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Insights from the newly established Japanese GIs system

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Abstract

A GI system for protection of agricultural products and foodstuffs has been recently introduced in Japan aiming to provide a tool for: i) tapping into rural development; ii) increasing exports; iii) preserving the traditional products' heritage and iv) improve products' differentiation. Twelve registered GIs are analysed by grouping them in four categories according to their target market and consumer awareness. Our direct survey findings show that each product category is mainly focused on one of the above-mentioned targets, has specific SWOT factors, has different expectations from the GI recognition, its GIs' governance system works differently, and that specific well-tailored policies are needed.

1 Introduction

A GI system for agricultural products and foodstuffs has been recently introduced in Japan in June of 2015. The Japanese GI system aims to maintain the rich heritage of traditional products endangered by the growth of industrialised food supply, and to provide a rural development tool for farmers – Japanese agriculture being characterized by very small-scale farms (average size less than 2 *ha*) and elderly farmers. The system is intended to protect various traditional food from unfair competition and from the risk of frauds and usurpation of geographical names, and also seeks to expand the export potential of some *terroir*-based Japan agricultural products and foodstuffs (Japan Ministry of Agriculture, Forestry and Fisheries, 2015). These objectives perfectly match the goals reached by the GI system introduced in other countries, e.g. in the European Union (EU Commission, 2008).

A substantial number of GI registrations occurred in the span of just 18 months (21 GIs, of which 19 are food GIs), which shows that there was a hidden demand for a GI system of protection in Japan, that is now rapidly emerging. In some cases, the application for GI registration resulted from a bottom-up initiative of already existing producers' groups, where the local public administrations provided only indirect support, while in other cases, local

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governments adopted a top-down approach, directly taking over the whole application process (Barham and Sylvander, 2011).

This paper analyses twelve food GIs' production and markets, the governance system, the roles played by local public administration, SWOT factors characterising each product, and the producers' groups' major expectations from the GI registration, the purpose of which is to evaluate if and under which conditions the GI registration represents an effective value-adding tool for producers. To answer this broad question, more specific questions detailed in the next section are addressed. Within the wide heterogeneity among the examined GIs, we found strong analogies among the GI food characterised by the same market orientation (domestic or export) and comparable pre-existing consumer product's awareness (low or high). The observed similarities among the GI products within the same category and the differences among the four categories we considered allowed the authors to both determine general answers to our research questions and to outline some policy implications.

Even though this paper corresponds with the literature on GIs case studies, it is our belief that our on-the-field quantitative and qualitative analysis introduces a novel context-related element: we examined the very early beginners GI adopters in a newly-established institutional context, in which each actor (producers, public authorities, retailers, and consumers) has never experienced a similar system before. Moreover, the paper provides some insights into the new Japanese GI system, which is relatively unknown in an international context.

2 Background and research questions

There is a growing interest in implementing a system for the protection of GI agricultural products and foodstuffs, both in the developed and in developing countries, with the aim of preserving 'unique' *terroir*-linked products under threat in a globalised context (Allaire, Casabianca and Thèvenod-Mottet, 2011), meeting increasing consumers' demand for traditional food, and lastly to provide farmers and local communities with a rural development tool, (Barham and Sylvander, 2011; Belletti, Casabianca and Marescotti, 2012). The different legal systems of GIs protection (Thèvenod-Mottet and Marie-Vivien, 2011) also provide producers with an instrument to effectively improve consumers' recognition of traditional products, to differentiate them from industrialised ones, in some cases to command premium prices, as well as to fight against fraud and unfair competition from products imitating the geographical brand names (Arfini, Albisu and Giacomini, 2011; Dogan and Ummuhan, 2012; Sylvander, Isla and Wallet, 2011).

According to the existing literature, a product's history-based specificity, effective collective governance system, which are based on strategic alliances and strong cooperative approach among the actors, in addition to consumer recognition, related premium prices and fair distribution of the latter along the supply chain, are key factors for the GIs' success (Allaire, Casabianca and Thèvenod-Mottet, 2011; Belletti and Marescotti, 2011; Reviron and Chappuis,

2011). However, a well-working institutional framework and proactive public policies aiming to provide general information on GIs, support producers' collective actions and governance, empower the involved actors and invest in promotion activities are also crucial (Belletti and Marescotti, 2011; Belletti, Marescotti and Touzard, 2015).

