

Geographical Indications- a marketing strategy tool for small farms in Albania

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Abstract

GIs offer a unique marketing tool for producers, differentiating their products from generic counterparts, and can enhance the market position of producers by capitalizing on the reputation and distinctiveness associated with a specific geographic region. Geographical Indication (GI) can be used as a strategy for marketing the product and the territory. It creates synergy with the preservation of cultural heritage; with consumers' value attributed to the specific qualities of that product; with the economic development and the livelihoods of rural communities. Balkan Countries are making serious efforts for creating their competitive advantage whereas Albania is still in the initial steps. One product that is expected to create synergy with the Tourism industry as a potential GI in Albania is the Winery sector.

Keywords: Geography, marketing, tool, farms

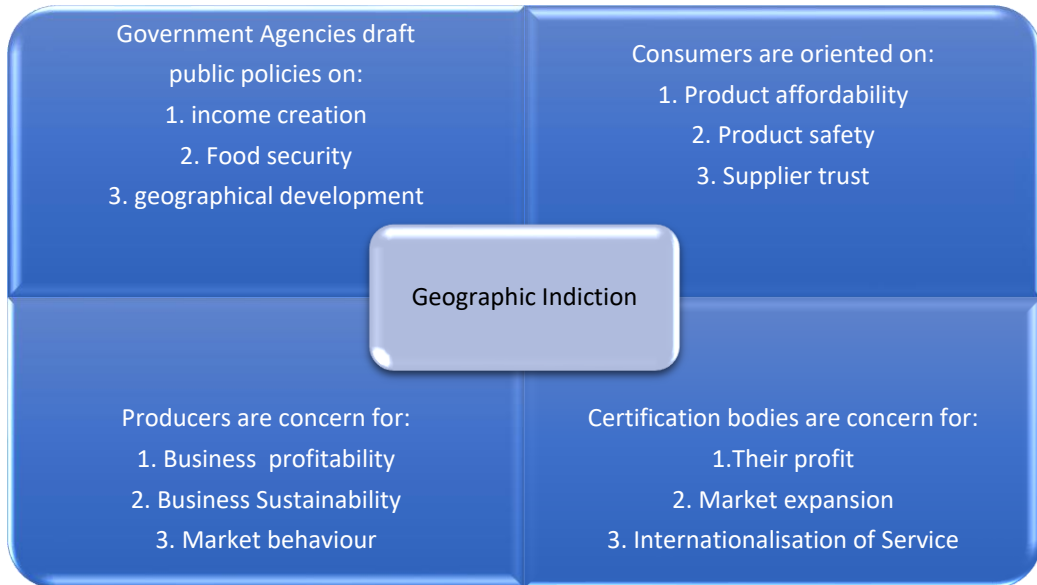
Introduction

Consumers demand for traditional food is becoming a trend under some mottos like buy locally; eats natural: Support local farmers. Most authors define GIs as certification schemes which designate foodstuff with distinctive characteristics, reputation and geographical origin (Marie-Vivien, Biénabe, 2017; Albuquerque et al., 2018; Härtel, Zhong L. 2018). In the era of globalisation GIs emerged as tool for certification of foodstuff with special quality and place of production (Belmin et al., 2018; Grujic-Vuckovski, Kovacevic, 2020).

The focus for this research lies in GIs importance for remote rural areas with limited farmland. A relevant number of studies indicate significant GIs role in the rural communities prosperity (Barjolle, 2010; Arfini et al. 2019; Paraušić, Roljević-Nikolić, 2020).

GIs represent real opportunities for small rural households to create added value through certified agriculture products and to improve their economic position. Standardization and certification of these products is contributing towards development of the food supply chains (Schmitt et al., 2017; Popović, Paraušić, 2016; Bérard, Marchenay, 2006). GIs foodstuff implementation in Western Balkan lagging significantly behind EU (Janković et al., 2018). According to Barjolle et al. 2010 one

reason is low consumption of GIs products in Western Balkans countries due to the barriers such as high price and uncertainty with respect to the true GIs product characteristics. Founding significant importance of GIs Fabris & Pejović 2012 recommended new policy in Montenegro such as orientation on traditional production as a tool for improving farmers profitability.



