

DOLPHINS - TASK2 - WP5

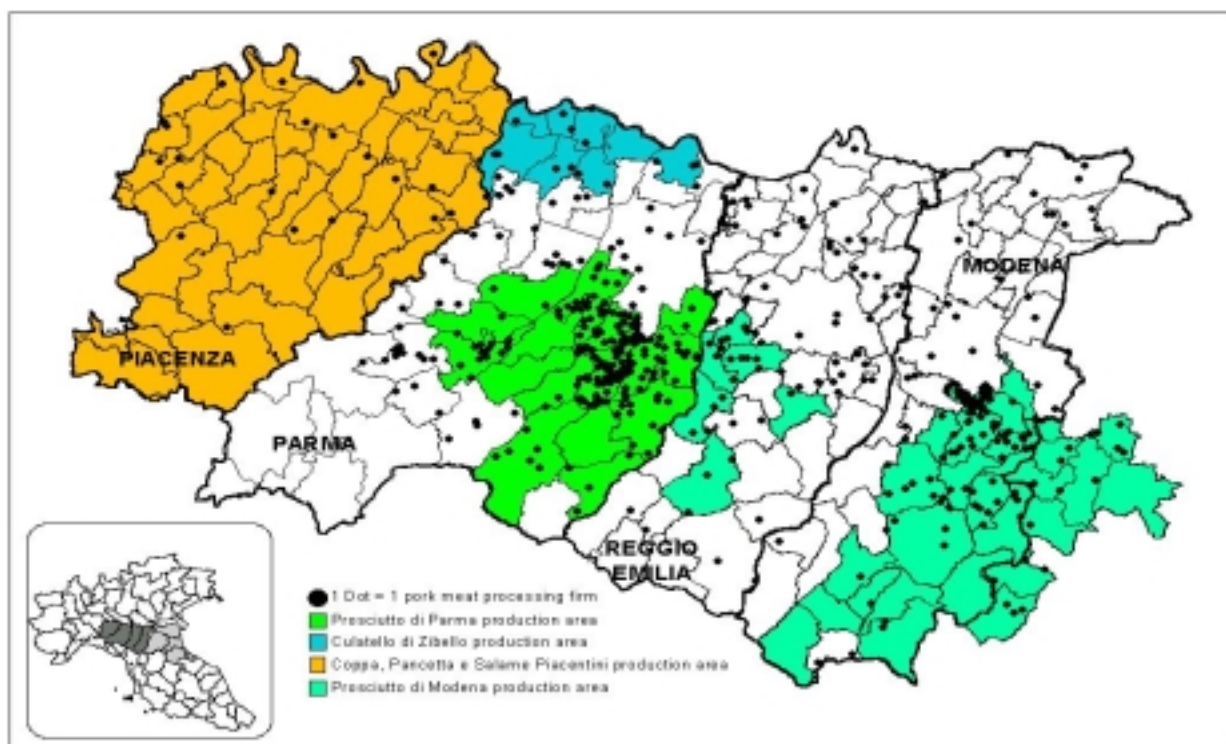
The production of cured pork products in the province of Piacenza Case study developed within the framework of WP5

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General Information

- Product designation: Coppa Piacentina, Salame Piacentino and Pancetta Piacentino.
- Type of designation: PDO (Protected Designation of Origin) recognised in 1996 (EC Reg. 1263/96)
- Type of product: Cured seasoned pork products obtained from the cervix muscles of heavy pigs (coppa), from a mixture of loin and lard (salame) and bacon (pancetta)
- Country of origin: North Italy - Emilia-Romagna region.
- Production Area: The whole territory of the Province of Piacenza (see map). The companies in the permitted production zone are all part of the *Emilia* district of pork processing which runs, to the East as far as the province of Bologna, and to the West to the province of Piacenza, including the provinces of Parma, Reggio Emilia and Modena. This area encompasses the production areas of three other PDO labelled pork products in addition to those of Piacenza (Prosciutto di Parma; Prosciutto di Modena and Culatello di Zibello), and falls within the wider production area of 3 PGI (Protected Geographical Indication) products (Mortadella di Bologna; Cotechino di Modena and Zampone di Modena). In addition to these last three, other two PGI meats will probably be added, Coppa di Parma and Salame di Felino, for which the recognition process is currently underway.
- Producers: 22 pork processors associated to the consortium "Consorzio Salumi Tipici Piacentini", with a joint turnover of approx. 90 million Euro and employing a total of 382 persons

Map 1 - The pork processing firms in the Emilia district



- Placement in the PDO/IGP italian cured pork market: In 2001 the three local products of Piacenza covered a niche position inside the overall PDO/PGI market of Italian pork products due not only to the narrow productive base composed of relatively few and little/medium sized firms, but also to the low propensity to invest in PDO labelled products by local actors. From the comparison of data coming from different sources, the turnover of the three PDOs of Piacenza can be estimated in around 4% of the joint turnover of cured pork PDOs and PGIs in Italy

Table 1 - Production and consumption turnover of PDO/PGI italian cured pork products in 2001 (.000.000 Euro)

Product*	Turnover	
	Production at wholesale prices	Consumption at retail prices
Prosciutto di Parma	723,711	1,645,035
Prosciutto S.Daniele	212,121	410,707
Mortadella di Bologna	127,506	200,797
Bresaola della Valtellina	77,244	141,614
Speck Alto Adige	68,648	151,197
Zampone di Modena	14,143	16,639
Prosciutto di Modena	11,826	24,274
Cotechino di Modena	11,626	15,502
Prosciutto Toscano	7,625	22,760
Salame di Brianza	5,039	7,26
Prosciutto Veneto-Euganeo	4,604	13,811
Culatello di Zibello	3,889	4,118
Prosciutto di Norcia	3,144	7,148
<i>Coppa Piacentina</i>	1,562	2,765
<i>Salame Piacentino</i>	1,114	2,137
<i>Pancetta Piacentina</i>	0,627	1,282

(*Only those whose certification body had already been recognized)

Source: Nomisma.

1. Definition, characteristics and legal protection (ex WP1)

1.1 Characteristics of the OLP and its production system:

➤ *Is OLP production process based on specific non-transferable local assets?*

The whole territory of Piacenza is part of a larger area (Emilia) where the culture and tradition of processing pork are widespread, surviving in some particular rural areas at a familiar or artisanal level, and preserving in the course of time its own local particularities. Within Emilia technology and production techniques are well-known and easily appropriable by all the operators of the regional sector. The similar roots of these traditional activities, which have grown out up to an industrial dimension have facilitated the spreading of know-how within Emilia and gradually have slackened its ties with local specializations. The raw material derived from the typical heavy pigs of about 160 kg liveweight at slaughtering is of the same kind used for other OLPs and corresponds to that destined to a large part of the Northern Italian pork processing industry. Natural climatic factors do not influence the seasoning processes because all the firms make use of chill rooms which permit temperature and humidity control. The spices which give the particular taste to finished products are very common and their use and dosage are *per se* easily imitable (and actually imitated). There are a lot of documents and historical proof dating back to the Middle Age which testify the particular skills of the local pork-butcher and refers to the special tradition and vocation of the territory for the production of salami. In synthesis, *within Emilia* it is plausible that the three Piacenza PDOs are reproducible, outside this area and in particular abroad the specific knowledge and know-how related to the processing of pork of heavy pigs is lacking as the Italian pork PDOs are unimaginable without the specific artisanal capacities of the local craftsmen which are responsible for the crucial operations in the production process.