To provide an answer to our broad question about the effectiveness of food GIs' systems as a value-adding tool for traditional food in a new context, like Japan, more specific questions need to address the following:

i) *The GI product*: is the product really unique and *terroir*-linked (Q1)? Does there exist consumer awareness of the product, before and after the GI registration (Q2)? Is there an existing risk of frauds and imitation of the geographical (Q3)? Are consumers willing to pay a price premium for the GI product (already expressed in the market or potential), and is the premium adequate for farmers (Q4)? Has the GI product a well-defined target market and market growth potential (Q5)? Does GI help the traditional product to strategically fit the SWOT factors characterising it (Q6)?

ii) *The collective governance system*: is the GI collective governance system working well (Q7)? Is there a cooperative strategic vision among the GI's producers (Q8)?

iii) *The Institutional framework*: Is it well-functioning (Q9)? Do public institutions provide adequate support to inform consumers about the new GI system, and are there specific Institutional promotion policies implemented that are similar to the ones implemented by the EU (Q10)?

3 The Japanese GI system

Like the EU, Japan has many traditional regional agricultural products and foodstuffs produced throughout the country. They are characterised by quality attributes and/or reputation not only linked to specific characteristics of the area of production, e.g. climate and soil, but also to tradition-based methods of production requiring appropriate human skills. These *terroir*-linked attributes characterise them as unique agricultural products and foodstuffs.

From June 2015 the GI Act (Law No. 84; June 25, 2015) has required the government protect these traditional products as Intellectual Property Right under a Collective Trademark System. The Act was issued to protect producers' interests and profits by contributing to sound rural development of the area of origin and to ensure the interests of domestic and international consumers. To accomplish this, a 'Registered Geographical Indication Mark' for GI agricultural products and foodstuffs was established (Japan Ministry of Agriculture, Forestry and Fisheries, 2015).

The GI Act complies with the TRIPS Agreement Art 22.1, which defines GIs as 'indications which identify a good as originating in the territory of a Member, or a region or locality in that

territory, where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin'. Expected effects by the MAFF are: 'i) regional brand protection and utilization leading to revitalization of rural villages; ii) inheritance of traditional food culture; iii) protection of consumer's benefits; and iv) sharp increases in exports of agricultural, forestry and fishery products and foodstuffs' (Japan Ministry of Agriculture, Forestry and Fisheries, 2015).

The procedure from application to registration is as follows: 1) one or more groups of producers and/or processors submit the application for GI registration to MAFF. The application form includes the product specification, the detailed rules concerning the production method and the description of the control system implemented by the producers' group, which aims to ensure compliance with the code of practice; 2) after having passed the format exams, the product's application summary is published on the MAFF website for three months. During this period, any party can send notice of opposition and MAFF will inform applicants on the received oppositions; 3) after the opposition period ends, the application is examined by experts who are appointed by the Minister; 4) when approved, the product is registered and publication of registration disclosed on the MAFF website.

The MAFF has the responsibility to monitor periodically the system's management controls carried out by the producers' group(s) and to ensure GIs administrative (ex officio) legal protection against frauds (GIs imitations and misuse of GI names).

Under the December 2016 GI Act amendment (Law No.108; December 26, 2016), non-Japanese producers' groups may apply for GI registration in Japan.

4 Methodology

All of the food Japanese GIs already registered at the time of the survey (September-November 2016) were analysed (12 products, Table1), immediately after approval by the MAFF or a few months after their official registration at the latest. A questionnaire-based survey was conducted by directly interviewing a leading person for each GI producer's group. Information was gathered directly on: i) type and number of actors involved; ii) turnover and sales channels; iii) current and potential price premium; iv) existing marketing strategies and v) strengths and weaknesses of the product and external opportunities and threads surrounding the product. A qualitative fieldwork analysis was also carried out, gathering information through participatory observations, historical data collection from local libraries, interviews of local consumers, farmers and local public authorities. The qualitative analysis aimed to collect information on: i) rootedness of link of the product to the production area and history; ii) awareness of the products by local consumers; iii) the role played by the local public authorities in supporting and encouraging the GI's applicants or, vice versa, in adopting a top-down approach, taking in charge directly the whole application process, and, finally, iv) governance power balance among the actors involved in the GI management.

