as there were no choices and thus any product could have been mentioned. From the results, one can conclude that the most frequently cited products are those that should have their name protected by a quality label. Nevertheless, there might be products that are ubiquitous or heavily marketed that could get a higher score in the frequency chart. Table 1 indicates the ten most cited products cited by respondents per locality, with the average and total score. The score shows the number of times that the product was mentioned in the list of five but some respondents mentioned less than five products.

Table 1: Top ten cited food products as being traditionally Maltese

	Kunserva	Ġbejniet	Bigilla	Zalzett	Galletti	Pastizzi	Twistees	Hobża	Tadam Imqaded	Helwa Tork
Naxxar	38	18	28	13	11	5	12	7	7	6
San Ġwann	36	34	25	14	13	11	9	6	9	4
Rabat	42	34	18	14	9	8	7	14	7	2
Mosta	37	36	25	9	16	9	6	7	6	7
Mġarr	39	37	24	17	8	9	5	2	5	6
Hamrun	31	39	23	10	14	6	7	7	7	5
Average	37.2	33.0	23.8	12.8	11.8	8.0	7.7	7.2	6.8	5.0
Total	223	198	143	77	71	48	46	43	41	30

From Table 1, the product that was mostly mentioned was *kunserva* (tomato paste), followed by *ġbejniet* (sheep cheeslets), *bigilla* (bean dip), *zalzett tal-Malti* (Maltese sausage) and *galletti* (water biscuits). The top three products collectively gained 58% of the total, with the top ten cited products obtaining 83% of the total. These figures indicate that *kunserva*, *ġbejniet* and *bigilla* are in a class of their own, followed by a range of other products that total 65. Some of the products mentioned are not typically Maltese, whilst others are not relevant to quality labelling. Thus, the top ten cited food products in this exercise are considered as being the most remarkably Maltese by consumers. Figure 3 is a bar graph showing the total citings per locality for the top ten products.

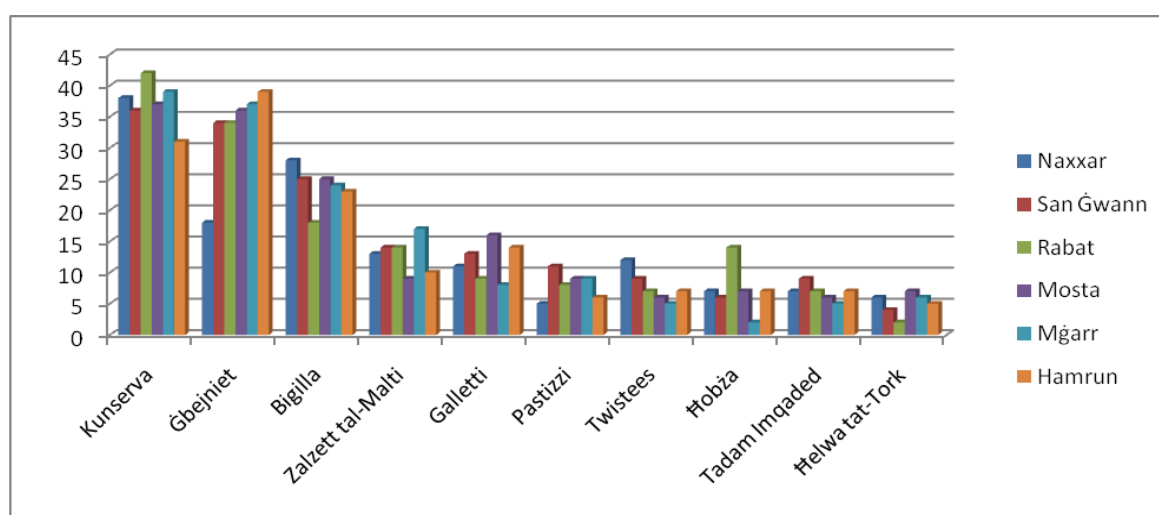


Figure 3: Ten most frequently named products per locality

The four products being considered in this dissertation ranked 1st, 2nd, 4th and 8th respectively. *Kunserva* is a ubiquitous product in the Maltese Islands with intense promotional campaigns from producer companies claiming its traditional Maltese roots and its link with locally-grown tomatoes. It has become a staple food as it is complimentary as a spread with *ħobż biż-żejt* that is the most common snack in Malta as well as used in a range of dishes, mainly in sauces and broths.

Gbejniet (plural of *gbejna*) ranked second in the consumer survey and they are another favourite ingredient in *ħobż biż-żejt*, either with *kunserva* or fresh tomatoes. Fresh, white and peppered sheep *gbejniet* are found in most supermarkets packed in plastic containers or are bought directly from producers. *Gbejniet* are used in *soppa tal-armla*, a traditional minestrone soup as well as filling for ravioli and *qassatat* pies. Cow-milk *gbejniet* were introduced in the last decade by the Malta Dairy Products, providing a product that is ever-present on the market and with a longer shelf life. In 2009, about 246,000 of such *gbejniet* were produced by MDP (MDP Interview on 17/8/10). Such success derives from this product's link with appetisers and Maltese platters, where it is sliced in small pieces to compliment *galletti* and *bigilla*. Nonetheless, many argue that we should stick to traditions and produce *gbejniet* from sheep milk or a blend of sheep and goat milk rather than from cow milk.

A Maltese platter without *bigilla* dip is not complete and thus this product is recognised by most Maltese as representative of their local culinary tradition. *Bigilla* is a dip made from mashed *ful* (broad beans) and served with *galletti* or used as a spread with *ħobż biż-żejt*. It is found in nearly all food stores in the Maltese Islands. Traditionally *bigilla* was sold in villages by a street vendor using a cart drawn by a mule or a horse. In some villages, this tradition lingers on with the street vendor delivering *bigilla* on a weekly basis using a modern mode of transport.

Ranking 4th is the Maltese pork sausage that is better known as *zalzett tal-Malti*. It can be bought fresh or dried from all butcher shops as well as food stores and it is an important component of the Maltese cuisine. It can be eaten with *ħobż biż-żejt*, served with *galletti*, grilled, fried, stewed, steamed and some eat it raw, even if it is not recommended. The widespread hard, round *galletti* biscuits were ranked fifth in the consumer survey even if they are so common. *Galletti* are included in practically all Maltese platters and are also eaten as a quick snack. They complement all forms of cheese, salamis, and dips being served all over the Maltese Islands especially in bars and restaurants. Their fifth ranking in the consumer survey might be linked to the fact that respondents take them for granted. Another food product that is taken for granted is *pastizzi* that got the sixth ranking. *Pastizzi* have a degree of pride as a traditional Maltese snack that is even produced by Maltese communities in emigrant countries such as Australia, Canada and United Kingdom.

Twistees are Maltese baked crisp snacks made from rice grits that have been popular for over forty years with the Maltese population and those visiting Malta. This product has a widespread brand name that is considered by most as being a traditional Maltese food product, even if the raw material is not local. However, in the consumer survey it ranked better than *ħobża tal-Malti*, which has stronger traditional ties with the Maltese cultural heritage. Many traditional Maltese products like *kunserva*, *gbejniet*, *bigilla* and *zalzett tal-Malti* are renowned due to their link with the Maltese *ħobża*. Thus, the 8th place obtained by *ħobża tal-Malti* is quite surprising when considering that this is the staple food of the Maltese population. However, this low ranking may be viewed in the light that bread is found in most countries but *bigilla* and *twistees* are not.

Ranked in the 9th place are the sundried tomatoes or *tadam imqadded* in Maltese. This product is traditionally produced from flat Maltese tomatoes that are halved, salted and sun dried for a couple of days. Due to its traditional link with Malta, *tadam imqadded* could be one of the candidate products for a quality label. The 10th place was obtained by *Helwa tat-Tork*, the Maltese variety of Halva, made from ground sesame seeds and sugar containing whole almonds. The ingredients in this product are mostly imported and thus it is simply produced in Malta. *Helwa tat-Tork* is a block sweet snack that is commonly eaten as dessert, in feasts and in parties. It has a similarity with North African and Middle Eastern sweets.

Question 2, ‘from which type of milk is the Maltese *gbejna* produced?’ targeted the consumers’ general knowledge on the main ingredient used in *gbejna*. The respondents had to choose between cow milk, sheep milk or a blend of sheep and goat milk. Traditionally, *gbejniet* were produced from sheep milk mixed with goat milk while certain producers made them just from sheep milk. Recently, there was the introduction of cow milk *gbejniet* that are mass produced by a local dairy manufacturing plant and distributed to all food stores around the Maltese Islands. The results to this question might shed a light on what is perceived as being the traditional milk for *gbejna* and thus which method would require protection. Figure 4 below illustrates the results for Question 2 in the six localities.

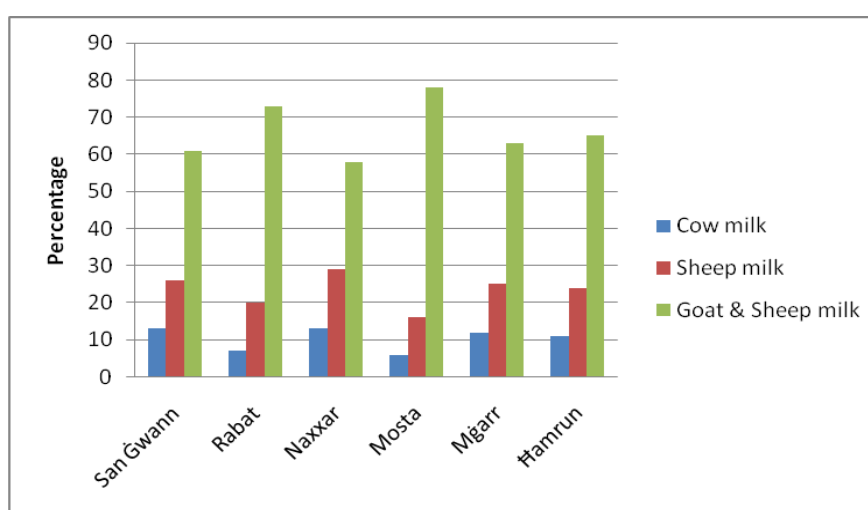


Figure 4: Perception of type of milk used in *gbejna* per locality

Figure 4 indicates a clear pattern with goat and sheep milk being the type of milk that is predominantly perceived as used in *gbejniet*, with 66% of respondents naming this production method. It was followed by sheep milk and cow milk that obtained 24% and 10% of the respective responses. There are some variations between localities, with Mosta and Rabat showing a higher score in blended goat and sheep milk. On the other hand, San Ġwann and Naxxar scored slightly higher in *gbejniet* made from sheep milk only. In the interview with Christopher Żahra³⁷ who, together with other producers, sells sheep *gbejniet*, claimed that they sell their products in Naxxar and San Ġwann but not in the other four localities. Mr Żahra said that this might be reflected in the result and it would have been interesting to carry out the research in areas like Sliema, St Paul's Bay, Fgura and Żabbar where sheep *gbejniet* are also sold.

Question 3 was aimed at inquiring about the perception of the terms *ħobża* and *ħobż*. The result of this question could shed a light on the issue of the oral interpretation of the term *ħobża* and if it is linked with the traditional *ħobża tal-Malti* (Maltese loaf). If such a trend is positive, then the term 'ħobża' is not generic referring to any bread, but it would be referring to a particular kind of bread. If the plural form 'ħobż' refers to any type of bread, then the argument is consolidated as for other types of bread, a particular name is used (e.g. *bezzun* (roll), *panina* (bun), *sliced*, etc). Respondents were left free to describe a *ħobża* in their own words and the results were categorized. Figure 5 shows the percentage response for each characteristic in all localities.

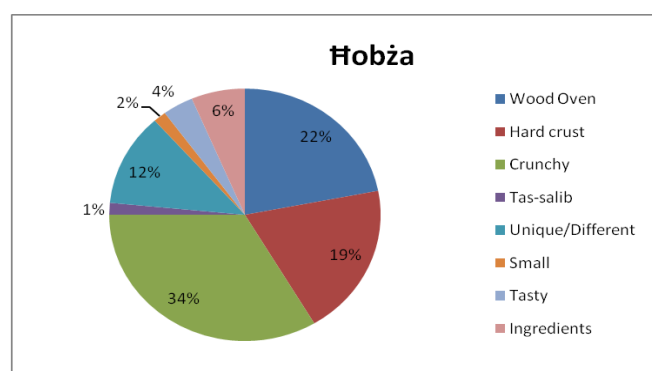


Figure 5: Characteristics of what makes a 'ħobża'

³⁷ On 19th August 2010, an interview was conducted with Mr Christopher Żahra, a sheep *gbejniet* producer and director of *Assoċjazzjoni tan-Nagħaġ* (Sheep cheeslet association).

From figure 5, 75% of those interviewed described a *ħobża* either as being ‘crunchy’, ‘hard crusted’ or baked in a wood oven. These are all characteristics of *ħobża tal-Malti*, demonstrating that by the spoken term ‘*ħobża*’, most of the respondents referred to the traditional Maltese loaf. Others replied that a *ħobża* is unique or different (12%), referring to the traditional aspect of the product. The remaining 13% mentioned ingredients (6%), taste (4%), size (2%) and *tas-salib* (1%). Thus, the majority of respondents pinpointed a *ħobża tal-Malti* when they referred to the term *ħobża*.