To what extent the OLP is made differently in the local area?

The Codes of Practice of the three PDOs establish the minimum standards for the characteristics of the final products of the production techniques and the raw material (length and processing modality of the single phases, composition and/or type of raw materials, etc.). In the case of Coppa Piacentina these standards are high and strict in order to assure the uniformity of the production techniques among all the producers. There are few possibilities to mechanize the processes, and these are limited only to some phases (i.e. the salting process). In any case the nature of the activity requires an high labour intensity and a high degree of artisanality. Anyhow some firms operate on the lower edge of the product specification and others at the upper one. This means for example that the weight of fresh Coppa can be higher or that the fat percentage of the Salame paste is at the lowest level of the product specification. These differences in raw material do not affect as much the production techniques - which can remain the same - but do have their impact on the final product quality.

Obviously production techniques and qualitative standards differ more widely for the "generic" products of the same type, as these are not bound to the PDO code of practice (maturing and/or salting period, average starting and finishing weight, ingredients, type of raw materials, kind of wrapping) Almost all the Piacentino processing firms process both PDO labelled typical and unlabelled products, following in this way a more or less accentuated strategy of diversification Only in a few cases there is a noticeable specialisation in just one product. Within each production line, however, there is always a differentiation of quality reflecting differences in production techniques.

➤ *To what extent there is an heterogeneity in production techniques, in production costs and in the characteristics of the firms involved in the supply chain (dimension, access to marketing channels)?*

The Piacenza pork processing industry is particularly fragmented: 44% of the companies have less than 10 employees, 30% between 10 and 20, and the remaining 26% from 20 up to a maximum of 50 staff. The local production is mainly oriented to three different product types (Coppa, Salame and Pancetta) which together represent more than 85% of the industry's turnover.

Among the sales channels, small retailers cover 33%, supermarket chains 23% and wholesalers 22% (A. Scotti, 1999). There is also a considerable distinction to be made between small and large companies. The large firms (with a turnover of more than 4.5 Million Euro and more than 15 employees) sell up to 50% of the production to multiple retailers compared to only 10% of the smaller firms (with less than 2 Million Euro turnover and 5 employees). The

small firms are generally excluded by multiple retailers due to their reduced production levels and their difficulty in differentiating their products. Some of the bigger pork processing firms sell a large part of their PDO products under the private label of the multiple retailers which implies severe additional quality controls. This possibility cannot be practised by smaller firms which do not satisfy the conditions necessary to engage such strong relationship with multiple retailer chains (quality assurance systems, production differentiation, productive capacity)

The penetration capacities of the pork processing firms of Piacenza are strongest in the markets of the central Po-area (including the provinces of Piacenza, Reggio Emilia, Parma, Pavia, Mantua and Milan) to which 75% of the production is destined. Only the larger companies, which offer a wider range of non-typical pork products next to their PDO production lines – are also present in the markets of Central and Southern Italy.

1.2 The process of institutionalisation

- Which were the problems faced by the OLP before the activation of the legal protection system?
- Who activate the request for protection? Which are the interests and economic actors? Which conflicts emerged?

The request to obtain a Protected Designation of Origin for the three local products was advanced by the Consorzio dei Salumi Tipici Piacentini in 1996. Founded in the 1971 to promote a collective mark policy and valorise the local production of cured pork the consortium associates all the 22 pork processing firms operating in the Province of Piacenza. During the 80's till the first half of 90's its action had been not much effective, limiting itself to the management of the collective mark without undertaking the path of product certification.

The approval of EU Reg. 2081/92 as a normative framework for agrifood products with quality characteristics rooted in the local nature and culture represented the occasion to initiate local production certification, such as the near pork processing chains nearby had already done or were going to do. Different points of views among producers, especially about the definition of the code of practice were not so strong to block the project. The prevailing of common interests in the project was favoured by some factors.

First of all the small number of firms and the long experience shared inside the consortium facilitated conflict settlement processes and the absence of pressures of big or market leader firms involved in local products trading has prevented the breakage of the producers group in two parties: the smaller on one side and the bigger on the other¹. Another aspect to take in account is the vicinity to the Parma pork industry, that has been able to build up their own historical designations already in the seventies with a strong and successful image which extends to all food products and not only to those PDO or PGI labelled. This rising competition and rivalry with Parma within the high quality cured pork market have induced the Consorzio to give more strength to its policy.

1.3 Code of practice

The production specification of *Coppa Piacentina*, *Salame Piacentino* and *Pancetta Piacentina* provides clear instructions regarding the type of raw material to be used, the characteristics of the finished product and the methods to be used during the different phases of product processing.

Code of practice of PDO Coppa Piacentina

Raw materials

1. Use of pork:

- Derived from the Italian heavy pig within the weight range of 146-176 kg liveweight at slaughtering
- Piglets have to be born, reared and slaughtered in the Emilia Romagna or Lombardy regions.
- Compliance with the national requirements for raw materials for Parma and San Daniele ham

2. Characteristics of the cut:

- The weight of fresh coppa, taken from the cervix muscle, must not be less than 2.5 kg

¹ The conflicts between small local producers and part of the big private marks interested in the use of the designation have pushed the PGI request for Coppa di Parma and Salame di Felino towards the paralysis. The aspect which have caused the breakage concerns the definition of the production area. In fact, Coppa di Parma e Salame di Felino are produced traditionally in a specific area near Piacenza but their designations are commonly used even outside this territory.

Production process

1. Salting (during this phase the fresh cut is covered with spices that define the aroma of the finished product and is placed in special refrigerated rooms):

- It is forbidden to season the coppa in brine (i.e. the fresh cut must not be emerged in a salted water solution)
- Foreseen salting period: not less than 7 days
- The only allowed preservative is Potassium Nitrate.

2. Tying and Drying (following salting, these phases foresee the cut being wrapped, tied with a string and placed in a rest chamber with regulated humidity and temperature in order to reduce the water content of the cut):

- The wrapping must only be made of parietal pork diaphragm.
- Time in the refrigerated room must not be less than 7 days

3. Seasoning:

- Not less than 6 months

Physical and chemical characteristics

- The final product has to respect minimum and maximum values for humidity, protein, fat, ash and acidity
- The weight of the finished product must not be less than 1.5 kg

Code of practice of PDO Pancetta Piacentina

Raw materials

1. Use of pork:

- Derived from the Italian heavy pig within the weight range of 146-176 kg liveweight at slaughtering
- Piglets have to be born, reared and slaughtered in the Emilia Romagna or Lombardy regions.
- Compliance with the national requirements for raw materials for Parma and San Daniele ham

Production process

1. Salting:

- It is forbidden to season the pancetta in brine (i.e. the fresh cut must not be emerged in a salted water solution)
- Foreseen salting period: not less than 10 days

2. Tying and Drying (following salting, these phases foresee the cut being rolled, tied and placed in a rest chamber with regulated humidity and temperature in order to reduce the water content of the cut):

- The wrapping must only be made of natural pork intestine.
- Time in the refrigerated room must not be more than 7 days

3. Seasoning:

- Not less than 3 months

Physical and chemical characteristics

- The final product has to respect minimum and maximum values for humidity, protein, fat, ash and acidity
- The weight of the finished product must not be less than 4 kg and not more than 8 kg

Code of practice of PDO Salame Piacentino

Raw materials

Use of pork:

- Derived from the Italian heavy pig within the weight range of 146-176 kg liveweight at slaughtering)
- Piglets have to be born, reared and slaughtered in the Emilia Romagna or Lombardy regions.
- Compliance with the national requirements for raw materials for Prosciutto di Parma and Prosciutto di S.Daniele

Production process

1. Composition and characteristics of the paste

- The paste must be obtained through a large draw-plate (>10 mm)
- The fat content of the initial paste must be between 10% and 30% with respect to the total weight and must be derived from bacon fat, throat, or the belly (excluded soft part of it)
- It is forbidden the use of meat derived from the head.