Table 1. General Information on GI Products

	Name	Product Category	Date of Registration	Size and name of the production area	Production Stages carried out in the area	Pre-existing Regional Collective trademarks
1	Tajima Beef	Fresh beef meat	Dec 22, 2015	8,396 km2 Hyogo prefecture	Animal feeds from outside also	Yes
2	Kobe Beef	Fresh beef meat	Dec 22, 2015	8,396 km2 Hyogo prefecture	Animal feeds from outside also	Yes
3	Traditional Authentic Yame Gyokuro	Green tea leaves	Dec 22, 2015	4,971 km2 Fukuoka prefecture (leaves have to be produced in Yame city, 482.5 km2 and in neighbour low uplands areas)	Plant variety not local, Processing in overall the prefecture	No
4	Edosaki Kabocha	Pumpkin	Dec 22, 2015	178.1 km2, Inashiki city and Ushihisashi Katsura village	Plant variety not local, Processing in the origin	No
5	Kagoshima no Tsubozukuri Kurozu	Black Vinegar	Dec 22, 2015	738.71 km2 Kirishima city, Fukuyama village, Hayato village	Ingredient (rice) from outside also	No
6	Miwa Somen	Uncooked Somen noodles	March 29, 2016	3,691 km2 Nara prefecture	Flour from outside also	No
7	Ichida Kaki	Dried Japanese Persimmon	July 12, 2016	2093.06 km2 Shimoina gun, Iijima village, Nakagawa village	All, Native variety	Yes
8	Yoshikawa Nasu	Eggplant	July 12, 2016	84.75 km2 Sabae city	All, Native variety	No
9	Yatabe Negi	Welsh onion	Sep 7, 2016	79.54 km2 Yatabe village	All, Native variety	No
10	Yamauchi Kabura	Turnip	Sep 7, 2016	40.91 km2 Yamauchi village	All, Native variety	No
11	Kaga Maruimo	Japanese yam	Sep 7, 2016	306 km2 Ishikawa Nomi city, Komatsu city (Takado village, Noda village, Hitohari village)	All, Native variety	No
12	Mishima Bareisho	Potato	Oct 12, 2016	127.18 km2 Hakone Seiroku area of Mishima city and Kannan village	Plant variety not local	Yes

5 Results

According to the individual GI analysis, we observed similarities among the GIs having the same market orientation (domestic or export) and comparable consumer product awareness before the GI registration (low or high). Consequently, the main research findings are discussed by classifying the twelve products into four categories, according to the two above-mentioned factors (Table 2).

(1) *Big King: high consumer awareness and export orientation.* We include in this group Kobe Beef, Tajima Beef, Ichida Kaki. These products are characterized by consumers' long- product awareness, high positive reputation among Japanese consumers - also for their health-related properties- and huge premium prices: the price premium increased by around 15% after the GI registration for Tajima Beef GI and Kobe Beef GI³, while no price premium growth is observed yet for Ichida Kaki GI. The products were sold both in the Japanese market and in the international market: for the Tajima Beef the turnover was 1.95 billion yen, while for Kobe Beef 7.73 billion yen (August 2015-July 2016) (94.2% in domestic market and 5.8% in international market - mostly in Asian countries, such as Singapore, and in the EU, such as Germany). After GI registration both prices (Kobe beef GI 3,529 yen/kg, Tajima beef GI 2,796 yen/kg) and exports to the EU continued to rise. The overall production of Ichida Kaki was around 1,300 tons in 2016.

