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

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EXECUTIVE SUMMARY

Post-Brexit the UK government has committed to the implementation of a new UK system of Protected Food Names (PFNs). These will replace the EU Geographical Indications of Origin (GI) regulations for sales in the UK market. GIs, and potentially PFNs, can have significant benefits. Here, we combine case study and econometric methods to consider GIs’ impact on preserving and strengthening food heritage and producer growth. Our case study analysis suggests that GIs can play an important role in the heritagisation of food products although this depends critically on a range of operational factors. Our econometric analysis is limited to a small number of factory-based GIs and small number of producers for which longitudinal data is available. Using a Propensity Score Matching-Difference in Difference approach suggests that the GIs we consider have had no significant growth effects on producers over two years but may have longer term employment growth effects over four years. We find no evidence of any significant longer-term sales effect. This may reflect relatively low levels of consumer awareness of GI labelling in the UK and potential overlaps between GI labels and producers' own branding. Significant caveats apply to our econometric analysis but our results suggest there is limited 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.