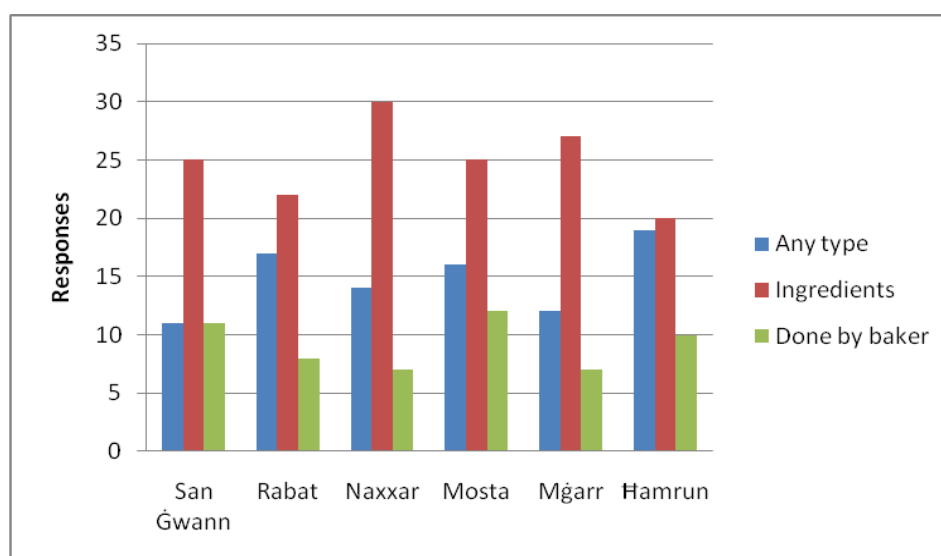


Figure 6: Definition of the term ‘ħobż’

For question 6, the respondents had to define the term ‘*ħobż*’, which is the plural of ‘*ħobża*’. The scope of this question was to check the oral interpretation of the generic name ‘*ħobż*’. From figure 6, there is an indicative pattern that there were three types of responses, these being ‘any other type of bread’, citing ingredients making up bread and ‘that product made by the baker’. The percentage of all respondents stating that *ħobż* means any type of bread was that of 30%. Over 50% did not quite understand the question and mentioned ingredients making up bread, such as flour, yeast and water. The remaining 19% related bread to that product produced by a baker. Notwithstanding the fact that the question was mostly interpreted as a description of bread ingredients, there is ample evidence to indicate that the term *ħobż* is used as a generic term to refer to all types of bread.

Question 4 of the consumer survey asked ‘from which kind of meat is *zalzett tal-Malti* produced?’ and provided four options, these being beef, pork, chicken and lamb. This question was intended to investigate the specific knowledge of a local traditional food product. *Zalzett tal-Malti* is made up of pork meat and thus any response related to the three other options would indicate a lack of knowledge of the product. Figure 7 illustrates the responses to question 4 along the six localities.

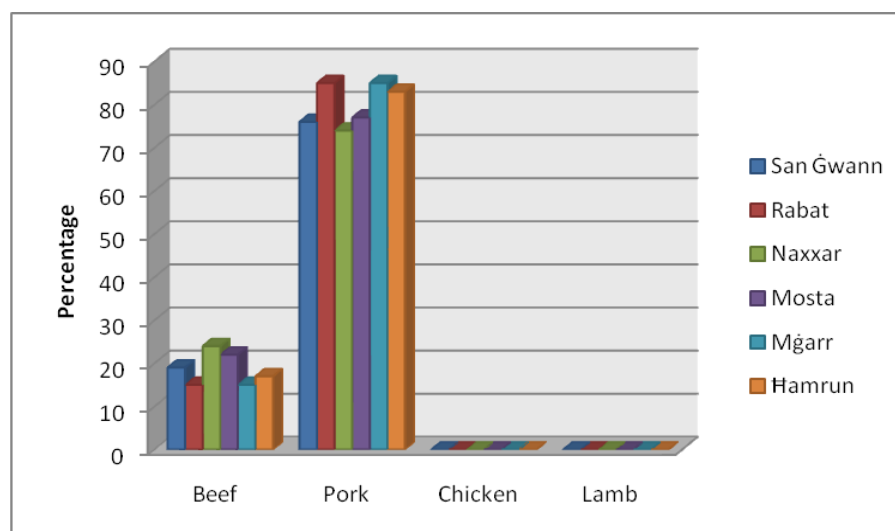


Figure 7: Knowledge about type of meat used in *zalzett tal-Malti*

Figure 7 shows a trend throughout the six localities that most respondents (81%) are knowledgeable about the meat ingredient in *zalzett tal-Malti*, given that they rightly chose pork. The remaining 19% wrongly chose beef as the meat product present in *zalzett tal-Malti*. Chicken and lamb were not selected in this exercise, signifying that there are some misconceptions between pork and beef as the main ingredient in *zalzett tal-Malti*.

Question 5 asked consumers to point out three main ingredients that make up the *kunserva* paste. This exercise was similar to question 4 as it was directed towards the knowledge of the ingredients of a traditional Maltese product. One has to consider the fact that this product is highly publicised by local media as being produced from local tomatoes, even if this feature is not being certified. This exposure also came out in Question 1 of the consumer survey as *kunserva* ranked 1st from all Maltese traditional food products.

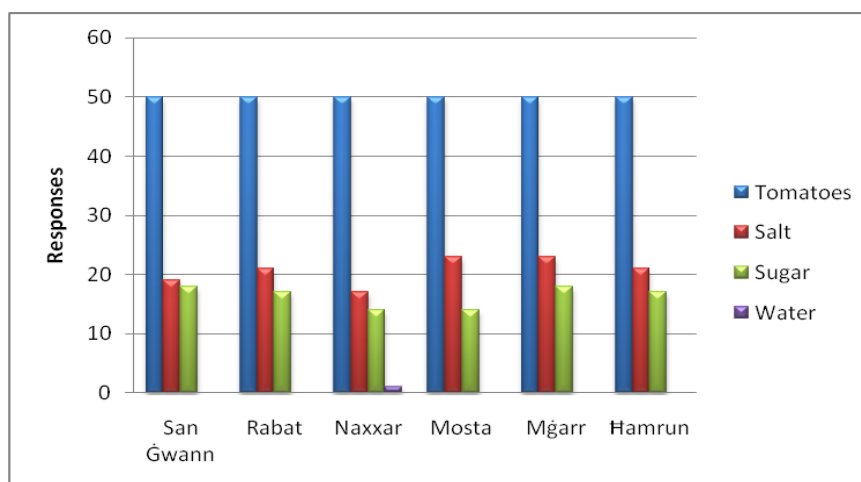


Figure 8: Knowledge about ingredients making up *kunserva* paste

Figure 8 indicates that all respondents referred to tomatoes as the main ingredients found in *kunserva*. Nonetheless, there was a general lack of knowledge about the other ingredients in this ubiquitous Maltese food product. Merely 41% of the respondents cited salt and just 33% mentioned sugar as being main ingredients of *kunserva*. Moreover, just one respondent named water as being an ingredient in *kunserva* paste. In an interview with Mr Manuel Agius³⁸, he was shown the results obtained in Question 5 and asked to comment on the lack of knowledge about the ingredients in *kunserva*. He argued that marketing *kunserva* as being made from tomatoes and drawing a tomato on the label definitely leads consumers to associate a product with a particular crop. Nevertheless, the ingredients are written on the container for anyone to check and without the other ingredients, this product would simply be a tomato pulp. Mr Agius added that sugar is a very important ingredient as without it, the acid content of *kunserva* would be very high.

In Question 6, the 300 respondents were shown the PDO, PGI and TSG labels and were asked whether they ever noticed them on a food product. This question was primarily aimed at enquiring if such products are easily found on the shelves of local food stores and if the consumers take note of such labels. Up till now, products certified with EU quality labels are foreign food products as there are no such labels on Maltese products. The

³⁸ An interview was held with Mr Manuel Agius, Director of the *Għaqda Produtturi Tadam ta' Malta* (Maltese Tomatoes Producer Organisation) on the 6th September 2010.

second part of Question 6 asked those who noted the labels to mention what they represent. From this question, the knowledge of EU Quality labels by the respondents could be evaluated. Figure 9 shows a pie chart with the results obtained in Question 6.

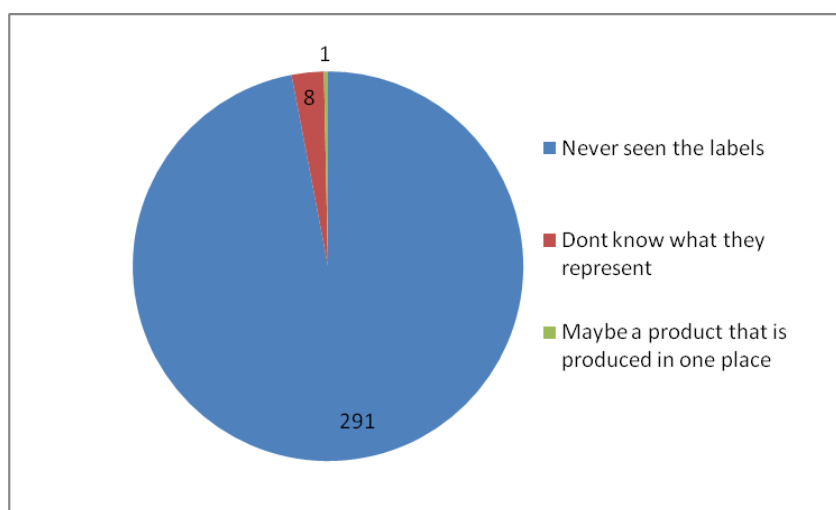


Figure 9: Consumer familiarity with EU Quality Labels

Figure 9 above clearly demonstrates that the vast majority of Maltese consumers have never seen or noticed the labels. In fact, 97% of respondents claimed that they never noticed the labels, 2.67% noticed the labels but do not know what they represent and only one respondent indicated the true function of the labels. This response was expected but not to such an extent since PDO and PGI labels such as *Parmigiano Reggiano*, *Aceto Balsamico di Modena*, Greek Feta cheese and a variety of Olive Oil products are found in most Maltese food stores.

Question 7 targeted the respondents' willingness to pay for a food product that is certified as produced using the local traditional method. The response for this question should be an indication of the success or otherwise of introducing certification schemes in Malta. The second part of Question 7 enquired about the reason for their reply so as to investigate the motivation of local consumers in accepting or rejecting quality labels. The results obtained in the first part of Question 7 are illustrated in Figure 10 in the categories 'Pay', 'Not sure' and 'Do not pay'.

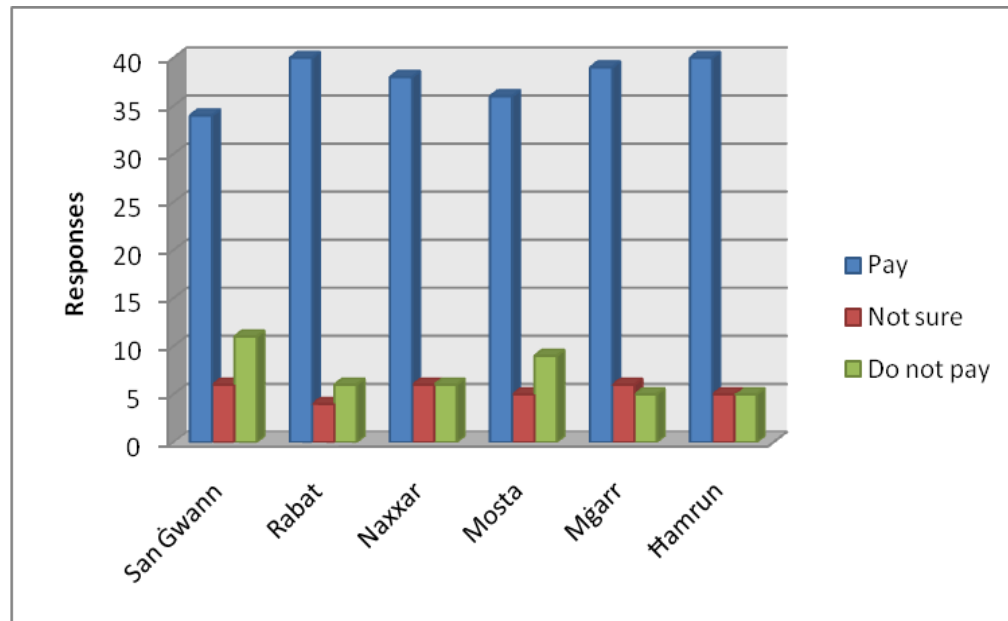


Figure 10: Willingness to pay for a certified food product

The majority of respondents (75%) claimed that they are willing to pay extra for a certified food product. Considering that 11% are not sure and merely 14% are not willing to pay or are not interested in such schemes, this might be a positive indication that the majority of consumers would accept certified food products. Nevertheless, in view of the lack of knowledge about the certification schemes (Question 6), the reply to Question 7 was based on the concept of having a better quality product on the market. Such a reply would be inclined towards having healthier and safer food products to choose from, without taking into account the price difference. At this point, a valid exercise would involve market research that quantifies the price difference that consumers are willing to pay for a certified product.