These three GI products suffer unfair competition from third countries who imitate their products. *Big Kings* were previously sold in the market under a Regional Collective Trademark – the only JA product in Ichida Kaki's case –, which contributed to increasing the positive product image among consumers, but played a limited role in contrasting the risk of imitation of the geographical name. The producers' organizations involve a large number of agents: 305 fattening farms and 1,340 breeding farms for Kobe Beef and Tajima Beef; most of the 1,800 Ichida Kaki producers directly process and package the GI products. Among them, in 2016, only 124 farmers handed over the processing stage to Japan Agriculture cooperative (JA), being too old and unable to comply with the GI's processing rules.

The governance system of Kobe Beef and Tajima Beef supply chain is long-existing (1983). It is particularly well organized and concentrates on the farming, processing, and distribution stages in a single producers' organization. The producers' organization also directly manages the sales in export markets. The pre-existing (since 2007) governance of Ichida Kaki under the Regional Collective Trademarks established well-coordinated actions among all agents for joint promotional activities, along with technical assistance to farmers, while different producers' organizations and individual companies acted autonomously when managing other activities.

³ Kobe Beef and Tajima Beef are two different registered GIs. Both GIs were obtained by the same beef cattle production method, but are differentiated products according to final meat quality. Consequently, the same producers' group manages both GIs.

Table 2: GIs' Producers' Groups (PG) structure, roles and governance

	GI name	PG type (*)	No. of PG and Members	Supply-chain management (**)	PG role	PG governance
<i>Big King</i>						
1	Tajima Beef	JA	1 PG: 1,340 breeding farmers and 305 fattening farmers	F, P, D	Animal breeding and fattening, beef quality grading, sales - including retailers and restaurants, both in domestic and international market	Per-existing well-functioning governance under JA leadership
2	Kobe Beef					
7	Ichida Kaki	JA	1 PG: 124 farmers	F, P, D	After registration of Regional Collective Trademark, Ichida Kaki Brand Promotional Council was founded and the producer group of GI Ichida Kaki is one of the members. The council controls brand management	Weak. Ichida Kaki Brand Promotional Council (37 members, including another JA) still produce not-GI Ichida Kaki without GI, which causes confusion in the market
<i>Old Glory</i>						
6	Miwa Somen	Not-JA	2 PGs: 210 and 9 members respectively	P, D	Older PG owned pre-existing tradition-linked Torii-like mark based on quality standard) manages collectively input purchases (flour).The second PG has a collaborative distribution strategy.	Weak governance; conflicts and competition among individual companies: collaborative approach under construction
5	Kagoshima no Tsubozukuri Kurozu	Not-JA	1 PG: 7 individual companies	P	Marketing strategies, other pre-existing private collective labelling systems (about local productions)	Still weak governance and lack of collaborative approach
<i>Ambitious Pilgrim</i>						
3	Traditional Authentic Yame Gyokuro	JA	1PG: 190 small scale farmers	F, P, D	Producers advice, collective purchases and distribution	Pre-existing governance to be improved
<i>Sudden Hero</i>						
4	Edosaki Kabocha	JA	1 PG: 30 farmers	F, P	Brand development, marketing strategies and sales, information and producers' technical advice	Well functioning governance under JA leadership
8	Yoshikawa Nasu	JA	1PG: 10 farmers	F	Producer support, marketing strategies including original paper package with GI mark, seeds control and distribution among farmers, farmers advice (4 times/year)	Strong governance under development, municipality administration leading role
9	Yatabe Negi	Non-JA	1 PG: 12 farmers	F	Cooperation and collaborative approach among members, promotion activities	Governance under development, municipality administration leading role
10	Yamauchi Kabura	Non-JA	1 PG: 12 farmers	F, P, D	Cooperation among members, make commune members involved and create solidarity feeling	Strong governance under development, municipality administration leading role
11	Kaga Maruimo	JA	1 PG: 72 farmers	F	Support farmers to reduce costs of production, GI management	3 individual JAs marketing activities with weak co-operation,
12	Mishima Bareisho	JA	1 PG: 72 farmers	F, P, D	Processing including drying, brand management, distribution, collective supply-chain management	Strong JA leadership, trust among producers under enforcement

(*) JA: Japan Agriculture cooperative; Not-JA: not Japan Agriculture cooperative

(**) Farming (F), processing (P), Distribution (D)

However, the stronger and wider cooperation required for the GI's effective management presently causes some conflicts between JA and non-JA members. Hence, coordinated sales strategies are not well developed yet: for example, both GI-labelled and Regional Collective Trademark labelled products are now sold in the market, causing confusion among consumers and limiting the GI's price premium potential.