Due to the fact that all Western Balkans countries are in European Union (EU) approximation process, EU' common acquis in the area of the GIS is analysed. Traditional foodstuff are important part of European culture and heritage (Milosević et al, 2012; Giraud et al., 2013). In the EU three main foodstuff quality schemes are established: Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG). Protected Designations of Origin (PDO) are names used to designate a product with special characteristics, which are also originating from a certain territory. For PDO the raw material production as well as processing should be produced in the designated geographical area (SWG, 2020). PGI are label referring to foodstuff processed under certain production specification with distinct characteristic, but differenced from PDO as raw material is not mandated to be produced in designated territory (SWG, 2020). TSG label refers to the traditional receipt product (EU Commission, 2021) Other EU' quality schemes include: Mountain product and product from my farm. Mountain product referred to the high-quality product produced in mountain regions with difficult natural conditions, while Mark from my farm referee to the high-quality products produced locally for local consumption (EU Commission, 2021).

GIs foodstuff regulation in EU is based on the type of products: agricultural and foodstuffs, wines and spirits.

EU' GIs legal framework including:

- Regulation (EU) No 1151/2012 on the quality schemes for agricultural products and foodstuffs;
- Regulation (EC) No 1308/2013 on the protection of geographical indications for wine;
- Regulation (EC) No 251/2014 on the protection of geographical indications for aromatized wine;
- Regulation (EC) No 787/2019 on the protection of geographical indications for spirit drinks.

There is significant number of registered GIs products within EU. In total, on the 18th January 2021 there were 3753 designated products.

GIs in Balkans and in Albania

Western Balkan countries have a long-standing tradition and numerous high quality famous traditional products. The promotion of traditional foodstuff is promising vehicle for increasing regional agricultural sector competitiveness (Giraud et. al,2013; SWG, 2020). Three Western Balkans countries – Serbia, BIH and Montenegro have established GIs certification schemes.

Although there is a possibility of registering GIs products from non-EU countries, no product from the countries of Western Balkan is registered in the EU. The registration of products in the EU would have a significant importance for regional producers:

- The “visibility of the GIs product” would be increased, as numerous national labels would be replaced by EU labels (Figure 1), which are unique and recognizable nationally and throughout the EU;
- The costs of product registration, as well as certification and recertification for producers would not change in relation to the costs in national GIs schemes, while the effect would be significantly increased;
- Registration in the EU after national registration would be an excellent check and significant experience for national institutions responsible for geographical indications schemes;
- Product protection at the EU level provides full worldwide product protection (Hazel, 2017).

There are just a few examples of the many products that are recognized as GIs in Albania. The GI recognition helps to protect the reputation and quality of these products and promotes their unique characteristics, which can contribute to the development of local economies and tourism.

1. Tushemisht Trout - Tushemisht Trout is a type of freshwater trout that is produced in the Tushemisht area of southeastern Albania. The trout is known for its delicate flavor and tender texture and is a popular ingredient in local cuisine.

2. Korca Beer - Korca Beer is a traditional beer that is brewed in the city of Korca in southeastern Albania. The beer is made using a special blend of hops, malt, and yeast, and has a distinct flavor and aroma.
3. Permet Grappa - Permet Grappa is a type of brandy that is produced in the city of Permet in southern Albania. The brandy is made using locally grown grapes and is aged in oak barrels to develop a smooth, complex flavor.
4. Shkoder Carp - Shkoder Carp is a type of freshwater carp that is caught in Lake Shkoder, which is located on the border between Albania and Montenegro. The carp is known for its tender, flavorful meat and is a popular ingredient in local cuisine.
5. Berat Tomatoes - Berat Tomatoes are a type of tomato that is grown in the Berat region of central Albania. The tomatoes are known for their rich, sweet flavor and are often used in salads, sauces, and other dishes.

There are several other products that are recognized as Geographical Indications (GIs) in Albania. The Albanian government has implemented several measures to support the development and promotion of Geographical Indications (GIs) in the country.

1. Legal Framework: Albania has established a legal framework for GIs, which is designed to protect the names and reputations of traditional products that are linked to specific regions. The legal framework includes laws and regulations that govern the registration, use, and protection of GIs in Albania.
2. GI Registry: Albania has established a registry of GIs, which is managed by the General Directorate of Industrial Property (GDIP). The registry provides information on the registered GIs in Albania, including their names, descriptions, and geographical locations.
3. Certification: The Albanian government has established a certification system for GIs, which is designed to ensure that only products that meet specific quality and origin requirements can use the GI name. The certification process involves an evaluation of the product's quality, origin, and traditional production methods.
4. Promotion and Marketing: The Albanian government has supported the promotion and marketing of GIs through various initiatives, including participation in international trade fairs and exhibitions, and the development of promotional materials, such as brochures, websites, and social media campaigns.
5. Financial Support: The Albanian government provides financial support to producers of GIs, including grants and subsidies for product development, quality improvement, and marketing activities.