2. Tying and seasoning:

- The wrapping must only be made of the pork natural intestine.
- Time in the refrigerated room must not be less than 45 days

Physical and chemical characteristics

- The final product has to respect minimum and maximum values for humidity, protein, fat, ash and acidity
- The weight of the finished product must not be less than 0,4 kg and not more than 1 kg

➤ *What is the difference between PDO Coppa Piacentina and ordinary or generic coppa?(relevant issues of Code of Practice)*

The peculiarity of the production process for Coppa Piacentina with respect to ordinary coppa is linked mainly to two different but interdependent factors:

1. The type of raw materials used;
2. The technical specification regarding the salting and seasoning processes, which lengthens considerably the production cycle duration:
 - The weight of the fresh coppa destined to PDO must not be less than 2.5 kg, which is the minimum acceptable standard for a product which has to undergo a long maturing process and which must reach a final weight of not less than 1.5 kg. This type of cut (for which it is not unusual to find pieces weighing more than 3 kg) can cost considerably more than cuts weighing less, given their particular destination for recognised high quality production processes. A further increase compared to the standard price list is generally agreed with (or imposed by) the slaughterhouses for those coppa cuts which weigh more than 2.8 kg and again for those weighing more than 3.5 kg, This is a common agreed classification grid within the supply chain between the slaughterhouses and the pork processing plants.
 - An important technical aspect is the prohibition to salt the cut in brine. Brine is an “expedient” which is generally used in large scale production as has clear advantages in terms of productivity: on the one hand it reduces the coppa salting time, and on the other greatly simplifies the whole process which, if carried out “dry” requires a second salting stage and more manual labour. While the brine technique can reduce the salting period to just a couple of days, natural salting requires at least a week, which is the minimum amount set by the specification for this phase. During this phase, the use of the particular mix of spices, strictly limited to the maximum dosages allowed, adds that characteristic aroma to the product which is so often imitated by competitors, who feel that such characteristic can valorise products whose quality is far below that of Coppa Piacentina.
 - The seasoning process of Coppa Piacentina takes at least six months: no other product can provide certification to guarantee such a characteristic. A normal generic coppa is seasoned for as little as one month, and rarely exceeds three or four months, with clear advantages in terms of greater productivity and rotation in the seasoning cells, as well as cost savings on the raw materials, which goes however at the detriment of the quality of the product. Only selected cuts with guaranteed weight can withstand longer seasoning without running the risk of excessive hardening.

1.4 Description of legislative aspects and certification procedures

➤ *Laws that institute and regulate the denomination of the product and legal institution concerned*

The PDO for Coppa Piacentina, Pancetta Piacentina and Salame Piacentino is covered by EU Reg. 2081/92.

Before the issue of this regulation, the legislation concerning the protection of designations of origin in the Italian cured pork sector had concerned time by time only single products (first of all Parma and S.Daniele ham), without providing a general and uniform legislative framework. The controls of conformity to the production specifications were made by producers’ consortia themselves, under a specific delegation from Ministry of Industry in accordance with the Ministry of Agricultural Policy and Forestry (MIPAF) and Ministry of Health.

The European prescriptions on the subject have brought significant changes to the previous system. In conformity with the new rules, the Italian State has issued several and subsequent normative acts mainly directed to comply with two principles:

- The observance of Art. 10 - EU Reg 2081/92, concerning production controls by an independent body
- The re-definition of the structure and the functions of the consortia in accordance with the spirit of the new regulation taking into account their traditional role

The guidelines for the definition of the new normative framework are stated by art. 14 of the law. n.526/99 (Comunity Law 1999) that confirms the distinction between the functions of protection and surveillance over the designation of origin and the collective mark, assigned to the Consortia, and the control activity of the product specification among the users of the designation, which has been assigned to bodies that must conform to the conditions established by EN 45011 rule - granting impartiality and objectivity characteristics - and must be recognized by the Ministry of Agricultural Policy and Forestry.

Three subsequent decrees, all issued in April 2000 - two by the Ministry and one by the Inspectorate of the Repression of Frauds - have specified the prescriptions stated by law. n.526/99 concerning the functions and characteristics of the consortia:

- The first and the second decree establish the criteria for the internal representation of the actors involved in the PDO/PGI supply chain (i.e farms, slaughterhouses and pork processing firms) which the Consortia must satisfy to be recognized by the Ministry and to carry out the surveillance and the other foreseen activities (protection, promotion, valorization and consumer's information).
- The third decree defines the area of competence and instructions for the surveillance activity managed by consortia themselves in collaboration with the Inspectorate of the Repression of Frauds. Until the moment of PDO recognition by the European Commission the producers' consortia were in charge of the control of the designations of origin

From the second half of the 1990s after the EU recognition a project to qualify the three cured pork PDOs of Piacenza was established, using the renewed PDO scheme that all the other pork supply chains were in the process of completing, even those whose OLP had previously been recognized and protected by the Italian State under the old normative system:

- **July 1996:** the consortium obtains recognition by the EU of the PDO label for Coppa Piacentina, Pancetta Piacentina and Salame Piacentino (EU Reg. 1263/96) in accordance with the EU Reg. 2081/92
- **January 1998:** ECEPA (Ente di Certificazione Prodotti Agroalimentari) is founded as being the third party independent body for the control of production and the certification of the conformity of the products to the specifications foreseen, as well as the branding of the finished products.
- **March 1999:** ECEPA obtains recognition and is accredited as a Certification Body by the Ministry of Agricultural Policy (D.M. 03/12/1998).
- **September 1999:** ECEPA issues the first suitability certificates to pork processors to allow the use of the PDO label.
- **December 1999:** the first controls and branding of PDO salamis are carried out.

The delay from PDO recognition date to that of actual branding is due in part to the uncertainty created by the long and troubled reception process of the the European rules in the national law code of Italy.

➤ *Description of certification procedures, subject involved, certification costs, sanctions*

Between 1998 and the end of 1999 ECEPA (Ente Certificazione Prodotti Agroalimentari) has planned a certification system which in addition to the 22 local processing meat firms, concerns 22 slaughterhouses and some hundreds pig farmers, covering the entire PDO supply chain .