The involvement of local public authorities in activating the *Big Kings* GI registrations was negligible, while the pre-existing producers' organisations worked autonomously on the GIs application process.

At the very initial stage of the GI system implementation, the following SWOT factors characterise *Big King* products:

STRENGTHS: They are well-recognised products in both domestic and international markets.

WEAKNESSES: Their supply is still limited when compared to the existing and potential demand. To better meet the demand, GI Kobe Beef and GI Tajima Beef planned a 6.5% increase for the Kobe Beef supply by 2024. The Ichida Kaki supply growth is limited by two main factors: i) the dramatic drop in the numbers of farmers (from 3,000 to 1,800 in ten years), which is due to very limited farm size and to the farmers' very old age; ii) the price competition from larger-scale farmers from Fukushima prefecture, producing a similar dried Kaki. Moreover, in the Ichida Kaki case, the conflicts arisen between JA and non-JA members – when not solved quickly by developing a common strategic vision on GI and a more cooperative and all-inclusive governance approach of the supply chain – risk to weaken the quality signal provided by the GI label.

OPPORTUNITIES: The increasing consumer attitude toward healthier food products play in favour of the success of these GI products.

THREATS: GI recognition provides the legal instruments for GIs administrative protection in the domestic market, while international protection might be established under the bilateral agreements that the Japanese Government is presently negotiating (e.g. with the EU).

The major expected effects of *Big King* products' GI recognition are a strengthening of their 'luxury' product image when compared to other similar products, and reducing the risk of fraud in domestic and international markets.

(2) *Old Glory: high consumer awareness and domestic market orientation.* We include in this group Miwa Somen and Kagoshima no Tsubozukuri Kurozu. Both GIs are long-standing traditional products and are characterized by their limited scale of production and market share when compared to similar industrialised products which are sold in the domestic markets. Consequently, exclusive domestic expert consumers demand for these GIs is high.

Both GI products are characterized by a weak governance system. Conflicts and competition

exist among the actors, at least at the initial stage of their GI registration. In Miwa Somen case, two producers' groups – strongly different in the numbers of members and in overall production - have applied for the GI registration. Both groups produce GI product (1,170 tons and 630 tons of GI Miwa Somen respectively) and higher volumes of non-GI Miwa Somen. In our view, an effective governance system of the GI is threatened by existence of two different producer organizations managing it, but who are strongly competing in the market. One of them is long-lived (1947) and owns a pre-existing tradition-based brand (characterised by a Shinto Tori-like symbol), while the second one (2015) has developed effective distribution strategies. Recently, before the GI registration, the two groups tried to mutually cooperate, by sharing their individual winning competitive advantages against competitors outside the production area: the traditional brand and the distribution power. However, stronger cooperation is required to develop effective management and a joint strategic vision of the GI.

The Vinegar case, also, faces huge problems of not-networking and weak cooperation among the seven members of the producers' group. At present time, each company acts individually and the producers' group role is limited to a few activities, e.g. control advice. This is mainly due to the fact that only one company truly acted as a leading actor at the GI application stage – considering it a price premium tool - while the others were sceptical followers, expecting to better compete against the major industrialised domestic brands under the GI system. According to other similar international experiences (Reviron and Chappuis, 2011), different incentives and weak cooperation among actors could threaten the GI viability. The bottom-up approach adopted in the GI registration process would not adequately fulfil the expected results due in part to the weak governance system. In this case the public authorities failed to act as mediators to help agents with resolving the conflicts they have faced.

The SWOT factors *Old Glory* products share are:

STRENGTHS: The GIs are well-positioned in niche markets where expert consumers are aware of their tradition-based characteristics, assured by the small scale of the production and by history-based methods of production. Indeed, the average premium prices the products commanded in their niche markets before GI registration was high (25% for vinegar). After GI registration, no increase in the price premium has been observed yet.