In the second part of question 7, the respondents that are willing to pay extra for a quality labelled product were asked to give a reason for their answer. They were not given choices and were left free to express their own opinion. Their replies per locality are illustrated in figure 11 below:

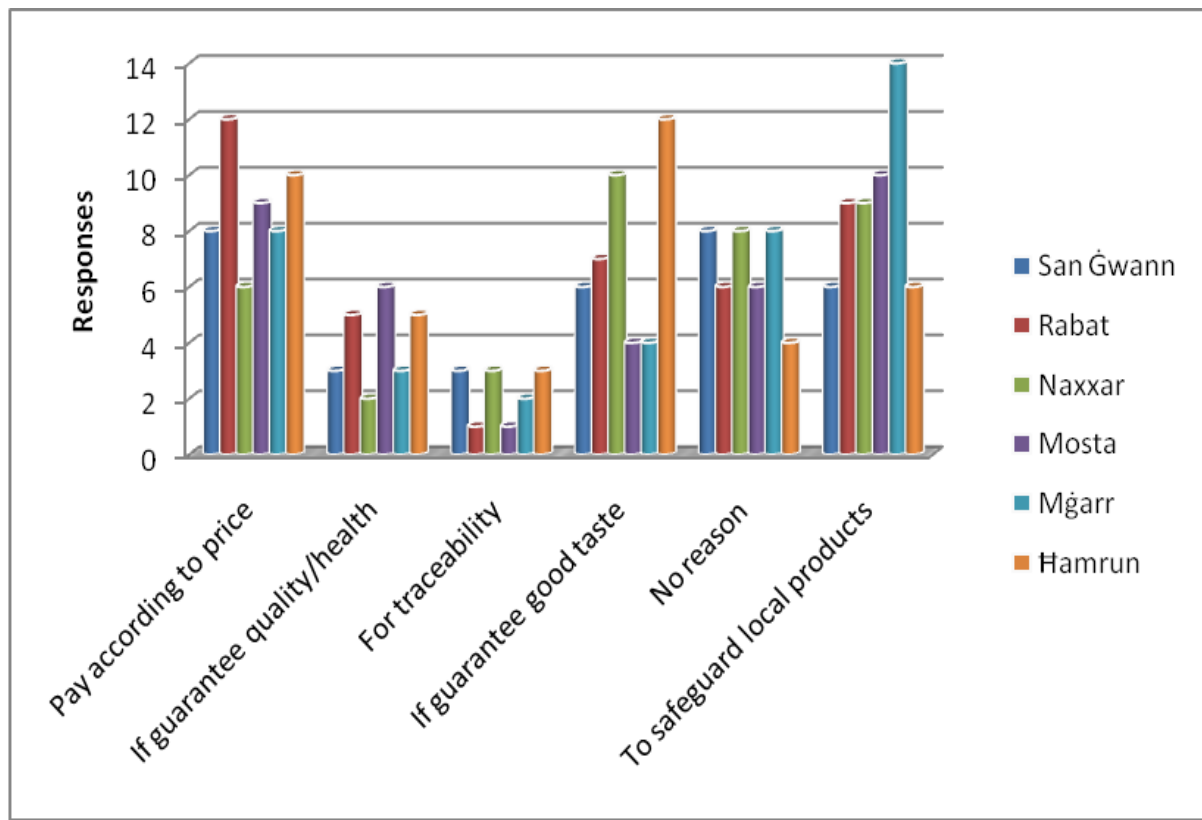


Figure 11: Reasons for paying extra to buy a certified food product

The response ‘to safeguard local products’ added up to 24% of those who are willing to pay more for a certified product. Such a reply indicates that the need to protect and better promote local food products is a common concern. Another 23% claimed that they are willing to pay depending upon to the price difference. This reply is justified and was anticipated since such food commodities are purchased on a daily basis and a large difference in price would scare consumers. Other replies linked the increase in price to a guarantee of good taste (19%) or to a guarantee of quality or health (11%). Even if such replies could be considered as self-centred, it is important that consumers relate a certified product with better health attributes. A small percentage (6%) mentioned the concept of product traceability by associating it with certified products. This may indicate that such a concept is still not embedded in the Maltese consumer culture and that there may be a general lack of knowledge on label information. The remaining 17% did not give a reason for their answer.

5.2 Comparative shelf price Survey

During the Perugia study visit carried out between 19th and 23rd July 2010, a comparative shelf price investigation was done at a COOP hypermarket on 19th July 2010. This exercise involved an analysis on the shelf price of Italian PDO/PGI products in relation to similar products that are not certified as EU Quality products. The products were identified with the help of Dr Federico Mariotti, Manager of the Certification Department at 3A-Parco Tecnologico Agroalimentare dell' Umbria. Other certification schemes such as voluntary or national schemes were not included as this exercise focused specifically on EU quality labels. A list of products with the price in Euro per kilogram was produced and is presented in Table 2:

Table 2: The comparative price (€/kg) of selected certified and non-certified products

Product	Price in €/kg	Price in €/kg
	Certified product	Non certified product
Mortadella affettata	11.77	9.77
Mortadella non-affettata	9.86	8.90
Bresaola	49.44	40.44
Parmeggiano Grattugiato	18.40	14.50
Mozzarella	15.18	8.25
Pane	3.95	3.48
Limone	2.98	1.15
Farro	5.90	4.70
Nocciole	19.20	13
Olio extravergine d'Oliva	10.60	3.10
Aceto Balsamico	28.40	7.50

A statistical analysis of the two data sets in Table 2 above was carried out using the Paired Sample T-Test. This test compares the means of two paired samples and is used when comparing two similar data sets. The Paired Sample T-Test suits this case since each food item is being measured as a certified and as a non-certified product. The null and alternative hypotheses for this test are:

H_0 : There is no significant price difference between certified and non-certified products

H_1 : Certified products sell at a significantly higher price than non-certified products

The results obtained for the Paired sample t-test using the data in Table 2 are presented in Table 3 and Table 4 followed by an explanation of the statistics.

Table 3: Paired Samples Statistics for certified and non-certified products

Price in €/kg	Mean	N	Std. Deviation
Certified product	15.971	11	13.3796
Non certified product	10.436	11	10.7744

The Paired Sample Statistics in Table 3 indicate that at €15.971/kg, the mean price of certified products is higher than the mean price of non-certified products that is €10.436/kg. In the second column of Table 3, there is an indication of the number of products analysed (N) which adds up to 11. The Standard Deviation in the third column shows that the prices of certified products are more dispersed than those without certification. This indicates that there is a greater variation in prices of products having an EU quality label than similar non-certified products.

Table 4: Paired Samples Test results for certified and non-certified products

	Paired Differences		t	P(T<=t) one-tail	Degrees of Freedom	P-value
	Mean	Std. Deviation				
Difference in price	5.535	2.6052	3.109	0.005535886	10	0.011

The Null Hypothesis states that there is no significant price difference between certified and non-certified products, meaning that the mean paired difference would need to be close to zero. From the Paired Samples Test results in Table 4, the mean of the paired differences is €5.535. This figure is not close to zero as an average of €5.50/kg is a considerable difference. The P-value of 0.011 is less than the 0.05 level of significance, indicating that the average price of PDO/PGI certified food products is significantly higher than the average price of similar non-certified food items. Hence, H_0 is rejected and H_1 is accepted and the probability that this assertion is wrong is 0.005535, which is very small.

This shelf price study was consolidated with the figures cited in the interview with Dr Canestrari (20/7/10) in Perugia. Being the director of a Product Protection Consortium, Dr Canestrari gave examples of the variation in selling price between certified PGI beef and non-PGI beef. He asserted that the *Romagnola* breed with PGI costs €4.70 per kilogram plus value added tax when it is sold on the market. If it is older than 24 months, it loses its PGI status and would cost €3.30 plus value added tax per kilogram. The breed PGI *Chianina* costs €5.43 plus value added tax per kilogram and without PGI, it would cost €1 or €1.50 less. The breed *Marcheggiana* with PGI costs €4.80 plus value added tax per kilogram and without such status, it costs a €1 or a €1.50 less. Dr Canestrari claimed that in general, beef that is not certified costs approximately €1 less.

5.3 Applying a quality label to *Ġbejna Maltija*

A traditional local product that would definitely be considered as a Maltese speciality is the sheep cheeselet or *Ġbejna Maltija* which ranked second in Question 1 of the consumer survey. However, one has to create a protocol on what constitutes a *Ġbejna* in terms of EU product specification (Article 4 of EC 510/2006). Traditional *Ġbejniet* are made from sheep milk or from a blend of sheep and goat milk. Question 2 of the consumer survey targeted this issue and it came out that the majority of respondents (66%) perceive *gbejniet* as being produced from sheep and goat milk. However, *gbejna* is a generic term in the Maltese language referring to a small cheeselet or the diminutive of *gobon* (cheese). For this reason, small cheeselets made from cow milk are being produced and labelled as *Ġbejna*. In an

Interview with representatives of the Malta Dairy Products on 17th August 2010, they claimed that about 246,000 cow *gbejniet* were produced in 2009.

Other issues arise when formulating a *Ġbejna* protocol, such as the geographic link of the product with Malta. Traditionally, sheep and goat diet was based on grazing and stored fodder that was cultivated in Maltese fields. Mr Christopher Żahra, a sheep *gbejniet* producer, explained that nowadays these animals are mostly kept in sheds and are fed a mixture of animal feed pellets, winter grass and hay (Interview 19/8/10). He also pointed out that sheep and goat grazing has become the exception as it is time consuming and grazing ground has become restricted. Mr Żahra's sheep farm, that holds 70 sheep, utilises modern milking equipment, good sanitary conditions, a *gbejna* processing unit as well as a visitor area to tap value-added benefits from agro tourism. He claimed that he has to abide with controls from the Veterinary Department and has to meet the cross-compliance criteria as he tapped funds from Measure 121 and Measure 123 of the Rural Development Programme 2007-2013.

The case of Mr Żahra is not prevalent throughout the Maltese Islands as most *gbejniet* producers are small scale family-owned businesses of less than ten sheep. Such producers milk their sheep by hand and do not pasteurise the milk. Mr Żahra claimed that his production method is still traditional, even if he pasteurizes the milk, as most of the production method is done by hand. He milks the sheep and collects the milk using mechanical methods, followed by pasteurization and *gbejna* production. For the latter, he uses rennet extracts to produce cheese curdles that are placed in plastic containers, after which he applies an artificial drying method. Traditionally, calf stomach rennet was used to curdle cheese that was then shaped into small cheeselets using small woven baskets called *qaleb* (singular) or *qwieleb* (plural). *Ġbejniet* were then added salt and air-dried into small ventilated wooden or reed-boxes called *qanniċ* or *qafas* depending on the dialect used.

There are various forms of *gbejna* ranging from pickled, salted, peppered, covered in herbs, dried, or fresh. When summing up the traditional aspects of the Maltese *Ġbejna* production method for the creation of a protocol, it can turn out to be subjective as well as exclusive.

Thus, one would have to link the product to a particular type of milk or blend and a general production method. There are contrasting views on the use of the generic term *Ġbejna* to be safeguarded as a geographical indication. In an interview with Ms Eleanor Ċiantar at the Ministry for Resources and Rural Affairs on 30th July 2010, she claimed that after certification, the term *Ġbejna* would exclusively refer to what is written in the protocol and as described by the product dossier. This would imply that any other cheese product produced in a different manner or from a different milk source would have to be labelled as *Ġobon* (cheese).

Ms Ċiantar argued that there could be some prescribed variations in the protocol for *Ġbejna* such as the ratio of sheep milk to goat milk, since in summer more goat milk can be used in blended milk. She added that the product name for this product is *Ġbejna* and so it should be protected with an EU quality label. Thus, any producer interested in selling his product with the name *Ġbejna* would have to apply for the PGI quality label, adhere to the protocol and implement it in the production method. In another interview with Ms Ingrid Borg at the Malta Standards Authority on 17th June 2010, the same argument came out as she claimed that if the name *Ġbejna* is protected, no other product can use that name. Nevertheless, if it is specified that the protection is being sought for *Ġbejna tan-Ngħaġ* (sheep cheeselet) or *Ġbejna tan-Ngħaġ u l-Mogħoż* (blended sheep and goat cheeselet), the name *Ġbejna* can still be used for other products.

Ms Borg also mentioned the fact that linguistically, the term *gbejna* is not only used for cheese made from sheep or goats, but it has become generic. Therefore, the protection should be sought for a more detailed name like *Ġbejna tan-Ngħaġ* and the generic term *gbejna* could still be used on other products which are not protected by the quality label. There would still be a difference between PGI *Ġbejna tan-Ngħaġ* and any other product named *Ġbejna*. Likewise, in the comparative shelf price survey conducted in Perugia on 19th July 2010, similar cheese products such as *Mozzarella di Bufala Campana DOP* and *Mozzarella di Latte Bovina* were found on the same shelf, even if one has a quality label and the other does not. Moreover, due to precedent conflicts over generic name products, Article 3 of EC 510/2006 clearly states that generic names may not be registered.

A major issue that should be tackled when applying for an EU quality label is the geographic link of the product with the region. In the case of the Maltese *Ġbejna*, there are various links with Maltese traditions but it does not fit in the PDO definition of ‘products which are produced, processed and prepared in a given geographical area using recognised know-how’, since most of the animal feed is imported (MRRA Interview, 30/7/10). According to Ms Borg (MSA Interview, 17/6/10) the local *Ġbejna* would qualify for a PDO if at least 80% of the sheep feed is local but not necessarily obtained by grazing. However, it would be very difficult for local producers to reach an 80% sheep or goat diet based on local hay and grazing, even if Mr Żahra (Interview 19/8/10) claimed that certain changes such as a change in the sheep diet could be accommodated to achieve a quality label.

If the local *Ġbejna* would not achieve a PDO status, it would meet the requirements of a PGI that is defined as ‘having a geographical link in at least one of the stages of production, processing or preparation and the product benefits from a good reputation’ (Article 2, EC 510/2006). One has to keep in mind that an association with a representative number of members need to apply for a product to achieve a PGI status (MSA Interview, 17/6/10). This would imply that the members of the producer association would already be following a similar production method that will be translated in the production protocol. Dr Mariotti (Interview 19/7/10) stated that in most associations, members producing the certified product would have to represent at least 30% of the total producers and their production should be at least 51% of the total PDO or PGI production.

5.4 Applying a quality label to *Kunserva*

The significance of *Kunserva* to the Maltese cuisine and its cultural ties are unquestionable as indicated with its 1st place ranking in the consumer survey. *Kunserva* is a thick tomato paste that is already marketed from producer companies and sold in large numbers all over the Maltese Islands and beyond³⁹. Mr Agius (Interview 6/9/10) claimed that its taste,

³⁹ Times of Malta; <http://f1plus.timesofmalta.com/business/view/20070816/news/bumper-tomato-exports>; (last accessed on 13th October 2010)

adaptability with food and widespread availability all contribute to its fame. Moreover, *kunserva* is recognised by the European Commission (EC 1132/2004) as being ‘a traditional, well-defined Maltese product, and tomatoes used in its production should be eligible for EU production aid’. The definition of *Kunserva* in EC 1132/2004 states that:

The product is obtained by concentrating tomato juice, obtained directly from fresh tomatoes, containing added sugar and salt, having a dry matter content of 28 % to 36 %, packed in hermetically sealed containers labelled “kunserva” and falling within CN code ex 2002 90.

Kunserva differs from *Gbejna* as it does not involve many stages of production and is less complicated with regards to traceability. The main stakeholders in the local *kunserva* industry are the tomato growers and three *kunserva* processors, two in Gozo and one in Malta (Mr Aġius, Interview 6/9/10). The *kunserva* production protocol would have to specify the tomato growing method as well as follow the *kunserva* processing method as indicated in the related legislations. Subsidiary Legislation 117.13 as emended in LN 409 of 2007 controls tomato paste and sale of tomatoes for processing purposes in the Maltese Islands. This legislation defines the ideal conditions of tomatoes, inspections, pricing, manufacturing licences, record keeping as well as container labelling. Moreover, EC 1764/86⁴⁰ as emended in EC 1132/2004 states that in the case of *kunserva*, sugar shall be added, representing between 8 % and 25 % by weight of the finished product.