The foreseen control plan requires:

- The identification of all the subjects involved in the PDO supply chain (pig farms, slaughterhouses, cutting plants and processing meat firms) and a first series of inspections verifying the suitability of the single firm to take part of the PDO circuit. In case of a positive result, the ECEPA certification allows the firm to be inserted on the list of certified firms and to make use of ECEPA conformity mark and PDO labels.
- After the certification inspection, further periodical controls are foreseen to verify the existence of the conditions necessary to maintain the certification itself. This controls concern every year 35% of the pig farms and

slaughterhouses (one control visit each three years) and 100% of the processing firms (each year one control visit)

- The control of conformity to the code of practice specifications, that every subject is due to follow in the ambit of its own competence, implies physical, chemical and organoleptic analyses on the product, which have to be reported on the documents foreseen by the self-control procedures defined by ECEPA. These documents report the relevant informations regarding the product (provenance of the pigs, identification of the pig farms, weight of the fresh meat, ecc.) that every firms at a lower stage of the supply chain has to trasmit to the firms at the upper stage, in order to have a control on the whole PDO circuit. In addition the processing firms must deliver documental prove of the requisites of all the ingredients used and furnish suitable registrations attesting conformity of the products and processes to the code of practice.

Control and certification plan of PDO Salumi Piacentini supply chain

Pig breeding and fattening farms	<ul style="list-style-type: none"> • Demand for Certification • Certification Inspectoral Visit and signing of convention: <ul style="list-style-type: none"> - Issue of ECEPA certificate - Insertion in the ECEPA certified firms list • Use of prescribed breed and respect of breeding rules • Compilation of the document attesting the provenance of the pigs sent to slaughtering firms (so called Model 4): <ul style="list-style-type: none"> - registry informations - pig reproduction farms (Code) - pig fattening farms(Code) - transit farm (Code)
Slaughterhouses	<ul style="list-style-type: none"> • Demand for Certification • Certification Inspectoral Control Visit and signing of convention: <ul style="list-style-type: none"> - Issue of ECEPA certificate - Insertion in the ECEPA certified firms list • Responsibility of qualitative conformity and provenance of the meat sent to processing firms • Compilation of the document attesting the provenance of the pigs sent to processing firms (so called Model 4): <ul style="list-style-type: none"> - registry informations - pig reproduction farms (Code) - pig fattening farms(Code) - breeding farm of transit (Code)
Pork Processing Firms	<ul style="list-style-type: none"> • Demand for Certification • Certification Inspectoral Control Visit and signing of convention: <ul style="list-style-type: none"> - Issue of ECEPA certificate - Insertion in the ECEPA certified firms list • Preservation of the documents related to every lot of meat destined for PDO • Observance of PDO techniques of production and self-control procedures and registrations • Periodical trasmission to the control body of the data on quantities and identification details of the lots of meat destined for PDO • Inside the drying and seasoning rooms lots of meat destined for PDO must be identifiable (i.e. through the fixing of a distinctive mark)
ECEPA	<ul style="list-style-type: none"> • Documental Inspectoral Control Visits on the provenance of raw material • Chemical and physical analysis on casual samples of finished product

- Inspectoral Control Visits of surveillance for the maintenance of certification
- Control on the correct use of ECEPA conformity mark

In case of a negative result of the Inspectoral Control Visits, the product certification can be **suspended** by ECEPA if the firms do not provide for the necessary corrective actions. Finally if the firm is not able to eliminate the causes leading to non-conformities, certification is **revoked** and the firm is removed from the certified firms list.

➤ *Existence of trademarks and collective brands*



To conform and regulate the PDO labelling, ECEPA in accordance with the Consorzio Salumi Tipici Piacentini has foreseen and disciplined the use of a collective mark distinguishing products respondent to Codes of Practice requirements

The label with which each PDO product is sold carries the (1) comunitary logo qualifying the type of designation (PDO) attributed to the product; (2) the certification body's conformity mark; (3) the indication of EU Regulation recognizing the protection to the designation; (4) the product designation; (5) the number and the code indentifying the producer and the piece.

The ambits and use of each of these elements have been stricly regulated by ECEPA which is the designated control body granting the right to use the collective trademark.



Each processing firm has the responsibility of printing the labels that takes place under ECEPA and Consorzio's control, and can be authorized after specific written request pointing out the number of printed exemplars, the type of products they refer to, and the initial and final numbers of identifying series. This way of marking allows ECEPA to monitor the traded volumes of PDO products. The incorrect use of comunitary marks and conformity marks can give rise to the temporary suspension or – in case of failing corrective actions by the firm - to the revocation of the ECEPA certificate. To destine products to PDO implies a payment to ECEPA of a rate of 0,08 Euro/piece for Pancetta, 0,07 Euro/piece for Coppa and 0,02 Euro/Kg for Salame. Anyhow, independently of the pieces destined for PDO, every year each firm has to pay a minimum rate which corresponds to the labelling of 4,000 pieces of Pancetta; 5,000 pieces of Coppa and 10,000 Kg of Salame.



Each firm associated to the Consorzio uses in addition to their own private label the "Consorzio Salumi Tipici Piacentini" collective brand. This mark is the distinctive mark of the local PDO system, but does not imply a particular (certified) quality level of the product.

- *Existence of indications which can mislead the consumers*
- *Existence of of jurisdictional case involving or concerning quality, imitation or denomination of the product*

As the cured pork PDOs of Piacenza are concerned, there has been no jurisdictional case of misuse, imitation or evocation of the registered designations. Of course on the market generic coppa competes with the Coppa Piacentina, but these coppa producers, primarily outside the production area did never attempt to refer to the province of Piacenza.

2. Link with production and marketing system (ex WP2)

2.1 Production chain aspect

➤ *Short description of the supply chain, organisation with special reference to vertical co-ordination mechanism*

The whole PDO processing chain involves 22 local processing firms, hundreds of farmers and 22 slaughterhouses and cutting plants. At the end of 2002, the missing link for completing the entire chain certification mechanism is the inspection on the pig farms and their recognition in order to be able to enter the PDO chain.

Such a high number of farms requiring inspection visits involves considerable management costs, which would inevitably filter through to the final producers. In order to avoid the delegation of this phase to other product certification bodies whose field of activity overlaps that of the Piacentino PDOs, ECEPA is looking to collaborate with the slaughterhouses to concentrate their group of suppliers and reduce in this way the control costs.

Anyhow, checking the conformity of the raw material production with the specification requirements foresees self-control mechanisms agreed with the slaughterhouses, as well as verification of the documentation (declaration of origin) that accompanies the pigs from the farm to the slaughterhouse and the lots of meat from the slaughterhouse to the processing plants, in order to guarantee product traceability.

➤ *Effects of PDO on prices, volumes, marketing channels, market structures*

The analysis of the evolution of the Piacentino typical pork product market requires a preliminary distinction of the three phases of development of the valorisation process:

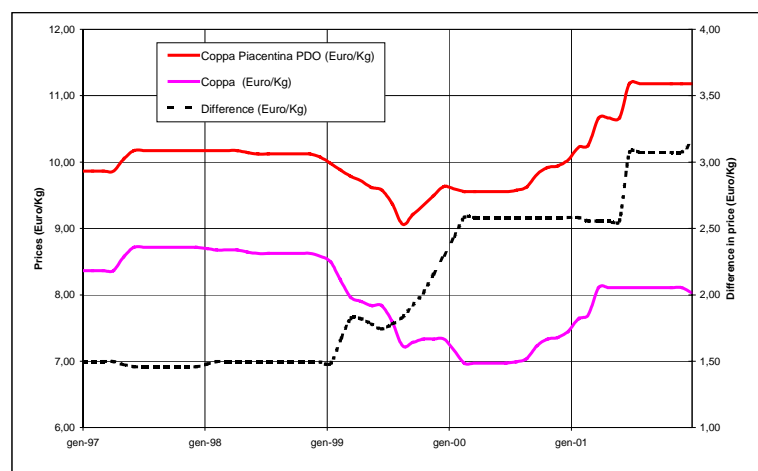
- **Before 1996:** the designation was not effective in describing a product with certain qualitative requirements, as it could in theory be used according to the discretion of the single pork producers to describe products with different qualities (such as the length of the seasoning period).
- **Between 1996 and 1999,** following recognition of the PDO, but before product certification, it is believed that the designation was not always used correctly. From this time onwards however the PDO Piacentini cured pork producers started to quote their products on the local weekly markets, distinguishing them from other products of the same type.
- **From 1999 onwards,** being subject to controls in order to be allowed to use the designation removes all margins of discretionality on the compliance with the code of practice and obliges the producers to follow the instructions of the product specification.