WEAKNESSES: Before GI recognition, average consumers did not fully distinguish between traditional products from industrialised ones: the former were sold in the market under many brands while, among the latter, one leading brand was characterized by large investments in marketing.

OPPORTUNITIES: For both GI products, the increasing consumer demand for traditional foods is a winning opportunity and appreciable tourism-based positive impacts on the rural development of the production area are expected.

THREATS: Overall, the major external risk is high price competition from industrialised

products in the domestic market.

The major expected effect of *Old Glory* products' GI registration is improvement in their differentiation from big-scale mass production, as this was obtained through a historically-based traditional method of production.

(3) *Ambitious Pilgrim: limited consumer awareness and export orientation.* The only GI product included in this category is Traditional Authentic Yame Gyokuro. The GI tea is a special green tea which is produced in a very limited mountain area by small-scale farmers (190) following a historically-based method of production, more than 110 years old, which uses only new leaves grown under sun-shade. The GI code of practice is very restrictive and only 25% of the product passes the controls. This top-level quality product is highly appreciated by expert tea consumers both in the domestic and in the international markets, for its particularly rich umami taste. The limited production (12 tons before GI registration and only 3 tons after) is characterized by high costs of production and the GI tea gets a high premium price in the market: 38% before GI recognition and 50% after, when compared to the commercial tea from the same production area. The 'gold medal' received by one farmer's product from the Japan MAFF for 26 years raised its reputation as well as the outstanding price received by the winning farmer: 500,000 Japanese yen per kg.

The JA producers' group was well organized before GI recognition, taking care of the product processing and sale. However, the GI supply chain is not very well coordinated as some agents still perform individual strategies, failing to develop full concentration of supply and join common marketing strategies with other producers. This weakness is one of the major risks for the GI reputation that the product is facing.

The public authorities both at local and Ministry levels were not involved in the bottom-up approach of the GI registration process.

The Traditional Authentic Yame Gyokuro GI is characterised by the following SWOT:

STRENGTHS: The low-scale farming traditional product is highly appreciated by expert consumers in niche domestic and international markets.

WEAKNESSES: At present, the premium price of the GI tea has not reached yet the maximum expected value, because the geographical part of its GI name (Yame) is shared with a more commercial product, produced in the same area by an ordinary method of production. Moreover, the premium price received at the retail level is not yet fully transmitted along the supply chain to farmers, who incur great costs of production. Consequently, the tea production is threatened.

OPPORTUNITIES: The GI recognition could help the producers to unambiguously meet increasing demand of top level restaurants and specialty shops both in domestic and international markets. An exporting agency has already started developing a business plan for

exporting the GI product to targeted markets, such as Germany and the United States.

THREATS: Information strategies of the GI producers are crucial in order to let consumers fully enjoy and appreciate the very unique taste of the tea, which requires a specific method of preparation when consuming it, and will consequently increase their willingness to pay for the product.

The major expected effect of Ambitious Pilgrim product GI recognition is the improvement of its image of uniqueness mainly in international markets.

(4) *Sudden Hero: limited consumer awareness and domestic market orientation.* Edosaki Kabocha, Yoshikawa Nasu, Yatabe Negi, Yamauchi Kabura, Kaga Maruimo, and Mishima Bareisho are included in this group.

The *Sudden Hero* GI products are characterised by some common elements: i) All of them are unprocessed agricultural products; ii) few and very small-scale farmers are involved in the production (from 12 to 44 farmers) and the overall production is very limited (500 kg Yatabe Negi, 500 kg Mishima Bareisho, 500 kg Yamauchi Kabura, 12,000 pieces Yoshikawa Nasu, 35 hectares Edosaki Kabocha, 132 tons Kaga Maruimo); iii) the products are mainly sold in the local market, but the domestic demand is increasing (e.g. 50% of Kaga Maruimo is sold out of prefecture) and after GI recognition a growing demand from Japanese high-reputation restaurants is observed; iv) most products command appreciable premium prices in the market (e.g. 90% for Edosaki Kabocha, 45% for Yatabe Negi) and producers generally expect an increase in the price premium from GI registration.