There are various tomato growing methods including low plant cultivation, vine method using reeds as support and the greenhouse tomatoes that are grown using rope support. The local *kunserva* industry mostly relies on the low plant cultivars that are harvested in a short period of time in the hot summer months. Such plants are chosen by the *kunserva* processors who import tomato seeds that are used exclusively by the producers (Interview Mr Aġius, 6/9/10). Greenhouse tomatoes and vine-supported tomatoes are generally grown to supply the fresh market as they have a longer harvesting season. As in the case of imported sheep fodder for *gbejna* production, local tomato producers import more

⁴⁰ COMMISSION REGULATION (EEC) No 1764/86 of 27 May 1986: laying down minimum quality requirements for products processed from tomatoes under the production aid scheme.

productive tomato plants from other countries at the expense of the local variety. This practise does not help in achieving a geographical indication as other ingredients in *kunsera* such as sugar and salt are imported as well.

The geographic link of *kunsera* ingredients with the Maltese Islands is in contrast with its strong traditional ties. Ms Borg at MSA (Interview, 17/6/10) argued that *kunsera* can qualify for a PGI as it has a good reputation but the sugar content is not Maltese. The same argument was articulated by Ms Ċiantar (MRRA Interview, 30/7/10) and she added that even salt is imported as local salt is costly and not available industrially. There could also be the possibility of having *Kunsera Maltija* produced using a faithful traditional recipe and the other products are sold as *kunsera* (MSA Interview, 17/6/10). This traditional recipe could include Maltese tomatoes, Maltese sea salt and following a long-established method. Nevertheless, the knowledge about this *Kunsera Maltija* needs to be familiar with consumers to be accepted as a PGI, or else it would be rejected as in the case of *Lumi-Laring ta' Ghawdex*. Thus, the most feasible alternative is to opt for a *TSG Kunsera* label.

5.5 Applying a quality label to *Zalzett tal-Malti*

Zalzett tal-Malti is a Maltese sausage generally made of pork, sea salt, coriander seeds, black peppercorns and parsley. It is a renowned product in the Maltese Islands and in Question 1 of the consumer survey, it ranked 4th. There is a dried as well as a fresh *zalzett tal-Malti* version that are both traditionally eaten grilled, fried, stewed, steamed or even raw. Another *zalzett tal-Malti* version with a reduced salt content and thinner skin is sold as a barbeque sausage. The first two versions are traditional and could obtain a quality label but the barbeque sausage is too recent and would not qualify for such a status.

An essential element that provides *Zalzett tal-Malti* with a geographic link and its unique taste is the Maltese pork. The response to Question 4 in the consumer survey indicates that 81% identified pork as being the main ingredient in *zalzett tal-Malti*, with the remaining 19% choosing beef. Even if the majority were right, there are still misconceptions about the

meat ingredient in this product. As with the case of sheep for the production of *gbejniet*, the pig farm should adhere to the criteria issued by the production protocol and if necessary include implications on the pig diet. As explained by Dr Canestrari (Interview, 20/7/10), if a criteria is not consistent with the protocol, the product would lose its PGI status.

Since a co-operative for pig meat producers already exists in Malta, it would be fruitful to channel its energy on marketing Maltese pork, keeping in mind the protection of *Zalzett tal-Malti*. However, Maltese pork is not derived from an autochthonous Maltese pig breed that would make it qualify for a PGI (MSA Interview, 17/6/10). The applicable EU quality label for *Zalzett tal-Malti* would be the TSG label since only the recipe could be protected. This is due to the fact that most of its ingredients such as salt and coriander are imported (MRRA Interview, 30/7/10). Furthermore, the fodder used to nurture the pigs is mostly imported, reducing the geographical bond of *Zalzett tal-Malti* with the Maltese Islands.

An important aspect of the *Zalzett tal-Malti* protocol is likely to be the ingredient recipes in the varied forms of *zalzett tal-Malti*. Two variants can emerge from this product, the first being the dried Maltese sausage or TSG *Zalzett tal-Malti Xott* and the fresh Maltese sausage that could take the label of TSG *Zalzett tal-Malti Frisk*. The generic name *zalzett*, which stands for all types of sausages, should not be used in isolation on these labels. Alternatively, *Zalzett Malti* or *Zalzett tal-Malti* would not mislead consumers since they are both linked with this traditional product.

5.6 Applying a quality label to *Hobża tal-Malti*

One of the most traditional and representative food products of the Maltese Islands is the local bread known as *Hobża tal-Malti*. Maltese bread is a kind of sourdough bread loaf with a tough crust and a soft, chewy interior. The Maltese *Hobża* has for centuries been central to the Maltese diet and is still very popular as a snack with *kunserva*, *gbejniet*, capers, olives, sundried or fresh tomatoes and olive oil. Moreover it is served as a starter or in small pieces as a side plate with meat dishes. Notwithstanding this popularity, it ranked 8th

in Question 1 in the consumer survey. This unexpectedly low ranking could be attributed to the fact that it is a staple food and most consumers take it for granted.

Apart from the *ħobża tal-Malti*, traditionally weighing one *ratal* (a Maltese mass unit equivalent to 794grams), there is also the *ftira tal-Malti*. The latter is a small, low, round bread that is a very common snack in the Maltese Islands. Therefore, Maltese bakers could potentially benefit from two quality labels, one being *ħobża tal-Malti* and the other being *Ftira Maltija*. There term *Ftira Ġhawdxija* refers to another type of *ftira* from the island of Gozo that is usually filled with potatoes, *ġbejniet*, anchovies and olives. Results obtained from Question 3 in the consumer survey indicate that the use of the word *ħobża* on its own refers to *ħobża tal-Malti* while the word *ħobż* is a generic term referring to any type of bread.

As with the case of *ġbejna*, there are bakers who still practise traditional baking methods, while others invested in modern industrial production methods. However, unlike *ġbejniet* producers, bakers practising traditional baking processes using wood ovens are a minority. As stated by Ms Ċiantar (MRRA Interview, 30/7/10), there was some interest by traditional bakeries to label their bread as being ‘traditional’ but such bakeries are now limited and small-scale. She added that there could be an investment in bakeries dedicated to traditional baking methods if they are incentivised by a higher market price linked with certification. There was such an interest by a large-scale baker to dedicate one of his five bakeries for the production of certified traditional bread (Ms Ċiantar, 30/7/10).

Assigning a quality label to *ħobża tal-Malti* would imply basing the protocol on the recipe and the baking process. The EU quality label safeguarding the recipe is TSG and it does not emphasize the geographic link, since the same product could be reproduced elsewhere using the same method. Ms Borġ identified *ħobża tal-Malti* and *pastizzi* as urgently needing protection under the TSG label, since they are being reproduced in other countries with the risk of losing our culinary heritage (MSA Interview, 17/6/10). She also argued that *ħobża tal-Malti* does not qualify for a PGI status as the wheat used for flour is not local and there are no factors in the production method that could not be replicated somewhere else.

Chapter 6:

Conclusion

6.1 Applicability of EU quality labels in the local context

Following the appraisal of the consumer survey, the comparative shelf price survey and an evaluation of four typical products, one can put in perspective the applicability of quality labels in the Maltese context. The outcome of the consumer survey indicates that the majority of Maltese have never noticed EU quality labels on food products. Nevertheless there is a promising demand of such certification tools as most respondents are willing to pay more to get quality food products. In actual fact, the consumer survey exposed the concern about the lack of protection towards local products and the need of having a label that guarantees better health.

The comparative shelf price survey conducted in a hypermarket in Perugia illustrates the real price differences between similar products having a PDO or PGI status and others that do not. Statistical analysis of eleven such products gave a mean price difference of €5.53 per kilogram, which is significantly higher. This is notwithstanding the costs involved with certification that are included in the price difference. Citing an example given by Dr Paolo Canestrari, the certification price of PGI beef is around €40 per head. He added that if each bull weighs 400 kilograms, the cost per kilogram turns out to be €0.10 or 2% if the total costs are included (Interview, 20/7/10).

Out of the four typical products evaluated in this study, none of them qualifies for a PDO status and only one (*Ġbejna Maltija*) could achieve a PGI status. The other three, namely *Kunserva*, *Zalzett tal-Malti* and *Hobża tal-Malti* could only be eligible for a TSG label. This implies that only one product of the four evaluated has some sort of geographic attribute linked with Malta that could not be reproduced elsewhere. The other three products, even if having a strong traditional link with Malta, qualify for a recipe protection under the TSG scheme. In simple words, there are no exclusive characteristics in *Kunserva*, *Zalzett tal-Malti* and *Hobża tal-Malti* which can protect them by a geographical indication.

In the EU Green Paper on Agricultural Product Quality (2009), it is made clear that a TSG label serves only to identify the traditional form of the product. Hence, it is not given much

consideration by most European counterparts as it does not offer the benefits of a geographical indication such as the PDO or PGI labels. In fact, since its introduction in 1992, only around 20 TSG labels were registered, most of which are not significant in economic terms. More than 60% of TSG applicants have not reserved the product name because this scheme serves only to register the name and not to protect it from further use.

After having evaluated the applicability of quality labels on four typical food products, it came out clearly that there is long way to go to achieve EU product certification in Malta. The difficulties of achieving geographical indications for Maltese products are large both in number and magnitude. The traditionality of local products is a problem in itself since most food items are not produced using traditional methods and most raw materials are imported. This factor can be linked to a discontinuity of culinary traditions due to a history of colonisation or even owing to the economies of scale. Since Malta is a very small island state, lacking basic raw materials and being over populated, it has a dependence on imports. Thus, the element of product specification is missing in most food products.

Other barriers to break in order to achieve EU quality labels include changes in food production and consumption. There is a farming situation in Malta where primary production is based on a quantity oriented approach with a total disregard of quality marketing. This situation came about from the pre-EU accession period where farming products were secured using a closed market system that protected low-quality production with farmers having no incentives to invest in quality products. This situation increased competition between farmers over the amount of produce entering the wholesale market (RDP for Malta, 2007). To add insult to injury, following EU accession, subsidies were given on the amount of produce entering the market, thus instigating more production and less quality.

Farming sustainability in Malta is a distant target, both from an economic and environmental point of view. A quantity oriented approach leads to an urge to produce more, implying less free time and more stressful work for producers. A chief obstacle for economic sustainability in this sector is the *Pitkali* wholesale market, where the farmer

delivers his produce that is sold by a middle man to distributors, with a lack of controls throughout. In such an obsolete system, the farmer loses a large percentage of his profits while the consumer has to pay a higher price. In an attempt to bypass the wholesale market, the first of four farmer's markets has recently opened twice-weekly not far from the *Pitkali* market in Ta' Qali⁴¹. This positive initiative is a step forward as farmers sell their fresh products directly at a higher profit while still keeping a lower price for consumers.

With the farmer's market, product quality will be more valued by farmers as their product needs to attract more consumers. The presence of *gbejniet*, local honey, Maltese pork, milk products and other traditional delicacies in the farmer's market all add to the appreciation of quality products. Moreover, farmers have a place to get a value added boost from marginal products that were not valued in the *Pitkali* market. With such initiatives and further investment in niche markets, the quality food barrier could be overcome. At this point, it is crucial to educate the farming community by raising awareness of the importance of focusing on quality both for their benefit as well as for the sustainability of the agricultural sector. Nevertheless, education alone, without providing the means for diversification, is not a solution.

Another missing link required to apply EU quality labels in Malta is the lack of a national certification scheme that could serve as a foundation. In order to aim for a national certification scheme, genuine local products need to be safeguarded from the dishonest use of imported ingredients in products with traditional nomenclatures (Mr Naudi, Interview 23/8/10). With such deceitful labelling, the rights of consumers and producers would be disregarded for the benefit of business interests. Thus, with a lack of exposure to food certification schemes, local processors are not incentivised to focus on quality production and most still lack the pride linked with the point of origin. The fact that economies of scale in Malta are not in favour of producers does not justify failure to invest in a certification scheme. If one considers that there are over one million tourist visits per year, quality labelled products still have a large receptive market.

⁴¹ Times of Malta; <http://www.timesofmalta.com/articles/view/20101026/budget/three-new-farmers-markets>, (last accessed on 26th October 2010).

In an interview with Mr Marco Dimech⁴² on 20th August 2010, he shed some light on *Naturalment Malti* Quality Scheme, which is a national certification scheme still in the pipeline. Mr Dimech claimed that the standards of this quality scheme will be based on five levels, these being the farm level, the farmer, the operations level, packaging and the trader level. Each category would have to reach prescribed standards in order to qualify for the scheme. The management system of *Naturalment Malti* Quality Scheme will eventually include the Malta Standards Authority (MSA), the Ministry for Resources and Rural Affairs (MRRA), Producer Organisations (POs), farmers, traders and the consumer.

The role of the MSA in the national quality scheme would be to certify POs, carry out accreditation and perform inspections on farmers. The MRRA would be responsible to advertise the scheme, receive consumer complaints and issue quality scheme labels. POs must have trained personnel for quality standards, a management system that enables controls, identify farmers that could achieve a quality standard, keep records and pay MSA for accreditation as well as the MRRA per farmer and label issued. Farmers are to abide to standards, have to register their products with a PO and pay for labels and accreditation. Traders shall be approved by POs and listed with MRRA. They are liable to inspections from MRRA, MSA as well as from the PO, but they will benefit from marketing offered by the scheme. The role of consumers in this scheme is to report non-conforming traders and sending their feedback to MRRA.