Overall, the Albanian government's measures to support GIs are aimed at promoting the unique products and traditions of specific regions, while also contributing to the development of local economies and tourism

Methodology

Extensive literature review is conducted. Method of comparative analyses was implemented. EU Commission DOOR Database is used as a source of information on designated GIs in EU.

Under the general preconditions are considered: flexible conditions for registration of small traditional processing capacities, system of producer organizations, visibility (recognizability by consumers of geographical indications) and systematic long-term support measures to the GIs.

The sector using IG as a strategy of marketing

One sector that is expected to create synergy with the tourism is the Albanian Wine production and marketing.

Albanian wine has a long history dating back to ancient times. It is made from indigenous grape varieties and has a unique flavor profile. Albanian wine has been gaining popularity in recent years and has won several international awards.

Albanian wine has a long history dating back to ancient times when the Illyrians, the ancestors of modern Albanians, used to cultivate grapevines and produce wine. Today, Albania is home to several wine regions, each with its own unique microclimate and indigenous grape varieties.

Albanian wine is known for its unique flavor profile, which is a result of the country's diverse geography, climate, and soil. The country has over 22,000 hectares of vineyards, and over 60 indigenous grape varieties, many of which are not found anywhere else in the world. Some of the most popular grape varieties used in Albanian wine production include Shesh i Bardhë (White Shesh), Shesh i Zi (Black Shesh), Kallmet, Debina, and Vlosh.

In recent years, Albanian wine has been gaining popularity internationally and has won several awards. The country's winemakers have been investing in modernizing their production techniques while still preserving traditional methods to produce high-quality wines that appeal to both local and international consumers.

Some of the most popular Albanian wineries include Kallmeti Winery, Çobo Winery, and Nurellari Winery. These wineries produce a wide range of wines, including red, white, rose, and sparkling wines, that are sold both domestically and internationally.

Overall, Albanian wine has a rich history and unique flavor profile that is gaining recognition among wine enthusiasts worldwide. With its diverse grape varieties and modernized production techniques, Albanian wine has the potential to become a significant player in the global wine market.

Albanian wine exports have been growing steadily in recent years, although the volume is still relatively small compared to other wine-producing countries. According to data from the Albanian Ministry of Agriculture and Rural Development, Albanian wine exports increased by 5.5% in 2020, with a total of 208,793 liters of wine exported. The main export markets for Albanian wine are Italy, the United States, Germany, Switzerland, and Canada.

Albanian winemakers are actively working to increase their export volume by improving the quality of their wines, diversifying their product range, and implementing marketing strategies to promote their wines internationally. The Albanian government has also been supportive of the country's wine industry, providing incentives for winemakers to modernize their production techniques and improve the quality of their wines.

Overall, while the volume of Albanian wine exports is still relatively small compared to other wine-producing countries, the industry is growing, and there is potential for Albanian wines to gain wider recognition and market share internationally.

Kallmet wine is a Geographical Indication (GI) in Albania. A Geographical Indication is a sign used on products that have a specific geographical origin and possess qualities, reputation, or other characteristics that are attributable to that origin. In the case of Kallmet wine, the GI indicates that the wine is produced in a specific geographical area in Albania and possesses unique characteristics that are a result of the local terroir and winemaking traditions.

The Kallmet wine region is located in the central part of Albania, around the town of Lezha. The region is known for producing high-quality red wines made from the Kallmet grape variety, which is indigenous to the area. Kallmet wine has a unique flavor profile, characterized by its deep color, high tannins, and aromas of dark fruits, spices, and earthy notes.

In 2017, the Albanian government recognized the Kallmet wine region as a GI, providing legal protection for the name and ensuring that only wines produced in the designated area can use the Kallmet name. This recognition is expected to promote the quality and reputation of Kallmet wine, as well as support local winemakers and the regional economy.

Kallmet wine region is one of the smallest wine regions in Albania, with only a few wineries producing Kallmet wine.

Since Kallmet wine is a Geographical Indication (GI) in Albania, the production volume is likely to be relatively small compared to other non-GI wines produced in the country. However, the exact volume of Kallmet wine production would depend on several factors, including the size of the vineyards, the yield per hectare, and the winemaking techniques used by each individual winery.

Overall, Kallmet wine is considered a niche product in Albania, and its production volume is likely to be relatively small. However, the wine has gained a reputation for its unique flavor profile and has won several awards in international wine competitions, which could help increase its popularity and production volume in the future.

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