Most of the *Sudden Hero* GIS are obtained from ancient local varieties, threatened with extinction (Yatabe Negi, Yamauchi Kabura, Yoshikawa Nasu, and Kaga Maruimo). The GI registration encourages their survival at least in the local market.

In all cases, GI governance systems work fairly well, thanks to participation from enthusiastic farmers. The already existing trust in the leading agents – local public administration or JA – acts as a catalyser to establish a strong sense of unity among the producers, a cooperative approach among them that prevents any arising conflict. Another important element has to be addressed: the farmers expect that GI registration ensures them a viable income in the near future, reducing the risk of extinction of their very small-scale farming systems and encouraging young farmers to enter the business. Finally, it has to be pointed out that the local public administration of the least-recognized prefecture in Japan, where most of the *Sudden Hero* GIs are produced, is strongly interested in developing a GIs-based rural development, aiming to maintain a more viable farming system based on both GIs production and promoting rural tourism.

Two different decision-making approaches have been observed in the GI application process: i) the local public administration acting as leaders in the overall process, by selecting the GI

candidates and encouraging farmers to create producers' groups. This top-down approach was actually able to stimulate farmers' willingness to participate in the project, apply for the GI registration, and actively cooperate with each other (Yatabe Negi, Yamauchi Kabura and Yoshikawa Nasu; other products are undergoing examination by the Ministry); ii) local JA farmers' cooperatives directly apply for GI registration taking a leading role in each GI governance (Mishima Bareisho, Edosaki Kabocha, and Kaga Maruimo).

The *Sudden Hero* GIs are characterized by the following SWOT factors:

STRENGTHS: All GIs are historically rooted 'unique' products, farmed in a very small area of production and characterised by large premium prices in the local market.

WEAKNESSES: The small-scale farming system is very labour intensive and the per hectare productivity of the traditional varieties is low. Few small-scale farmers producing the GI products not managed by JA have neither the expertise nor the financial resources to market their products outside the local market.

OPPORTUNITIES: Farmers' motivation and self-confidence was created after GI registration by recognition from government and the mass media. The demand from highly reputable restaurants and expert consumers outside the area is also rapidly increasing.

THREATS: In the overall domestic market, the price competition from products of the same category (both domestic and imported ones) is high among price-conscious consumers, who have limited awareness of the 'unique' characteristics of these GI products.

Major expected impacts of *Sudden Hero* GI registrations are to improve their recognition in the domestic market and, consequently, to increase their supply by involving other local farmers in their production.

6 Conclusions and policy implications

We analysed the production, the market, the governance system, the SWOT factors and the producers' group expectations from the GI registration of 12 Japanese food GIs. Strong similarities among them were found in relation to their market orientation (domestic or export) and the consumer awareness of each product before the GI registration (low or high). Consequently, the GI products were classified into four categories: *Big King*, products characterised by high consumer awareness and export orientation; *Old Glory*, food having high consumer recognition and sold in domestic market; *Ambitious Pilgrim*, characterised by a limited consumer awareness and export orientated and *Sudden Hero*, GIs with a limited consumer awareness and domestic-market oriented. Concerning the specific questions about GI products' characteristics we addressed in section 2, we can conclude that all the food GIs we analysed are well *terroir*-linked (Q1), while the consumer awareness in their target market

before and after the GI registration varies among the four GI categories we considered (Q2). In the *Sudden Hero* and *Ambitious Pilgrim* cases, the GI reputation and consumer awareness was still limited at the local market level or for very discerning consumers. For these products, the GI system might act as a catalyser-- accelerating the growing of consumer recognition, which could require time. GI registration may help *Old Glory* and *Big King* products to expand their market and/or to better face the industrial product price competition. The GI registration is motivated also by the existing risk of fraud, imitations of the geographical names, or strong price competition from industrialised products. The negative impact of imitating products in their target markets is particularly appreciable for *Big Kings*, *Ambitious Pilgrim* and, in some cases, for *Old Glory* GIs (Q3).