Naturalment Malti Quality Scheme is a promising experience and together with the farmer's market, it would be a great leap towards breaking the product quality barrier. In an interview at the *Għammieri* Research and Development Centre (30/7/10), Ms Eleanor Ċiantar explained that work is being done on this national quality scheme together with the MSA. The products that will be targeted include fruit, vegetables, honey and other local products. Such a label is intended to provide a quality guarantee that each certified product follows an established protocol. It is also aimed at increasing product traceability, pesticide control and establishing good farming practices. However, Ms Ċiantar added that the

⁴² Mr Marco Dimech, Agricultural Officer at the Agriculture Directorate, MRRA was interview on 13th August 2010 on the upcoming national certification scheme and a consumer study carried earlier this year.

Naturalment Malti Quality Scheme was not being targeted as a step towards achieving EU quality labels, even though it would introduce the mentality of adhering to rules in order to achieve value added benefits.

In principle, the proposed national scheme would be a great achievement in the local primary sector. Nonetheless, there is a lot to be done before most stakeholders can accommodate such a scheme. At the farm management level, farmers need to be trained to keep records as well as understand the implications of pesticide and fertiliser mismanagement. Since most farmers do not perceive the long-term benefits of such a scheme, they would be reluctant to attend courses leading to certification (Mr Naudi, Interview 23/8/10). Moreover, it is imperative that such a quality scheme does not reward quantity production or monoculture in order to reduce the risk of labelling traditional products with imported ingredients. This quality scheme might place a lot of weight on Producer Organisations which are still a novelty in Malta and require more time to be ready to take up such responsibilities (MSA Interview, 17/6/10). Finally, for a scheme with so many stakeholders to function properly, thorough monitoring and enforcement would be essential.

6.2 Recommendations for Policy

Having evaluated the pros and cons of the Maltese situation in respect to introducing EU food quality labels, the way forward will be proposed in the form of policy recommendations. In order to get in a position where Maltese producers could be able to benefit from EU quality labels, there is a gap that needs to be bridged. The following recommendations require the involvement and integration of various stakeholders as well as the development of services and investment in innovative processes that lead to certification. Potential stakeholders in these proposals include farmers, producer organisations, farmer's cooperatives, processors, distribution chains, marketing establishments, research analysts, scientists, control bodies and decision makers.

It is recommended that the first step involve the identification of traditional products that could qualify for EU quality labels. This could be achieved in a twofold process; first by researching consumer behaviour and secondly by involving stakeholders through networking. A large-scale market research should be conducted on eating habits, consumer preferences, willingness to pay for certified products, as well as tourist preferences. The second step would require a networking phase involving producers, farming organisations, processors and policy makers with the aim of creating an attribute list of potential quality labelled products. Such networking should be transparent and involve as many stakeholders as possible.

When the list of promising food products is recognized, scientific studies should take place to create a description of products as indicated in Article 4 of EC 510/2006 and as laid down by EC 1898/2006. In summary, the product description should include the name, the main physical attributes, chemical features, microbiological information, biological details, organoleptic characteristics and a definition of the production area. If the products have peculiarities that make them different from other products, they would have to be used as parameters in the production protocol. In fact, EU quality label certification is based on these features that make the product specific and geographically linked with the point of origin. Once such features are identified, work should be done on identifying product standardization. It is crucial to standardize as a typical product needs to be different from the conventional and easily identifiable by consumers.

Considering the fact that EU quality label schemes are complex to achieve and take a lot of time, a national certification scheme would serve as a good starting point for Malta. Introducing a national voluntary scheme such as *Naturalment Malti* Quality Scheme is needed to get rapid results and build the certification infrastructure. Nevertheless it is highly recommended to base the voluntary scheme on implementation criteria that are similar to EU quality label scheme (EC 1898/2006) so as not having to reinvent the wheel in a couple of years. A national certification scheme should provide those interested to certify a product with comprehensible guidelines that do not scare them away.

When the first product gets certified, it could be used as a pilot project with verification procedures in the field as well as in the lab. As products start achieving a national label, the producers and processors pass through a familiarisation process. At this point, one can start focusing on those traditional products that have attributes linked with the Maltese territory, in order to create production protocols as indicated by the product specification in Article 4 of EC 510/2006. The product regulations should include the technical attributes that link the product with the territory, historic attributes proving that it has been produced for at least 25 years, as well as socio-economic attributes that contain information on the product in relation with the Maltese social fabric.

The production protocol of a particular product is a legally binding document that explains the standardisation of a product. An organisation presenting the protocol could be a producer organisation, a farming association or a group of processors at least representing 50% of production and over 30% of registered producers. Once this organisation writes the protocol, it has to be presented to the competent authority (MSA), together with reasoning, type of label, studies and a definition of the area within which the product should be protected (as in EC 1898/2006). After evaluation, the authority can verify that the organisation is legitimate to request the label, and that regulations are complementary with the local situation. If the outcomes are positive, a public meeting should follow where the organisation communicates the way forward and the MSA checks compliance with Article 5 Paragraph 3 of EC 510/2006. Ultimately, production protocols are published and open to appeal, after which application with the European Commission takes place, passes through scrutiny before a final decision is taken (Articles 6 and 7 of EC 510/2006).

When the first EU quality label is achieved, the certification procedure starts operating by involving the MSA, a panel test and lab conformity checks. The panel test is made up of a group of experts who check the physical attributes of the product through senses and measurement. Lab conformity checks should be performed on samples collected in field checks or in processing units. Field conformity checks should involve document verification, as well as crop or product inspection during the most critical phases. Certification and control procedures could be carried out either by MSA, which is a control

authority (public entity) or by a private certification body. Creating a private certification body would not be viable since the Maltese market is small. However, it would be time saving as well as a good marketing strategy to acquire the service of a foreign certification body that has international recognition and all the groundwork in place.

The success or otherwise of EU quality labels on Maltese products is tied with the outcome of the first certification process. If such outcome is positive, it would give a boost to other producers or processors that look forward to join the scheme. In the case of a product attaining an EU quality label, other producers willing to use the label would have to apply with MSA for accreditation and the control process commences. These producers do not necessarily have to be members of the organisation that acquired the quality label. Another step that would seal the certification chain is the creation of a product protection consortium or an equivalent organisation that protects the label from fraud and misuse as it moves on the market. Such an organisation would be ensuring that the work done during the certification process is extended up till the product reaches the consumer.

The build-up of these policy recommendations is focused on getting in line with EC Regulation 510/2006 as laid down in EC 1898/2006, keeping in mind the local situation and all the stakeholders that could contribute towards achieving EU quality labels on Maltese food products. Getting to know consumer demands, the farmer's perspective, the processors' requirements, identifying potential quality products, creating production protocols, launching a national certification scheme, operating certification and carrying out controls are all valuable steps in the way to achieve EU quality labels. Thus, the process to get to the final target is a lengthy one, but the benefits of certification schemes are multiple and extensive. Attaining EU quality labels for Maltese products would be a great leap in farming diversification and rural development. It would also improve the promotion of Malta through its traditional products and provide a wider consumer choice of genuine Maltese products.

6.3 Recommendations for future studies

The work carried out in this dissertation creates a background on a certification scheme accepted on the global level that could be highly beneficial to the Maltese Islands. Moreover, the policy recommendations provide guidelines on the way forward that could be adapted by local authorities. Nevertheless, further studies are required in order to progress in the best way possible to reap the maximum benefits from such a scheme. At this stage, it is essential to perform comprehensive market research in order to obtain the necessary information from consumers and tourists visiting the Maltese Islands.

The consumer survey done in this dissertation is based on Maltese consumers and their perspective on traditional food products. However, a more detailed market research is needed to enquire on Maltese eating habits with specific reference to traditional food products. In this dissertation, the survey revealed that consumers are willing to pay more for certified products but the amount they would pay was not investigated. Thus, a broader research in which consumers indicate how much they would be willing to pay for a certified product, should shed a light on the way forward in this sector. Such research ought to investigate tourist preferences and their considerations about local food products.

Mr Marco Dimech (Interview 20/8/10) indicated that consumer research was carried out between January and February 2010 on 881 households using stratified sampling and geographic representation. It aimed at investigating the attitudes of Maltese consumers towards fruit and vegetable quality in order to help the decision making process in the local fresh produce market. Mr Dimech claimed that the survey was based on segmenting the population according to the food related lifestyle or FRL. Amongst the various factors investigated in this survey were attitude towards adverts, product information, speciality shops, healthy eating, price-quality relationship, novelty, involvement with cooking, convenience, social value, self-fulfilment and security. These factors were used to segment the Maltese consumers according to their quality perception of food, awareness of quality marks, preference for the origin of the product as well as the socio demographic variables.

From the Maltese consumer attitude survey, it came out that food has an important role in social life, most consumers like to get informed about the food they eat, some like to experiment in cooking, others are more practical and most plan their shopping in relation to cooking. Mr Dimech argued that from the results of this survey, there are four types of consumers. These are hedonistic, bargain seekers, adventurous and traditional households. Hedonistic consumers consider food as an important social tool, are ready to pay more for tasty food, are not particularly aware of quality marks but like information on the food they eat. Bargain seekers have the lowest level of education, highest average age, search for a good value for money and not willing to pay more for a quality product. Adventurous consumers like to try new foods, new recipes and new ways of cooking but are not particularly interested in quality food products. Traditional households are the youngest in age, have the highest level of education, are very reluctant to experiment but are ready to pay higher prices for quality products.

The Maltese consumer attitude survey on fruit and vegetables cited by Mr Dimech is an appropriate study that could be translated to traditional food products. With the market research results in hand, traditional food products could be identified and further consolidated with stakeholder participation. This would lead towards the implementation of a national certification scheme, the creation of production protocols and eventually product certification. Only by following such a lengthy procedure could Maltese traditional food products aspire to reach EU quality labels. Finally, a successful way forward in this sector would imply a producer-oriented approach and the consolidation of the farming sector. Thus, further studies are also required to create a national farming strategy for Malta that would cater for long-term planning. Such a strategy should serve as a holistic plan linking farming with quality food production and rural development.

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Appendix

Copy of the questionnaire used in the Consumer Survey

24 - 31 July 2010

Consumer Survey – Traditional Maltese food products

Gender: M F

Age: >20 20-30 30-50 50-60 >60

1. Name five food products that you consider as being traditionally Maltese.

a. _____ b. _____ c. _____

d. _____ e. _____

2. Which definition best describes a Maltese *gbejna*?

- a. A small cheeselet made from cow milk
- b. A small cheeselet made from sheep milk
- c. A small cheeselet made from sheep and goat milk

3. a. What do you understand by the word *ħobża*?

b. What do you understand by the word *ħobż*?

4. When you buy *zalzett tal-Malti*, which kind of meat would you expect to find in it?

- a. Beef b. Pork c. Chicken d. Lamb

5. Name three main ingredients that make up the *kunserva* paste.

- a. _____ b. _____ c. _____

6. a. Did you ever notice the following labels on a food product?



b. If yes, what do they represent?

7. Would you be ready to pay more for a food product that is certified to be produced using the local traditional method? Why?

Eman Vella
MSc SERM 2009/2010

Interview with Ms Ingrid Borg, Assistant Head at the Regulatory Affairs Directorate for Foodstuffs at the Malta Standards (MSA)

17th June 2010

1. Malta has been an EU member since 2004 but there was only one EU quality label application so far. In your opinion what are the main factors for which local producers are not exploiting the benefits of EU certification schemes?

The quality label *Lumi-Laring* was dismissed by the EU commission as it needs to be improved since there is no spoken distinction between *lumi-laring* and *laring*.

There are three factors that hinder local producers from applying for EU certification schemes: Protocol formulation is a difficult task since there needs to be historical proof what is being certified, e.g. the production method of *gbejna* is that goat milk was used while now sheep milk is being used. There is the problem with lack of documentation as well as oral interpretation of generic terms. Producer Organisations are new to Malta and they find it difficult to join forces as do not perceive the long-term benefit of certification.

2. Was there any interest by producers in other labelling schemes such as ‘organic farming’, ‘traditional method’ labels or ‘free range’ eggs?

There is interest in ‘organic farming’ labels as this certificate is more direct and involves one producer. On the other hand, a PDO or PGI would require protecting the name from certification and this depends on several factors. Organic farming in Malta is still related with vegetable/fruit farming and not animal farming due to lack of space for herding.

3. Was there any work done so far by the MSA to disseminate information on PDO/PGI/TSG schemes to producers, importers and consumers?

Articles were written on local newspapers and information was disseminated on radio programmes. There are current discussions with Producer Organisations taking place and a seminar is planned in the near future.

4. Did the MSA or any other authority research Maltese consumer or market trends in relation to food quality labels? If yes, where there any results?

No, a consumer survey is still to be done. MRRA was interested in such a survey. It is urgently needed for certain products that can qualify for quality label. One would have to check what consumers understand by *gbejna*, *ħobża*, *zalzett* and *kunserva*. Another

interesting issue is what they are willing to pay for certified products and if they will buy them instead of conventional products.

5. Was there any consideration by MSA to establish a certification scheme on good agricultural practises (animal welfare, environmental rules or pesticide controls)? If no, what is the MSA's position in this regard?

It is not competence of MSA, as it is in charge of EU quality labels since they fall under the product safety act. Animal welfare is the competence of MRRA. Environmental rules as well but there are eco labels, emas regulations and ISO14000 that are not specifically linked to agricultural practices. Pesticide controls have a national standard that is not only related to agriculture.

6. a) When a producer entity applies for a quality label, it has to present a protocol. If the quality label is accepted, the applicant is provided with intellectual property rights on the product name and production method? Would this imply that the applicant has the exclusive right to use that name on a label (e.g. *Ġbejna*)?

The applicant is not provided with intellectual property rights but it is the name that is protected. The applicant needs to be an association with a representative number of members. When the name acquires protection, other producers may ask the MSA to check if they use the same methods and certify their product. These producers do not necessarily have to be member of the association that acquired the quality label.

- b) When a quality label protects a name from replication, does it protect the whole name or even the term from further use?

A quality label is not a matter of processing steps; certification depends on proof, link, and a strong reputation of the product in Malta.

- c) In the case that products such as *ħobż*, *ġbejna* and *zalzett* obtain a certification label, what would happen with the generic names? Would any other packed product fail to have such names on their label?