The different product market evolution phases correspond to the different steps along the path to valorisation.

Price dynamics

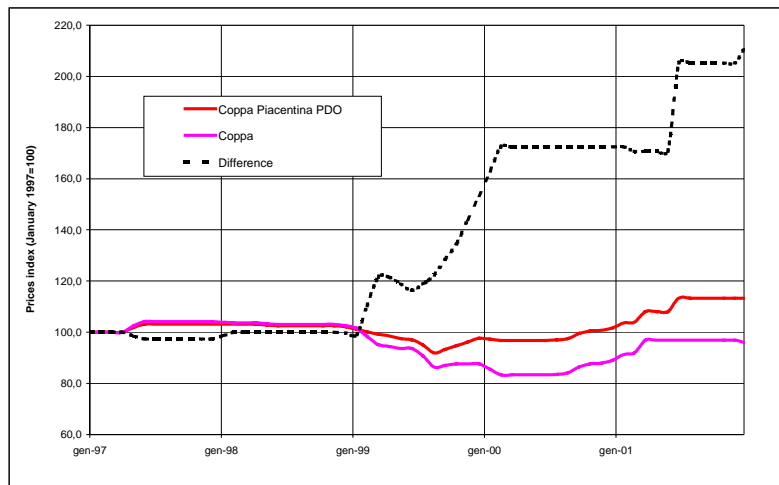
Over the past 5 years the difference between the price of the PDO labelled product and the generic one has increased considerably, although this difference has grown even more so since the end of 1999, when ECEPA started its operations.

Figure 1 Price development of PDO and ordinary Coppa



In the two years following the recognition of the designation of origin, the difference in price on the wholesale market remained constant, with an average price difference of approximately 1.5 Euro/kg. With the start of the activities to control the production different price mechanisms of the two product types started to emerge, which had previously run parallel to each other: the price of ordinary coppa fell below the value of the beginning of 1997, while the price of Coppa Piacentina PDO increased by about 13%. For the whole of 2001 the difference between the two prices reached values of more than 3 Euro/kg, with an increase rate of up to 105% with respect to the period prior to product certification.

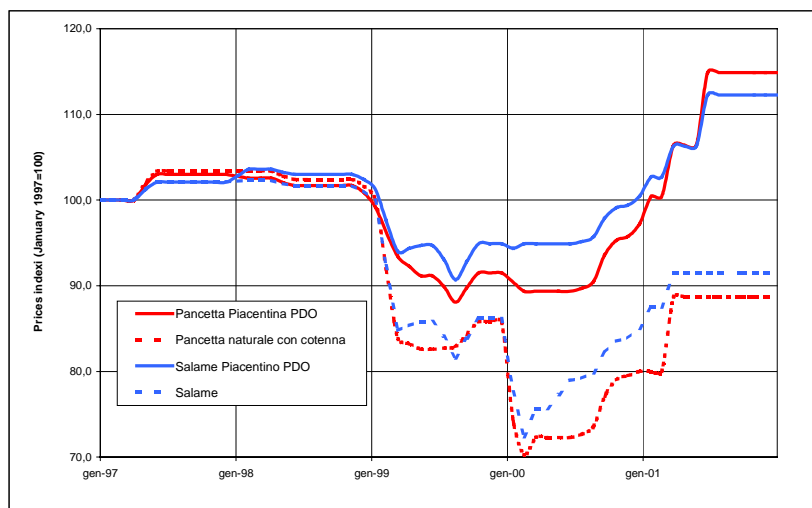
Figure 2: Price development of PDO and ordinary Coppa (january 1997 = 100)



Source: CCIAA Piacenza - Ufficio Prezzi

A similar phenomenon could be seen in the prices of the other two local PDO products, Salame and Pancetta Piacentina.

Figure 3: Price development of PDO and ordinary salami and pancetta



Source: CCIAA Piacenza - Ufficio Prezzi

Such a great difference in the evolution of the prices over the two phases of development of the PDO certification process can be explained by the following two causes:

- The control activity caused an increase in production costs of the certified product with respect to the previous period when it was not subject to controls, obliging the producers to respect the instructions of the production specification which had previously been discretionary. The firm were able to offload the increase in costs, which justifies in part the increase in the price difference.

- On the other hand the greater recognition of the labelled product and the effect of the differentiation brought about by its certification contributed to positioning the PDO products within a specific market segment and made them more easily distinguishable from ordinary products. This explains the price difference that started to emerge from 1999, between the PDO pork products and the non-certified ones.

Production dynamics

The production figures for 2000 and 2001 are the official figures taken from ECEPA since the start of its monitoring activity. Regularly throughout the year, processing firms are in fact required to provide the control body with data on quantities and identification details of the lots of meat the producer intends to put into production following the processing techniques and times foreseen for the PDO meats.

A very important point to consider is that not all the products notified in this way to the control body are actually destined for the market with the designation of origin.

For the analysis of the production data, it is important to distinguish between:

- **PDO-labelled products**, products which use the designation of origin
- **Products destined for PDO**: products which carry all the requisites of the product specification but which the producer decides to sell without the designation of origin; or products which satisfy the production specification regarding the first phases of seasoning (raw materials, salting, spicing, drying etc.) but which are sold before reaching the end of the required maturing period.

On the basis of this distinction it is possible to evaluate not only the growth of the PDO production over the two years for which the designation has undergone controls, but also the percentage of *certified* production with respect to the *destined* production, which gives us an idea of how far the local processing firms take advantage of the origin labelling.

Table 2 - Production of PDO Coppa Piacentina

	Coppa Piacentina				
	Destined for PDO		PDO labelled		destined/labelled
Year	Kg	Pieces	Kg*	Pieces	%
1999	n.d.	n.d.	74.711	26.405	n.d.
2000	732,366	260,485	190,173	67,640	26.0
2001	1,090,414	382,964	308,890	108,485	28.3

Source: Consorzio Salumi Tipici Piacentini (*: CRPA estimates)

In 2001 the production of PDO Coppa Piacentina reached approximately 108,500 pieces, an increase of 60% with respect to the previous year. These products were part of production lots destined for PDO production, for a total of 383,000 coppas, 47% more than the same type of lot in 2000. Between 2000 and 2001 the percentage of product to benefit from labelling rose from 26% up to 28.3%.

