

What's in a name? The impact of Geographical Indications of Origin on producer growth and food heritage

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Post-Brexit the UK government has committed to the implementation of a new UK system of Protected Food Names (PFNs). Here, we combine case study and econometric methods to consider GIs' impact on preserving and strengthening food heritage and producer growth in the UK. We consider the implications for PFNs.

Key findings

Our case study analysis focuses on aspects of food heritage and relates to six UK GIs in diverse product groups. Our econometric analysis of producer growth uses a Propensity Score Matching-Difference in Difference and focuses on producer growth for five factory-based GIs. The coverage of our econometric analysis is severely limited by data availability and this needs to be taken into account in considering the results.

Our case study analysis suggests that GIs can play an important role in the heritagisation of food products. When combined with other supporting initiatives, GIs can also help to contribute and protect local food cultures and identity and generate added value for tourism and related activities. The benefits of heritage-based GIs may, however, be particularly sensitive to regulatory and operational issues.

Our econometric analysis is based on a small sample of firms and covers only five factory-based GIs. Results suggest that the GIs we consider have had no significant growth effects over two years but there is some tentative evidence of positive employment growth effects over four years. We find no evidence of any significant longer-term sales effect. Significant caveats apply to our econometric analysis, however, due to the number of firms included, the nature of the GIs we are able to consider (predominantly PGIs) and because we only consider direct impacts on producers.

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Food heritage and growth impacts of GIs

Internationally, GIs have attracted significant academic attention, but recent bibliometric reviews suggest the vast majority of research focuses on food science and technology rather than GIs' economic and social benefits. There has been very little prior research on the impact of GIs in the UK.

Our case study analysis focuses on aspects of food heritage and relates to six UK GIs in diverse product groups (Newmarket Sausage, Traditional Cumberland Sausage, Melton Mowbray Pork Pie, Staffordshire Cheese, Buxton Blue Cheese and Herefordshire Cider). We regard food heritage as important both because of its intrinsic value but also because of the potential contribution of traditional food products to the preservation of local culture as well as contributions to social cohesion and tourist development.

The scope of our econometric analysis is strongly influenced by data availability. It focuses on producer growth and involves matching producers covered by five GIs (Newmarket Sausage, Cornish Pasty, Traditional Cumberland Sausage, Melton Mowbray Pork Pie, Staffordshire Cheese) with UK producers of similar products elsewhere and then comparing their performance pre- and post- the award of GI status. This type of Propensity Score Matching-Difference-in-Difference approach is generally regarded as econometric best practice for policy impact analysis. Our analysis focuses primarily on PGIs, however, which previous studies of consumer behaviour suggest attract lower price premia than the more restrictive PDO classification.

Policy implications

Our results suggest there is little justification in terms of producer growth for any significant increase in the number of GIs through the Protected Food Names scheme post-Brexit. More persuasive arguments for increasing the number of PFNs in the UK relate to the preservation of food heritage and, when combined with other local support mechanisms, their potential contribution to local food and drink tourism.

Significant progress has been made in the development of the Protected Food Names scheme including that the scheme will follow the sui generis principle which also underlies the EU GI scheme. Our case studies highlight a number of operational factors which will influence the potential benefits of PFNs. These include: (a) the length of time taken to move from application to registration; (b) the availability of a supportive regulatory and legal environment; (c) the breadth and/or specificity of the GI product specifications; and, (d) the relatively low level of awareness of GI labelling among UK consumers. Building wide-spread awareness of a new PFN logo and the implied quality standard will be challenging and require significant investment.

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