This all depends on how the label is written. It would be better to avoid using just the generic name, e.g. *Zalzett tal-Malti* instead of *Zalzett* or *Ġbejna tan-Ngħaġ* instead of *Ġbejna*. In my opinion since the word 'ġbejna' is widely used in Malta and nowadays it does not only relate the cheese from sheep or goats, therefore it has become generic, then protection should be sought for a more detailed name like the one stated above and not only for 'ġbejna'. Like this the word 'ġbejna' can still be used without the protection.

7. A number of food products such as *kunserva* require an ingredient list and recipe. Would a quality label safeguard such production methods from other producers? Or is it just the name on the label that is protected?

TSG scheme protects the recipe only and does not have geographical link as the product could be produced anywhere with the same procedure (e.g. *ħobž* and *pastizzi*). The presentation of the product is to be included in the dossier (e.g. *ġbejniet friski*, *ġbejniet tal-bżar*, etc) according to section 3.6 in Annex 1 of 1898/2006 (14th Dec 2006).

8. What would other producers that use the same production method (as in a protocol) require to certify their product? Would they be required to join the producer group/company that obtained the quality label?

No, it's not necessary to join the PO but it is recommended to join as both parts can benefit from unity. In the case of amendments done to the protocol, the PO that achieved the quality label should apply for it. This does not necessarily have to be a PO; it can be a group of people with common interest to safeguard the product's name and protect it. An organisation can protect more than one product.

9. Do the producer representatives that achieve PDO/PGI labels have any control over the production quotas and names on packaging?

They just protect the name and what's written in the dossier protects their processing method, e.g. milk per cow. In Italy, checks are done by third party auditors. Controls are done by a regional authority that checks both the private certification body as well as the association.

10. The EU states that in PGI, the geographical link must occur in at least one of the stages of production, processing or preparation as long as the product benefits from a good reputation. In the case of Maltese bread, the raw material (wheat) is not local. Would this limit the label to a TSG even if it has a geographical link in processing and preparation?

TSG protects recipe and not geographical link as the same product could be reproduced elsewhere with the same method. *Zalzett tal-Malti* could get PGI if the pork used is Maltese but we do not have a Maltese breed. *Hobž* does not qualify for PGI as wheat is not local and there are no factors for which it couldn't be replicated exactly somewhere else. *Gbejna* could qualify for PDO if the feed is at least 80% natural feed (not necessarily from grazing). *Kunserva* can qualify for PGI as it has a good reputation, however sugar is not

Maltese. There could be a *Kunserva maltija* with a traditional recipe and the other products are sold as *kunserva*.

11. There are certain food products such as *gbejniet* or *zalzett* that require various processing stages that could deal with contrasting issues on type of animal feed or use of machinery. To which extent is the applicant free to set the protocol regulations?

Tomatoes: if when hand-picked makes a difference to the shape or taste, it should be included in the protocol. The applicant sets the guidelines as agreed by the producers on what is unique. MSA checks the protocol and evaluates the applicability of the quality label.

12. Whilst reading regulations of a certification body, I came across that it needs to be private and accredited by EU. So in the case of Malta, MSA is not eligible as a certification body, since it is a public entity?

The Regulation distinguishes between a control body which is a private entity and a control authority which is a public entity. Accreditation is required for control bodies (private). MSA is a public entity and was designated as a control authority and therefore accreditation is not required in MSA's case.

E.V.: MSA is the National control authority. But do we still need a control body in Malta if a certification scheme is put in place? Or both roles are carried out by MSA?

I.B.: Both the control authority and the control body are to perform the same control functions and both can give certification. There can be both entities however in Malta's case due to the small size of the country and also since to date there has not been any protected name, it would not be viable to have both a public and a private body performing the controls. Also I do not think that any private body would be interested to apply to carry out these controls (due to the small market). We do not need to have a control body in Malta to have a certification scheme in place since this function can and will be performed by MSA. However, it does not mean that there cannot be in the future also a private body carrying out these certifications.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Dr Mario Spiteri, Director General of Rural Development and Aquaculture and Mrs Eleanor Ciantar, Principal of Promotion and Information Unit at the Ministry for Resources and Rural Affairs

30th July 2010

1. Malta has been an EU member since 2004 but there was only one EU quality label submitted that was dismissed. In your opinion what are the main factors for which local producers are not exploiting the benefits of EU certification schemes?

The *Lumi-Laring* quality label was submitted by a local producer but was not accepted by the EU as the name is not traditional and there is no oral distinction between *Lumi* or *Laring*.

Dr Spiteri: In my opinion, local producers do not yet comprehend the potential benefits of food certification schemes. Moreover, the complexity of paper work and red tape involved scares away interested producers.

Ms Ciantar: There is still a lack of available information among producers and consumers that can trigger interest in quality labels. Fragmentation amongst producers is a major problem in the Maltese Islands as instead of joining forces, most end up forming new organisations. There is also a drawback linked with lack of traditionality in the production method of food products. In certain countries such as Italy or France, there is a strong food culture and pride of traditional products. Unfortunately, due to various historical circumstances, we lost a great part of our culinary heritage which we have to recover.

2. Is there any interest by local producers in other labelling schemes such as ‘organic farming’, ‘traditional method’ labels or ‘free range’ eggs?

There are producers who are interested in innovative production methods but unfortunately individualism still prevails. The fee for organic farming labelling is expensive and the demand for organic produce exceeds the supply, so the producers are not concerned to invest in labelling.

There was some interest in traditional method labels by bakers but traditional bread production is now limited to small bakeries. There could be an investment in bakeries dedicated to traditional methods if they are incentivised by a higher market price due to certification. There was the interest by a large baker that owns five bakeries to dedicate one of them for the production of certified traditional bread.

Free range farming in Malta is a problem due to lack of space and there is no concrete investment in this sector yet.

3. Was there any work done so far by the MRRA to disseminate information on PDO/PGI/TSG schemes to producers and consumers?

There was not yet any full promotional campaign about certification schemes. However, this needs to be done as a consumer survey will be published soon. Seminars need to be organised to raise awareness on the benefits of certification to producers and consumers. Meetings are planned with certain sectors such as bakers and *gbejniet* producers to further discuss the applicability of quality labels.

4. Performance on the market is an essential element for the success of certification schemes. Did the MRRA research Maltese consumer or market trends in relation to food quality labels? If yes, where there any results?

A consumer survey was recently done on the effects of labels on the market with the aim to introduce a national quality scheme, entitled *Naturalment Malti*. The results are not yet published.

5. Was there any consideration by the MRRA to establish a certification scheme on good agricultural practises (animal welfare, environmental rules or pesticide controls)? If no, what is the MRRA's position in this regard?

Yes, a national certification scheme for fruit and vegetables, as well as honey and similar products, is in the pipeline. Work is being done with MSA to broaden the *Naturalment Malti* campaign and producing a certification label. Such label will give a quality guarantee that each certified product followed a pre-established protocol. It is aimed at increasing product traceability, controlling pesticide use and establishing good farming practices.

6. In the case that products such as *gbejna* and *zalzett* obtain a certification label with a generic name, it would imply that such product names are protected from other users. This situation could be avoided by using names such as '*Gbejna Maltija*' or '*Zalzett Malti*'. What is your position on this issue?

Once certified, the term *gbejna* would simply mean what is written in the protocol and as described in the dossier. Hence, any other cheeslet produced differently (from cows, with a different recipe, with different methods, etc) would have to be labelled as *gobon*. There could be some variations in the protocol such as the percentage of sheep milk to goat milk since in summer more goat milk can be used. The generic names for these two products are *gbejna* and *zalzett tal-Malti*, so those names have to be protected. Any producer interested

to sell his product with the name *ġbejna* has to apply for the PGI status, adhere to the protocol and implement it in the production method.

7. In this research, four local products are being scrutinized, namely *ġbejna*, *zalzett*, *ħobż* and *kunserva*. What are the strengths and limitations of each product in relation to quality labelling?

Ġbejna could achieve a PGI label but not PDO since nowadays most of the fodder crop is imported feed.

Zalzett tal-Malti could achieve a TSG since the recipe should be protected and most ingredients like *kosbor* and salt are imported. Moreover fodder is mostly not local.

Ħobż could achieve a TSG as the recipe is protected but it could be produced in any other country using the same method.

Kunserva could achieve a PGI as the tomatoes used are local, but salt and sugar are imported from other countries. Moreover, local salt is costly and not available on an industrial scale.

8. Food certification schemes require a certification body and a consortium for market protection. Who would assume these roles in Malta (public/private/partnership)?

At the moment, both roles are the responsibility of the MSA. Eventually, a certification body would be required.

9. In Malta we lack a national certification scheme that would help in applying PDO/PGI/TSG for local products. Would it be necessary to introduce a national scheme?

The introduction of a national certification scheme is not viewed by the MRRA as a step towards achieving EU quality labels. However, a national certification scheme would introduce the mentality of adhering to rules in order to achieve a quality label and a better market price.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Mr Gejtu Buttigieg - General manager of KPH (Koperativa tal-Halib), Mr Oscar Attard - Sales Manager MDP (Malta Dairy Products) and Mr Stephan Mifsud - Quality Assurance Manager MDP

17th August 2010

1. Does the MDP research Maltese consumer or market trends in relation to its products?

Market analysis is done continuously by MDP to check for consumer trends and competition on the market. Market research is done before a new product is launched on the market to anticipate consumer trends. The MDP works solely with cow milk as goat milk is used for ricotta only nowadays.

2. Did the MDP do any milk studies? If yes, in which sectors?

Milk studies at the MDP laboratories are an ongoing procedure with continuous monitoring of health, protein, fat and hygiene to keep up with the standard EC 853/2004.

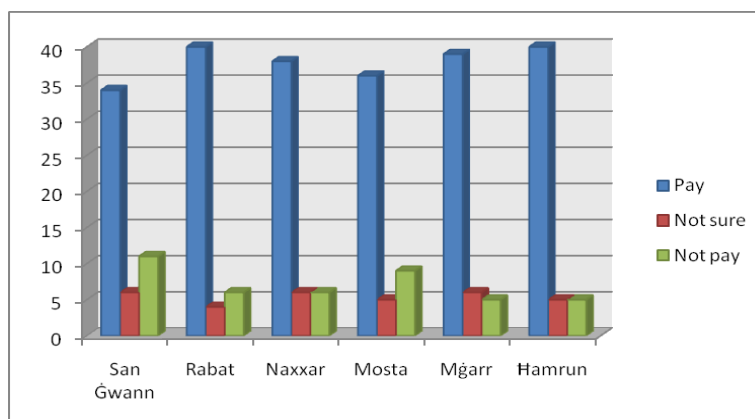
3. Is there any interest on introducing a certification scheme to milk products produced by MDP?

There were discussions and plans but there is not enough infrastructure in place. The oval health mark was achieved in 2009 and our products can now be exported. A number of farms reached very high standards but others still need to catch up.

4. In the case that the authorities introduce a national certification scheme for traditional Maltese products, would the MDP be interested to join? If yes, for which products?

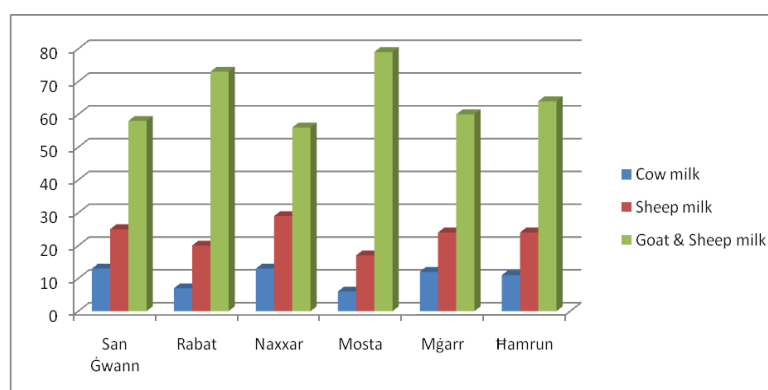
Irkotta and *gbejniet* would be two products that have a specific recipe which would be protected. *Gbejniet* produced by MDP have a longer shelf life than others.

5. The following chart shows the result of a survey done with 300 consumers from 6 different localities. The question asked was ‘would you be ready to pay more for a food product that is certified to be produced using the local traditional method?’ From your experience of the local market, do you think that Maltese consumers would have such a positive response for a quality certification scheme? Why?



It is expected that such an answer is positive as consumers would like to find higher quality Maltese products. However it would be interesting to enquire how much more they are ready to pay for a quality product. From our experience it's the whole package that counts. It is essential that the product provides a value for money. In 2008, the price of *irkotta* rose from 70c to 90c and eventually to Lm1 per kilogram. The demand fell but recovered quickly since it is used extensively in the Maltese kitchen.

6. The following chart shows the result of a survey done with 300 consumers from 6 different localities. The question was ‘From which type of milk is the Maltese *Gbejna* produced?’



The pattern shows that traditionally *Ġbejniet* are produced from goat and sheep milk (66%), followed by sheep milk only (24%) and cow milk only (10%). What are your views in case that sheep and goat *Ġbejniet* obtain protection under an EU quality label?

If the name on the label indicates that they are Sheep and Goat *Ġbejniet*, it would cause no problems for our sector. If the name *Ġbejna* is protected, which shouldn't as it is a generic term, all other products have to change their name. Last year we produced 246,000 *ġbejniet* and the product is very successful as it is easily found on the market. Consumers are attracted by safety, hygiene and good quality.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Mr Christopher Żahra – Sheep ġbejniet producer and director of Assoċjazzjoni tan-Nagħaġ

19th August 2010

1. How many sheep do you have on your farm?

I own 70 in sheep in this farm.

2. What type of fodder do you give them?

I feed them complete feed (milking, dry and lamb) as well as hay.

3. How much milk do they produce per head?

In this farm, on average a sheep produces 1.5litres of milk. In summer, they produce less milk than in winter.

4. Which type of cheeselets do you produce?

I produce just sheep *ġbejniet* in the form of fresh, dry and peppered.

5. Do you consider your production method as being traditional? Please specify.

Yes, the method is traditional but modified since I pasteurise milk. The production method from milk to *ġbejniet* is done by hand as it was done traditionally.