Table 3 - Production of PDO Pancetta Piacentina

	Pancetta Piacentina				
	Destined for PDO		PDO labelled		destined/labelled
Year	Kg	Pieces	Kg*	Pieces	%
1999	n.d.	n.d.	23.162	4.698	n.d.
2000	278,669	58,965	61,410	12,994	22.0
2001	492,560	95,938	141,507	27,562	28.7

Source: Consorzio Salumi Tipici Piacentini (*: CRPA estimates)

Pancetta went from 13,000 pieces of labelled product in 2000 to more than 27,500 in 2001 (+112%) In 2000 22% of pancettas destined for PDO were labelled, and in 2001 this percentage increased to 29%.

As far as Salame Piacentino is concerned, the number of labelled pieces grew by 86.5%, passing from 222,300 to nearly 414,500 pieces. The percentage of *labelled* products on the total PDO *destined* quantity went up from 41.8% to 46.1%.

Table 4 - Production of PDO Salame Piacentino

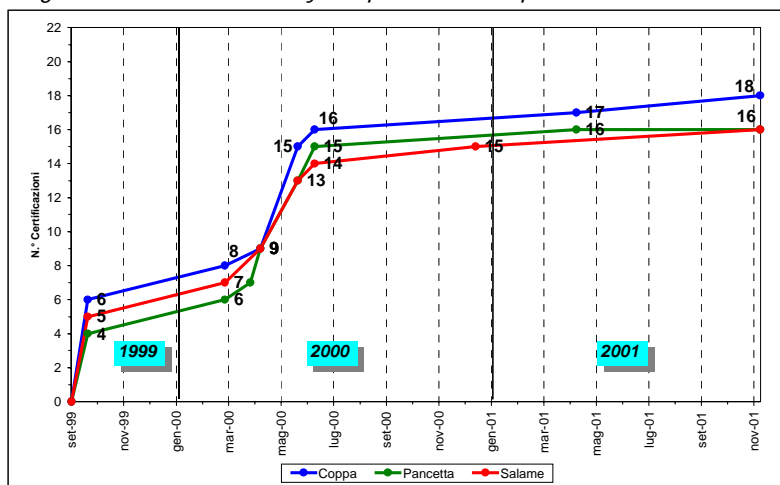
Year	Salame Piacentino				
	Destined for PDO		PDO labelled		destined/labelled
	Kg	Pieces	Kg	Pieces	%
1999	n.d.	n.d.	28.277	37.989	n.d.
2000	436,078	532,193	182,150	222,297	41.8
2001	602,114	899,629	277,413	414,487	46.1

Source: Consorzio Salumi Tipici Piacentini (*: CRPA estimates)

From these data we notice that only a minority of the pork destined to the three PDOs at the end of the production process carries the PDO label. This may be due to the necessity to sell before the end of the prescribed seasoning period because of liquidity problems or to a cost savings on PDO certification costs as often the firm name reputation is strong enough to promote the high quality product on the market. In the following we will deepen the analysis of this firm behaviour.

Certifications dynamics

Fig. 4 - Certificate issued by Ecepa beetwin Sept 1999 and Nov 2001



Source: ECEPA

Among the 22 local companies only two have still not asked for or obtained certification for at least one PDO product. Of the remainder, 13 (60%) have all the three licences, 4 (18%) those for two PDOs, and 3 for only one of these.

The increase of production has been accompanied by a progressive increase in the number of firms certified by ECEPA.

At the end of 1999 the number of firms which could boast certification for at least one of the three PDO products were only six. The following year the number of certificates tripled, and in November 2001 it amounted to 18 for Coppa Piacentina and 16 for Pancetta and Salame Piacentino.

➤ *Characters, typology and structure of actors involved*

The characteristics of the processing firms lead to different levels of implementation of the PDO pork production. Production diversification strategies, access to marketing channels, dimensions and consequently production costs are quite different among the firms. So, from the point of view of the single firm the choices which lead to PDO implementation are motivated by different reasons. Each company in fact destines a variable quantity of its own production to the labelled product market and as a consequence the products offered by the processing firms have different qualities, which are within the limits set by the specification, but may be higher or lower, depending on how the company wishes to move within the market.

To analyze these aspects, in 2002 CRPA carried a survey, which covered 9 of the total 22 total firms. On the whole this sample of firms represented 73% of total production of **PDO Salame Piacentino**, 58% of **PDO Coppa Piacentina** production and 37% of **PDO Pancetta Piacentina** production. A structured questionnaire has been submitted to the holders of the processing firms, with the objective to identify the firm strategy, the quality policy, the marketing channels and market performance, the labour conditions and the technical product quality.

A first result of the survey is that among the bigger firms the share of PDO products on the total turnover is much higher than among the smaller firms and that the PDO products represent a higher quota with respect to the same type of product. On the other hand the characteristic of smaller firms seems to be the high percentage of products which are not labelled with respect to the whole production destined to PDO. In the case of Coppa e Pancetta some 40% of the production destined to for PDO, but at the end not labelled comes from the smaller firms.

Table 5 - Coppa Piacentina PDO: certified production with respect to the destined production

Turnover class in Euro	Firms	PDO labelled Coppa (1)			Destined for PDO but not PDO labelled Coppa (2)			Destined for PDO Coppa (=1+2)		
	n.	n.	Row %	Column %	n.	Row %	Column %	n.	Row %	Column %
From 870 th.d to 4 mil	4	6,761	6.9	10,8	91,266	93.1	42,8	98,027	100.0	35.5
From 4 to 13,3 mil	4	55,677	31.3	89,2	122,187	68.7	57,2	177,864	100.0	64.5
Total	8	62,438	22.6	100,0	213,453	77.4	100,0	275,891	100.0	100.0

Source: CRPA

Table 6 - Salame Piacentino PDO: certified production with respect to the destined production

Turnover class in Euro	Firms	PDO labelled Salami (1)			Destined for PDO but not PDO labelled Salami (2)			Destined for PDO Salami (=1+2)		
	n.	n.	Row %	Column %	n.	Row %	Column %	n.	Row %	Column %
From 870 th.d to 4 mil	4	3,434	4.8	1.1	68,366	95.2	17.5	71,800	100.0	10.3
From 4 to 13,3 mil	4	300,280	48.2	98.9	322,932	51.8	82.5	623,212	100.0	89.7
Total	8	303,714	43.7	100.0	391,298	56.3	100.0	695,012	100.0	100.0

Source: CRPA

Table 7 - Pancetta Piacentina PDO: certified production with respect to the destined production

Turnover class in Euro	Firms	PDO labelled Pancette (1)			Destined for PDO but not PDO labelled Pancetta (2)			Destined for PDO Pancetta (=1+2)		
	n.	n.	Row %	Column %	n.	Row %	Column %	n.	Row %	Column %
From 870 th.d to 4 mil	4	1,213	5.1	11.8	22,589	94.9	42.4	23,802	100.0	37.5
From 4 to 13,3 mil	4	9,079	22.8	88.2	30,657	77.2	57.6	39,736	100.0	62.5
Total	8	10,292	16.2	100.0	53,246	83.8	100.0	63,538	100.0	100.0

Source: CRPA

Another significant aspect which emerges from the survey is the big concentration of PDO labelled production among a few firms. Seven of the eight certified firms produce about 53% of the whole PDO Coppa production and among these there was one which did not mark any piece, despite it possessed the certification (fig. 4).