No definite conclusions can be drawn about GIs registration impact on the price premium (Q4): in some cases, the GI was registered only when the crop production had already started or after the harvest season had finished and, consequently, no GI product has been sold yet in the market, while, in other cases, the potential positive effect is limited by the weak cooperative approach among the agents. However, in the well-organised GI supply chains, where an effective collaborative approach is already implemented, price premium increases are observed, also for some *Sudden Hero* products. The transmission of price premiums along supply chain to farmers is not yet adequate in some cases (e.g. *Ambitious Pilgrim* product). All GIs we examined are well positioned in their target markets, and positive signals of market growth – at least in niche markets – have been observed for most of them since their GI registration. It is interesting to note the newly emerged demand for *Sudden Hero* GIs from top-level restaurants, which might help them move from local markets to the overall domestic market (Q5).

Finally, our analysis has shown that GI products in the same category we identified share most SWOT factors and have similar expectations from GI registration (Q6). Regarding such expectations, each product category is particularly focused on one of the goal defined by the MAFF for the GI system: i) *Big Kings* aim to consolidate their market share in the domestic market and increase their exports thanks to the protection assured by GI registration against imitating products; ii) *Old Glory* products foresee to improve the consumer recognition of their history-based GIs in the domestic market and maintain or increase their price premium In order to be able to continue the tradition-based production in the future; iii) *Ambitious Pilgrim* GI expects to expand its ‘unique’ product image in domestic and international markets, while iv) *Sudden Hero* GIs aims to increase farmers’ income based on the expansion of their market from a local to domestic scale and to pursue the diversification of their activities (rural tourism development). In most cases, the products’ uniqueness characteristics – ancient local varieties, threatened with extinction – are the key factors underlying their marketing strategies.

In regards to GIs collective governance system questions (Q7 and Q8) our analysis found a patchy situation within the four products’ categories. The pre-existing producers’ organisation

of *Big King* Kobe Beef and Tajima Beef GIs has already set a well-coordinated governance system, which facilitates the development of a common strategic vision of GIs' growth. A strong cooperative approach was also immediately established among farmers producing *Sudden Hero* GIs from the GI application stage, thanks to the catalysing role played by JA and local public administrations and to the strong need to ensure vitality of small-scale farming activities in the future. However, in most cases, the conflicts that developed between actors, as well as the pre-existing competitive approach among individual companies has limited the rise of well-functioning collective governance based on cooperation, at least at the very initial stage of GI system implementation. MAFF has until recently probably underestimated this risk. the crucial role of public actions in supporting the empowerment of producers, as well as the implementation of well-functioning governance systems. In line with other international experiences, e.g. in Italy, formally asking local public authorities to take over the responsibility for tutoring GI applicants could help MAFF to face this problem more effectively.

Apart from the above mentioned point, Japanese GIs Institutional framework is well defined and the rapid increase in GI registrations shows that it meets producers' real needs (Q9). Regardless of the ex-ante MAFF expectations, the producers' responses to the newly introduced GI system has been more enthusiastic for the small-scale farming system (*Sudden Hero* and *Ambitious Pilgrims*) than for *Old Glory* products. This means that the system is most successfully working as a tool able to provide a viable income to producers and, more generally, as a rural development tool. In a newly-established GI system context, investments are needed for information provision to consumers and for activities promoting GI trademarks with the public. GIs producers' groups have strongly expressed their requests to MAFF for institutional information, and for promotional activities aiming to complement their individual marketing strategies. However, at present, specific information policies are at the very initial stage, while promotional ones are still under scrutiny.

In conclusion, our survey results have allowed us to answer positively the wide-ranging question we alluded to in the paper title. However, in line with the existing literature on this issue, we can conclude that a well-functioning collective governance system plays a crucial role, by dramatically impacting its effectiveness in value creation for the rest of its life.

In one sense, monitoring a new-born GI system is not only a challenging opportunity but it has its own limitations, since the system does not yet exist as a stable entity. Consequently, further monitoring is required to draw more robust evaluations on the Japanese GI system.

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