6. Are there any sanitary regulations that you have to abide with on this farm?

Yes, I need to keep manure in a separate place. I also need to have a milking area and enough space for sheep.

7. Do you get any type of controls from the authorities? Which?

Yes, the Veterinary Department carries out controls on my farm to check the sheep health, the food quality and the processing method. I need to keep up to standard through cross-compliance as I benefited from EU funds through measure 121 and measure 123.

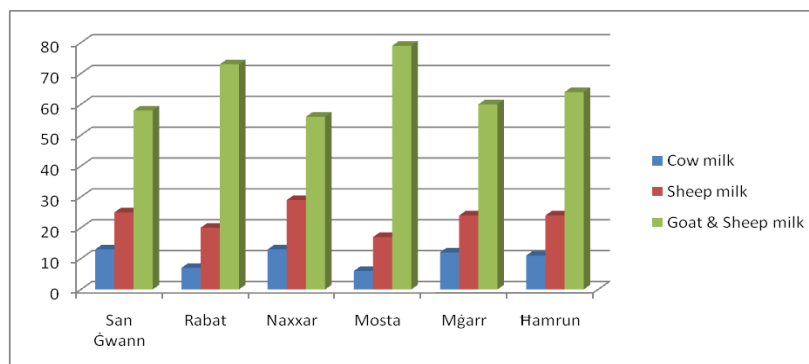
8. In the case that the authorities introduce a national certification scheme for traditional Maltese products, would you be interested to join? Why?

Yes, of course that is the way forward. Certification provides a certain degree of reputation with the consumer that is worth exploiting in our sector. Investment in such schemes gives a higher market advantage over competitors.

9. What is the feedback you get from other producers on certification schemes?

There are mixed opinions on product labelling. There are small producers that are interested in certification but there are large producers that might oppose it as they see it as a hassle. Not all producers realize its potential benefits.

10. The following chart shows the result of a survey done with 300 consumers from 6 different localities. The question was ‘From which type of milk is the Maltese *Ġbejna* produced?’



The pattern shows that traditionally *gbejniet* are produced from goat and sheep milk (66%), followed by sheep milk only (24%) and cow milk only (10%). Do you have any comments on the chart?

In areas like Naxxar and San Ġwann, we sell a considerable amount of sheep *gbejniet* that might be reflected in the result. It would have been interesting to check areas like Sliema, St Paul's Bay, Fgura and Żabbar where we also sell sheep *gbejniet*.

11. What are your views in case that sheep and goat *gbejniet* obtain protection under an EU quality label?

I have no objection since they declare the origin of the milk on the label.

12. Would you be ready to help the local cheeslet sector to work towards achieving an EU quality label scheme, even if it implies that you change the production method/recipe?

Yes, depending on what I would have to change. If it requires a change in fodder I would go for it but I will never refuse to pasteurise the milk. I already worked on this subject and had milk samples tested in every season to check for consistency. When I checked about PGI status, I was told that pasteurising the milk is not a traditional part of the processing method. However, I believe that since the method and most of the properties of the *gbejna* are traditional, we could qualify for a geographical indication.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Mr Marco Dimech – Agricultural Officer at the Agriculture Directorate, MRRA

20th August 2010

E.V.: What was the purpose of the research carried out with consumers? What came out from it?

M.D.: Earlier this year, I was involved in a consumer survey entitled ‘Attitudes of Maltese consumers towards quality in fruit and vegetables’. The method used to analyse and categorise Maltese consumers is known as the Food Related Lifestyle. This consumer research was carried out between January and February 2010 on 881 households using stratified sampling and geographic representation. Its main purpose was to investigate the attitudes of Maltese consumers towards fruit and vegetable quality in order to help the decision making process in the local fresh produce market.

The survey was based on segmenting the population according to the food related lifestyle or FRL. Amongst the various factors investigated in this survey, there were attitude towards adverts, product information, speciality shops, price-quality relationship, novelty, healthy eating, involvement with cooking, convenience, social value, self-fulfilment and security. These factors were used to segment the Maltese consumers according to their quality perception of food, awareness of quality marks, and preference for the product origin.

The Maltese consumer attitude survey gave us results that indicated the importance of food in Maltese social life. Most consumers like to get informed on the food they eat, some like to experiment in cooking, others are more practical and most plan their shopping list in relation to their cooking. From the survey results, four types of consumers were identified. These are hedonistic, bargain seekers, adventurous and traditional households.

- Hedonistic consumers consider food as an important social tool, are ready to pay more for tasty food, but are not particularly aware of quality marks. Nevertheless, hedonistic consumers like to get information on the food they eat.
- Bargain seekers have the lowest level of education, have the highest average age in the sample, search for a good value for money and are not willing to pay more for a quality product.
- Adventurous consumers like to try new foods, explore new recipes and new ways of cooking but are not particularly interested in quality food products.

- Traditional households are the youngest in age from the sample, have the highest level of education, are very reluctant to experiment but are ready to pay higher prices for quality products.

E.V.: Are there any plans for a national certification scheme? What's the way forward?

M.D.: Yes, the national certification scheme known as *Naturalment Malti* Quality Scheme is in the pipeline. The quality standards of this scheme will be based on five levels, these being the farm level, the farmer, the operations level, packaging and the trader level. Each category would have to reach prescribed standards in order to qualify for the scheme. The management system of *Naturalment Malti* Quality Scheme will eventually include the Malta Standards Authority (MSA) as the relevant certification authority, the Ministry for Resources and Rural Affairs (MRRA), Producer Organisations (POs), farmers, traders and the consumer.

The role of the MSA in the national quality scheme would be to certify POs, carry out accreditation and perform inspections on farmers. The MRRA would be responsible to advertise the scheme, receive consumer complaints and issue quality scheme labels. POs would require to have trained personnel for quality standards, a management system enabling inspection controls, identify farmers that could aim for a quality standard, as well as keep records. POs would also need to pay MSA for accreditation as well as the MRRA per farmer and label issued. Farmers are to abide to standards, have to register their products with a PO and pay for labels and accreditation. Traders shall be approved by POs and listed with MRRA. They are liable to inspections from MRRA, MSA as well as from the PO. They will however benefit from marketing offered by the scheme. The role of consumers in this scheme is to report non-conforming traders and send their feedback to MRRA.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Mr Louie Naudi Director of Assoċjazzjoni tal-Bdiewa

23rd August 2010

1. In your opinion what are the main barriers for which local producers are not exploiting the benefits of food certification schemes?

The main barriers hindering food certification schemes to materialise include lack of information; lack of ability to form groups; the need of more focused professional assistance; formulae and production procedures are not consistent; the local market does not ask for such certification but can do so at any point in time and this will put local producers at a disadvantage in their own local market as their counterparts can get certification easily; farmers are not prepared to attend courses leading to certification as they might not perceive the long term benefits but we can devise simple instruction methods to suit their particular needs.

2. What's the way forward for farmers in Malta to shift to quality products? What should be done to break the barriers?

In my opinion Maltese farmers actually produce quality produce. The fact is that they are not organised and do not keep the records required to register the produce as 'quality' products. On the other hand, to arrive at EU's quality regime (PDO, PGI, TSG) then there is a lot of fundamental work and planning that has to be done to get to the starting point. The fundamental ingredient of any quality policy is the protection of the local element; if we are allowing 'business interests' to market produce with traditional nomenclatures without ensuring that the ingredients are local then having or encouraging a local quality policy is just hype or myth.

3. Do you receive any feedback from farmers on upgrading the product quality and market standards? If yes, please specify.

We rarely receive such requests, the only exception being potatoes. This year Malta probably exported approximately 8,000 kilograms, half of which were Global GAP certified and 3,000 kilograms were further certified as A H (Albert Heim) Compliant. Albert Heim is a Dutch supermarket chain present in Europe that applies a third-party quality scheme of a much higher level than Global GAP, certified by ISACERT. This is reached by first getting Global GAP and then applying for the A H Certificate. It is exclusively used by the A H Group. Other chains operate a third-party quality scheme.

4. What should be the way forward if the local authorities introduce a national certification scheme and Maltese producers start applying for EU quality labels?

The only way forward is to build a system that is fundamental allowing farmers who want to go higher the ability to upgrade to another internationally recognised scheme. It's like building blocks. The local scheme will serve as the foundations to the other schemes (including the PDO/PGI/TSG). Moreover, the local scheme should also include those nomenclatures and practices that enrich the local produce and cannot be easily copied by non-Maltese products. We're looking for specific characteristics or autochthonous aspects.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Mr Manoel Agius – P.O. Produtturi tat-Tadam ta' Malta

6th September 2010

1. How many members do you have in your PO?

This year, forty members produced tomatoes for our P.O., but they alternate yearly.

2. Which type of tomatoes do they produce and are they all targeted at Kunserva?

We buy tomato varieties that are grown close to the soil without support and are all targeted for *kunserva* production. Our P.O. produces tomatoes exclusively for two Kunserva producers, one in Malta and one in Gozo. There is another producer in Gozo. Such plants are chosen by the *kunserva* processors who import the seeds that are to be used exclusively by the producers.

3. What is the average production of your members?

This year 545 tons were sold to one processor while 400 tons were sold to the other one.

4. In an exercise done with 300 respondents, *kunserva* ranked first as a traditional Maltese product. In your opinion, which characteristics give it such esteem?

Its taste, adaptability with food and widespread availability all contribute to such fame. *Kunserva* is a staple food even in social events as the most common appetisers are *ħobż bil-kunserva*.

5. Do you consider your production method as being traditional? Please specify.

Not really as every process in tomato growth changed such as planting, type of seed, irrigation, application of fertiliser and even pesticide control.

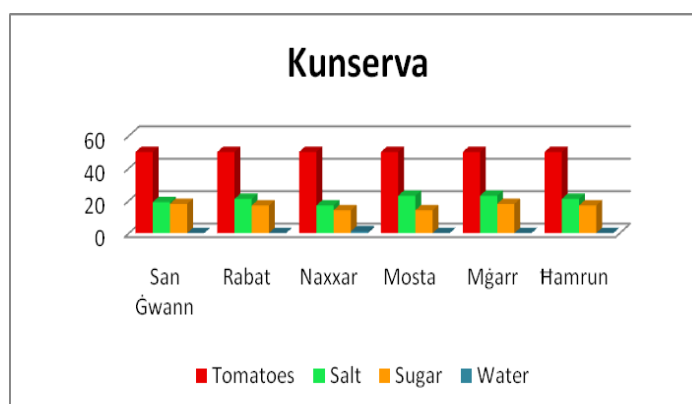
6. Are there any sanitary regulations that the members have to abide to?

Yes, the processors provide us with a pesticide programme that we have to stick to. It is a table with type of pesticides that could be used, when they could be applied and how. Each member signs a contract that if he does not abide with pesticide programme, he may be fined up to €35,000. Spot checks are done regularly to our members by the processors without even notifying us. They take samples and test them for pesticide residues, diseases and plant health. We urge our members to apply organic practices when possible such as the use of sulphur and *bacillus thuringiensis*.

7. In the case that the authorities introduce a national certification scheme for traditional Maltese products, would you be interested to join with your product? Why?

In our case we are already over checked and abide by strict rules posed from the processors so it would not be difficult to join in such schemes. The protocol type of structure is already in place and our members already experience spot checks.

8. The following chart shows the result of a survey done with 300 consumers from 6 different localities. They were asked to 'name three main ingredients that make up the *kunserve* paste and the following chart illustrates the results obtained. All the respondents are conscious about tomatoes as being the main ingredient in *kunserve* but there was a general lack of knowledge about the other ingredients. Could this be related to marketing or to other factors?



It might be as *kunserva* is marketed as being made from tomatoes and drawing a tomato on the label definitely leads consumers to associate a product with a particular crop. Nevertheless, the ingredients are written on the container for anyone to check and without the other ingredients, this product would simply be a tomato pulp. Sugar is essential since it is used to reduce the acid content of *kunserva*.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Ms Jeanette Borg at MCAST Agribusiness Institute

4th October 2010

1. Which are the courses offered at this Institute?

Pre-Foundation in Agriculture (Level 1)

Foundation in Agriculture (Level 2)

First Diploma in Agriculture and Animal Care (Level 3)

National Diploma in Agriculture and Animal Management (Level 4)

Higher National Diploma in Animal Management, Horticulture and Garden Design (Level 5).

2. What is the student population at MCAST Agribusiness Institute?

The Agribusiness Institute now has 120 students, which is very encouraging when compared to 50 students that were present up to three years ago.

3. Are the students interested in following a career in agribusiness?

Yes they are and I don't really agree with the argument that young people are not interested in agriculture. The problem lies in the massive promotion to attract students in other industries such as tourism and ICT. The fact that the student population at this Institute doubled in three years and the enthusiasm shown by the students, make me believe that interest in this career is on the increase.

4. Do students show a sense of enthusiasm and innovation in what they do?

Yes, students that follow this course work hard and dirty their hands in farm chores. Last year we set up an open weekend where people were overwhelmed with the amount of valuable information the students were capable of delivering. The students conducted organized tours to the hundreds that attended on topics such as environmental management, horticulture, animal management including pet care and grooming as well as research and innovation. I created a facebook group called "MCAST Agribusiness", a few months ago, and now has 550 members. Students post many photos of their work and post a lot of positive comments.

5. Which are the main difficulties faced by young people that are interested to follow up an agricultural career?

It is true that farming is a hard job and many opt out in spite of having their family in business and the luxury of land. There are many youngsters that if offered an option would keep on this business. I might be one of the few who justify this argument. There are many others who don't believe in agriculture and disseminate a sense of negativity. One such instance is that farmers market that has just been established. Some farmers were against it in spite it offers a myriad of benefits.

6. Do you think that the trend to keep away from farming could be reversed?

Yes, but I believe that there is a lot of education that needs to take place especially at the higher management level. Last year there were 24 National Diploma students, from which a good percentage entered directly at National Diploma level with more than six O'levels. They all found jobs in Agriculture within the first year, ranging from farms, hatcheries, pet shops, landscaping contractors, and other local businesses, all of which related to agriculture. Three of our best students are already employed with a local Producer Organisation. Other POs are following their footsteps as they are seeking young enthusiast employees.

Thank you for your time and kind help.