In the case of Salame Piacentino production concentration is even stronger: only one firm of the sample produced 85% of total amount (fig. 5). And again, it is possible to observe a great difference with respect to the distribution of not labelled production: if 6 firms produced only 13% of the PDO Salami, a same number covered around 40% of destined and not labelled product.

Figure 5 - Coppa Piacentina: PDO production concentration

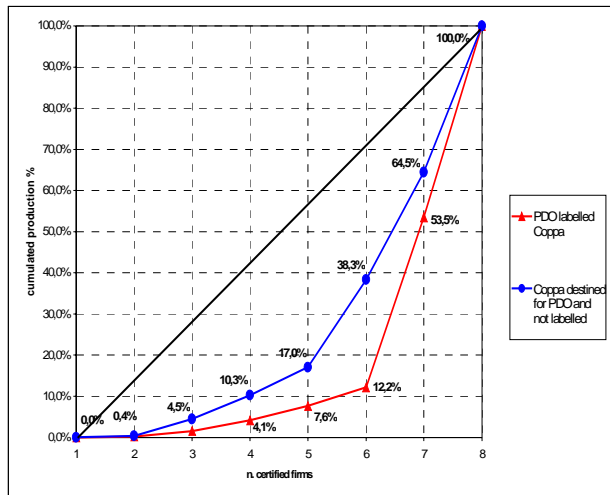


Figure 6 - Salame Piacentino: PDO production concentration

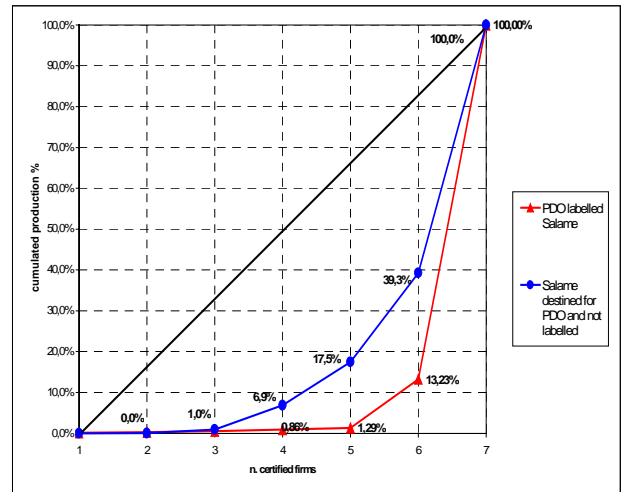
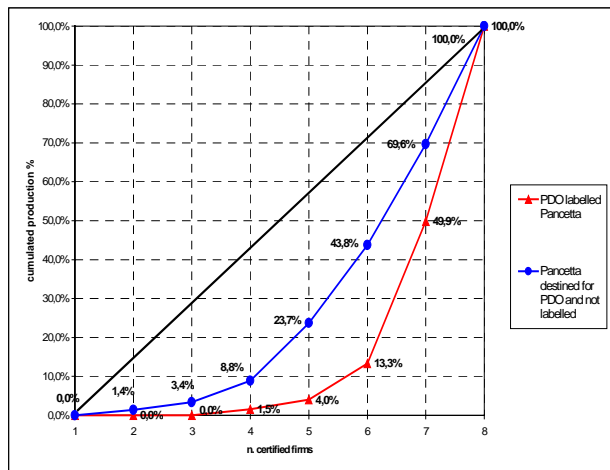


Figura 7 - Pancetta Piacentina PDO production concentration



A similar result comes from the concentration curve of pancetta production (fig. 6). Only two processing plants labelled 85% of the whole PDO Pancetta and there were two firms who in the 2001 didn't mark their product, despite the possibility to make it.

On the other side, the distribution of non labelled product increases gradually from a minimum of 1.5% to a maximum of 30%

➤ Do the PDO create different opportunities for industrial and artisanal firms, for small and big firms, etc?

The concentration rate of PDO production can be considered as a spreading measure of the differentiation strategy based on PDO mark among the local firms. The high concentration degree of PDO production demonstrates that in the 2nd year since the beginning of branding, there were a few firms running such a policy successfully. Likewise, it can be said that PDO has offered different opportunities to the involved processing firms. Regarding this point, the cases of firms that did still not label their product - although they boasted the necessary certifications - are meaningful. This is true even for "bigger" firms among which a valorization strategy based exclusively on PDO labelled products was not so general as it could be thought of.

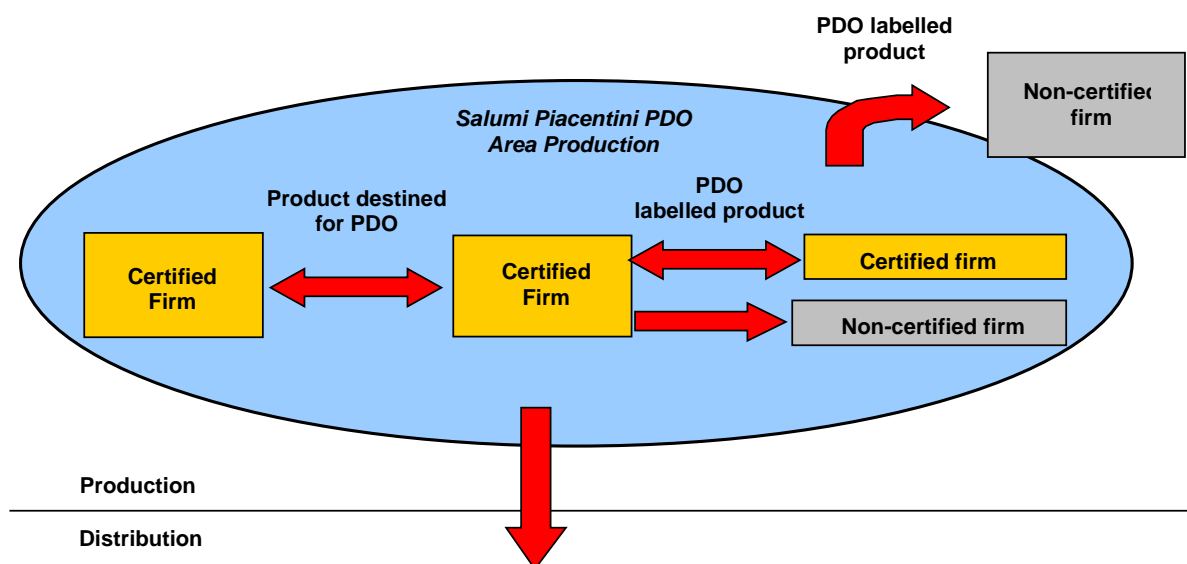
On the other side the possibilities of increasing their own PDO quotas are much more wide as it appears from the distribution of not-labelled volumes. With regard to the survey sample, the group of smaller firms produced from 1% to 12% of PDOs but from 17% to 42% of the not labelled products.