Eman Vella
MSc SERM 2009/2010

Interview with Dr Federico Mariotti – Manager of Certification Department at 3A-Parco Tecnologico Agroalimentare dell’Umbria

19th July 2010

E.V.: What is the role of a Certification Body and how does product certification takes place in your region?

F.M.: There are two distinct bodies which are Certification Body (also known as Conformity Assessment Body) and *Consorzio di Tutela*. The Certification Body checks PDO/PGI products before they end up on the market; *Consorzio di Tutela* is a monitoring body that has the role to police on certified products on the market. *Consorzio di Tutela* representatives are recognised by government as public officers who combat fraud and illegalities.

In a producer association that presents a particular product, there needs to be two thirds of the members that represent the product according to production process, i.e. more pig producers in the case of *prosciutto* or more *salamerie* processors in the case of salami. Moreover, the number of association member producing the product has to be at least 30% of total that produce at least 51% of total PDO/PGI production.

A public meeting for all stakeholders is held prior to the publication of the product name on the Government Gazette. Then translation of the document in all EU languages takes place and it is shown for six months on EU media for appeals. After this period, the product gets the PDO/PGI label and the controlling body starts the checks.

The Certification Body checks the producer applicability manual on site (known as *dispositivo di controllo*). The manual follows the disciplinary obligations written in the production protocol. A document known as *Manuale di Controllo* includes the methodology of control used by Certification Body according to protocol for a particular product. The documents used by Certification Body are certified by Ministry of Agriculture before they are utilised. Each product has its unique checklist, as certification scheme is specific for each product/area.

In the conformity checks, the Certification Body verifies the characteristics of the product according to protocol either by using an expert panel test or by instrumentation methods. The laboratories used for the instrumentation tests are accredited by the concerned Ministry as well as approved by the Certification Body. The certification committee of the Certification Body then analyses and judges the producer. It has to be a third party so that it is checked by the Ministry. In case of lack of adherence to protocol, there can be re-examination of checklist by an impartial body. All these checks cost more money that is to be catered for by the producer when the results are negative.

The checks done by 3A PTA are done during the most significant phases such as the collection period for olives to check the production levels (kg/hectare) and during pruning stages. All the new members are checked while 35% of other members are checked each year. Product test samples are done on 100% of products by sampling e.g. each oil tank. Three days after test, the committee takes decision on whether the sample is positive or negative. The producer can ask for another test within seven days. Our members pay an annual rate together with check expenditure to be part of the *Circuito di controllo*. This rate varies according to production/amount of animals on farm that achieve PDO/PGI. The producers, in turn, gain from promotion, protection from fraud and an international status.

E.V.: Which standards does 3A PTA follow?

F.M.: A Certification Body has to adhere to EN 45011 that will soon be replaced by ISO 17075 that is similar to ISO 17021. As from 1st May 2010, only accredited private certification bodies will be recognized by the European Union. 3A PTA is already working with ISO 17021 so it would not be difficult to adhere to ISO 17075. Such a Certification Body has to be private and cannot be a government authority.

At the moment, the 3A PTA and ACCREDIA logos cannot be used on PDO/PGI labels but they will soon start to be used. The ACCREDIA logo is very important for international trade as it is recognized by an international agreement known as IAF and European agreement known as EAF. In the case of Malta, a Certification Body has to start from scratch or get the services from already existent ones.

E.V.: Are there any other valid certification schemes?

F.M.: There is a voluntary certification scheme under ISO 22005 that involves traceability and baseline principles in agriculture and foodstuff. The applicant declares which is the production zone with a location map and the intervention is helpful for consumers since they discover the traceability of the product. However, one would have to decide the lowest traceable unit along the way, e.g. a single bottle of olive oil or a single lot.

This voluntary certification scheme builds upon LN 168 of 2002 as it prescribes further traceability. An ideal situation would be reached when a registry of producers and consumers is created for better transparency. Those who fraud this certification scheme should be reported to the police fraud section or to the Certification Body. This scheme could be a first step that leads to a certification scheme such as PDO/PGI.

There are also other voluntary certification schemes that are not controlled by law. Norms in these schemes are produced by the Certification Body after that a clear demonstration of controls is carried out by a technical body. The Certification Body can then find the most relevant sections that make the product unique and make it public. A voluntary scheme can

start prior to PDO/PGI evaluation scheme and can serve as a pilot study of consumer acceptance of the product and its cost. It can provide the required learning curve until the PDO/PGI application is prepared and send to Brussels for verification. In Argentina, 3A PTA used this system to certify two olive oil varieties and one table grape that is used in panettone. Now, they can use these voluntary certification schemes to apply for PDO/PGI.

Comparative shelf price survey at COOP hypermarket in Perugia

19th July 2010

A visit to the largest hypermarket in Perugia together with Dr Federico Mariotti was carried out in order to compare the shelf price of PDO/PGI products with similar products without certification. This research was done to figure out an average price difference between certified and non-certified products.

<i>Name of product</i>	<i>Price/kg</i>
Parmacotto Mortadella Bologna IGP affettata	€11,77/kg
COOP Mortadella Bologna Non-IGP affettata	€9,77/kg
Casa Modena Mortadella di Bologna IGP non-affettata	€9,86/kg
Mortadella di Bologna non-IGP non-affettata	€8,90/kg
Bresaola della Valtellina IGP	€49,44/kg
Vismara Bresaola non-IGP	€40,44/kg
Parmeggiano Reggiano DOP Grattugiato	€18,40/kg
Biraghi Parmeggiano Grattugiato fresco	€14,50/kg
Mozzarella di Bufala Campana DOP	€15,18/kg
Mozzarella di Latte Bovina	€8,25/kg
Pane di Altamura DOP Puglia	€3,95/kg
Pane di Casarecco non-DOP	€3,48/kg
Limone Costa d'Amalfi IGP	€2,98/kg
Limone Normale	€1,15/kg
Farro della Garfagnana IGP	€5,90/kg
Farro senza IGP	€4,70/kg
Nocciole di Giffani IGP	€19,20/kg
Nocciole sgusciate COOP	€13,00/kg
Olio extravergine d'Olive	€3,10/lt
Bartolini Olio extravergine d'Olive Umbria DOP - Colle d'Assisi, Spoleto	€10,60/lt
Else IGP Aceto Balsamico di Modena	€28,40/lt
Aceto Balsamico Ponti	€7,50/lt

Interview with Dr Paolo Canestrari – Director of Consorzio di Tutela Vitellone Bianco dell Appennino Centrale IGP

20th July 2010

E.V.: How was this consortium initiated and what are the benefits of forming consortia?

P.C.: This Consortium was born out of necessity by a group of local cattle breeders to protect the native breeds and find new markets to promote with consumers. Local breeds were less appreciated due to competition with English and French breeds which mature earlier, are fatter and tastier. The native breeds require between 22 and 24 months maturing whilst the foreign ones require merely 16 to 18 months. Thus, the native breed was being out-competed.

We were also facing structural problems with small farms that produced few quantities of meat and using old breeding methods. Thus, beef maturity was late and even the age of the breeders was high. So in 1983, the Consortium 5R was born and it lasted till 1994, when due to financial and economical problems, it had to close down. After the Consortium 5R, the CCBI (Consorzio Cooperative Bovine Italia) was born with the aim to exploit the big butchers and big distributors. The main aims of the Consortium were based on the number of cattle, the stability and continuity of products and the stabilisation of prices.

The new consortium operated on two fronts; to form a significant marketing mass and to make the breeder more aware on how to properly breed the cattle (such as fattening in a particular way so as to become competitive). A significant marketing mass is very important when selling the product to the big distributors so as to assure sustainability in the sector. With the product on the large market, consumers will receive more information on the product and get familiar with it.

E.V.: When did you start benefiting from quality labels?

P.C.: The process of labelling is a long one but it provides the consumer with a means of traceability. The consortium has applied for a PGI label in 1992 and has been given authorisation only in 1998. In those days, the process was new to the European Community, while the process to research and develop the technical policies and production regulations lasted a year. The Ministry sent these policies to the regions of Emilia, Toscana, Lazio, Marche, Umbria, Abruzzo, Molise and part of Campania, which are typical areas for cattle breeding.

In 1998, the labels were ready and discussions about guaranteeing the sale on large markets started with COOP. There was the need for a group of breeders to unite their forces and accept the regulations and technical controls on the breeding site. COOP was organised

enough to carry out food controls, both at the butcher and the distribution on a larger market. The creation of a significant beef mass guaranteed a homogenous food product and provided a marketing strength. This Consortium supplied the registration that represented the producers and promoted the product on the large market. Product certification was a guarantee for the product on the market before it obtained the PGI label.

In the year 2001, consumers became aware of the certification schemes with its benefits of product traceability from the cradle to the grave. However, the majority of breeders were not prepared for this revolution. Our consortium was the only one of its kind that had already applied certification and controls. This situation caused 80% loss in the COOP business on products without certification. Therefore they asked the Consortium for help on PGI certification and controls. The sales of the Consortium's products were therefore guaranteed and other regions started the certification process. This time of crises brought about positive changes in the sector but small scale breeders had to invest or else close down. From the five species of cattle of central Italy (*Romagnola*, *Chianina*, *Marchigiana*, *Maremmiana*, and *Podolica*) there were about 100,000 cattle in 2001 which now amount to 150,000 cattle.

E.V.: How does a *Consorzio di Tutela* function?

P.C.: Product promotion in Italy is not considered as part and parcel of the PGI label. Therefore a number of breeders united and set up the *Consorzio di Tutela*. CCBI takes care of the marketing and labelling while promotion and surveillance of the PGI product are the responsibility of the *Consorzio di Tutela*, that was established in 2004. In a *Consorzio di Tutela* there needs to be a minimum of 66% of the PGI product that comes from members of the consortium. The *Consorzio di Tutela Vitellone Bianco dell' Appennino Centrale IGP* has more than 70% of the products bred by its members.

The *Consorzio di Tutela* also has access to public funds as it earns more points from the regional funds (PSR). For promotional activities, a *Consorzio di Tutela* gets up to 70% of the costs. This *Consorzio* certifies over 14,000 items and markets about 5,000 items as *Coperativa Bovine Italy* and operates all over Italy. The members change from time to time as those who do not follow the regulations are dismissed and new members are enrolled. As an average maturity age, our PGI considers beef butchered between 21 months and 24 months. The items are certified with PGI between the 12th and the 24th month. If they are butchered only one day after the 24th month, they lose the PGI status and the price is lowered.

E.V.: What are the price differences between a PGI product and one without PGI?

P.C.: An example from the *Romagnola* PGI breed costs €4.70 plus value added tax per kilogram when it is sold to the market. If it is older than 24 months, it loses its PGI and would cost €3.30 plus value added tax per kilogram. The breed *Chianina* PGI costs €5.43 plus value added tax per kilogram and without PGI it costs a €1 or €1.50 less. The breed *Marcheggiana* PGI costs €4.80 plus value added tax per kilogram and without PGI, it costs a €1 or a €1.50 less. Thus, beef that is not certified costs approximately one €1 less than PGI-labelled beef. The expense for certification amounts to €40 for all the process for each cattle. Therefore if a cattle weighs about 400kg, the cost is €0,10 per kilo of beef (2% if including other costs).

The *Consorzio di Tutela Vitellone Bianco dell'Appennino Centrale IGP* succeeded in the sector because it has continued to accept more members, it is self-sustaining and follows the EC 510/2006 regulations. It was not possible to save the bovine breed known as *Vitellone Bianco* without this Consortium because it would have been substituted with technology and foreign breeds. The cultural and historical heritage did not suffer from the loss of this native breed and has not been affected by the introduction of a foreign species. In 1910, there were about 800,000 cattle in Romagnola that were used to work the fields up till 1950-1960. In 1983, the genetic research bank on native species started to function, which was 15 years behind the French (which had already developed species that mature from 16 to 18 months). This Consortium has also contributed towards the preservation of the agro-food industry that was losing its producers to manufacturing and service sectors. It has also introduced price stability for the breeders who today breed productive species and have invested to improve their product quality.

***Inspection control at Azienda Agricola Pulcinella – Colli dell’
Tresimeno Bianco, Bianco Scelto e Rosso***

21st July 2010

On 21st July, an inspection control took place at *Azienda Agricola Pulcinella in Colli Trasimeni* with Mr Luigi Bonifazi and Mr Ganluigi Petirossi. The inspection control started by checking the documents for compliance as the contents of parcel number 90 was unclear on the aerial photograph. The Director of *Azienda Agricola Pulcinella* declared that this year he planted a hectare of new vines which have not yet been declared since they do not produce grapes. He had only declared them with the regional authorities.

Following document inspection, a conformity control of the vineyard and cellar took place. The vineyard control consisted of counting the amount of grape bunches per plant so as to check whether they will produce within the established protocol limit. The director of *Azienda Agricola Pulcinella* declared that these vineyards produce a maximum of seven tons due to the unfavourable soil conditions.

The total number of hectares with vines declared with the Chamber of Commerce and the total number written on the controllers’ are not equal. There should be 53 hectares of white vines and 26,72 hectares of red vines. There are also vines for the Vin Santo and for sparkling wine that are not part of the DOC and IGT. The director of *Azienda Agricola Pulcinella* mentioned that there were mistakes with the GIS system which was used without doing any on site checking. There is also the problem that modifications done in the vineyards take time to be updated by the authorities.

The director has supplied the controllers with an updated map (scale 1:5000) of the vineyards. Then, the controllers carried out checks on the DOC vines and their production. The factors that were controlled included distance between plants, distance between poles, plants per hectare (3,333 or 5,128), number of bunches per plant (calculated on site, e.g. 6, 8, 10, 12), prescribed weight per type of grape (120g, 125g, etc), and finally a calculation of productivity (T/Ha).

On site, the controllers carried out twelve checks on different vine varieties: Chardonnay, Syrah, Merlot, San Giovese, Muller, Trebbiano, Sauvignon and more. After this exercise, the director and the controllers signed the checklist. The sampling results were positive but the director should organise himself better by preparing a list of all the vineyards, the area in hectares, the type of grape, the year of plantation and other necessary information that could be useful in future checks.