➤ *Strategy of the main actors involved in the supply chain*

Such a great difference in the percentages of certified production reflects different strategies associated with the PDO label, and gives the processing firms a different role within the PDO circuit:

- The majority of the companies labels small quotas of PDO-destined product due to the fact that the main sales channel (small retailers, catering) does not justify the increase in costs required for certification. The quality of such products may be excellent anyhow respecting even all the PDO requirements, but the customer, and in particular the local customer, is not interested in the PDO label.
- On the other hand, the valorisation process created by the PDO leads to a very close collaboration among some of the leading names of the designation of origin and the large distribution chains, selling the product and its label reserved for typical Italian products alongside the distributor's private label. Such possibilities have until now been impossible for the smaller processing firms, who do not possess the required quality assurance systems, do not have a large enough production capacity and cannot support the pricing conditions imposed by the large multiple retail chains.
- Some companies, which are certified for PDO production but do not still label their products (or label only a minium part), follow all the requirements of the specification regarding the preliminary phases of the seasoning process and sell their products to other companies in the certified zone, who complete the seasoning process on their own and sell them with the designation of origin and their own company brands. In these particular cases of *inside PDO trading circuits* the processing firm does not relate directly to the distribution channell, but partecipate to the PDO supply chain as supplier of semi-finished product for another producer which has the possibility to better valorize the PDO label on the retail market.

Fig. 8 - Different strategies of the producers and horizontal coordination



- Trading relations among processing firms may also concern fully seasoned and labelled products. In this case the purchasing firm may also be located outside the certification zone. Cases have even been discovered of local companies possessing their own certification but purchasing PDO labelled products from other companies to sell alongside their own branded products in order to enlarge their product gamma

➤ *Characters of the marketing channels*

Convenience to apply the PDO mark depends also from the appreciation of the market for a guarantee of origin and the possibilities it offers to enlarge or entry into those marketing channels which are more interested in the certified

products than others. The PDO mark has have given to some firms the opportunity to undertake strict relationships with multiple retailers who sell the product under their own private labels of origin or in particular spaces of their stores where the origin of the product is emphasized as a quality guarantee. This market segments in 2001 represented 24% of the PDO labelled Coppa versus only 4% of generic Coppa produced by the sample of surveyed firms. The capacity to gain qualified spaces inside multiple retailers chains is clear also with regard to PDO Pancetta and PDO Salame Piacentino: 12% and 39% of these two products have been sold through this marketing channel. Of the unbranded pancetta and salame only 3% and 7% respectively have followed this way.

➤ *On which basis do the firms decide whether to use the PDO rather than sell the product without it?*

The very fact that not all products destined for PDO are actually labelled shows how the PDO standard provides an option which, if on the one hand widens the possibilities for development of internal market strategies, on the other hand obliges each processing firm to evaluate the increase in production costs as well as the additional costs for certification. The growth of all three product types, in terms of the labelled percentage, shows that the opportunities for product sales have also increased, allowing for valorisation of the designation of origin. The wide margins still available to reach total labelling of all the destined product shows however that such valorisation is not yet strong enough to push for an even more narrow specialisation of the production standards prescribed in the specifications.

The differences in percentages of usage of the PDO label among the three different product types provides us with another clear indication: the more penalising the production requirements included in the specification are (increased production costs, lower supply flexibility), the lower the percentage of usage of the Designation of Origin will be:

- In the case of Coppa and Pancetta Piacentina the long seasoning periods lead to increased sacrifices in terms of productivity with respect to the same ordinary product type which with much shorter seasoning periods, appears to be equally saleable (clearly without the origin labels);
- Being obliged to store a product for a certain period of time means losing flexibility with respect to customer demand for products which do not necessarily require qualities of excellence;
- Finally, among those products destined for PDO there are some cuts that conform to all the requirements of the specification but which are not labelled. In this case the added value provided by the Designation of Origin for the type of sales channel the product is destined for cannot justify the added costs required to be able to label the product. The firm brand, locally well known, is then sufficient to reach a high margin on the market anyhow.

➤ *Which kind of firms use PDO on OLP, and in which kind of marketing channels?*

PDO mark can create extra added value or, otherwise, can represent a strategic tool in relation to the channel the product is destined for: in some cases, inside the highest quality line, products differ merely for the certified label of origin, being all the other characteristics perfectly identical.

Firms which have invested in this marketing policy, distinguished by more dynamism, look to modern forms of distribution as an opportunity to go beyond the narrow and fragmented traditional retailers and to reach more vast and concentrated consumption areas. Trading relationships with multiple retailer involves additional burdens such as severe hygienic and sanitary controls on production in addition to those prescribed by law and the necessity to maintain firm-quality assurance and/or environment management systems (ISO 9002, ISO 14001, EMAS) that represents for many multiple retailer chains necessary qualifications for the access into the great distribution surfaces. Regularity and consistence of the orders by organized great distribution are however paid by the processing firms in terms of a lower wholesale prices, as it is pointed out by the following tables referring to the sample of firms surveyed.

Table 8 - Coppa Piacentina PDO: wholesale prices and marketing channels

	PDO labelled Coppa		Coppa	
	Multiple retailers	Traditional retail	Multiple retailers	Traditional retail
Turnover class in Euro	Euro/Kg	Euro/Kg	Euro/Kg	Euro/Kg
From 870 th.d to 4 mil	9,82	10,91	9,30	9,96
From 4 to 13,3 mil	10,45	11,67	8,06	9,75

Total	10,20	11,21	8,56	9,89
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Source: CRPA

Table 9 - Salame Piacentino PDO: wholesale prices and marketing channels

	PDO labelled Salame		Salame	
	Multiple retailers	Traditional retail	Multiple retailers	Traditional retail
Turnover class in Euro	€/Kg	€/Kg	€/Kg	€/Kg
From 870 th.d to 4 mil	6,72	9,65	7,90	9,59
From 4 to 13,3 mil	8,08	8,49	7,36	9,36
Total	7,74	9,19	7,54	9,51

Source: CRPA

Table 10 - Pancetta Piacentina PDO: wholesale prices and marketing channels

	PDO labelled Pancetta		Pancetta	
	Multiple retailers	Traditional retail	Multiple retailers	Traditional retail
Turnover class in Euro	€/Kg	€/Kg	€/Kg	€/Kg
From 870 th.d to 4 mil	6,46	6,73	5,70	6,10
From 4 to 13,3 mil	5,77	6,08	5,78	6,83
Total	5,95	6,41	5,75	6,39

Source: CRPA

On the other side there are firms, not necessary the smaller, that although they traditionally follow very high quality standards, they do not label their products or label a very low part of them. The characteristics of their product can reach and in some case exceed the prescribed requirements of the Code of Practice. At the beginning of seasoning this product can differ from that codified by PDO for example in the mixture of spices used or in other little details in order to offer a customized products to customers who want high quality but are not interested in the origin label. Sometimes the retailer deliberately asks for unbranded product, acting himself as a means of information towards consumers. These kind of firms are strongly tied to the markets in which they traditionally move and do not feel the need to label their products with a PDO mark.

➤ *Are there firms specialised in PDO production?*

No firms are specialised in PDO production and in some cases the diversification for the same type of product is very high involving several different lines. In addition to Coppa, Salame and Pancetta which are the main references, production can involve other kind of cured porks such as Fiocco, Culatello and sausages.

2.2 Consortia and interprofessional bodies

➤ *Description of the origin and the structure of the interprofessional bodies involved*

➤ *Role of interprofessional bodies*

➤ *Issue related to the governance of the chain*

The Consorzio dei Salumi Tipici Piacentini is modifying its statute to be recognized by the Ministry in order to manage in addition to promotion also actions of surveillance against counterfeits and usurpation of the designation of origin. The impediment which is delaying its recognition is the prohibition stated by the law 526/99 for every Consortia to fulfil their functions for more than one designation. This involves the division of the existing organization in three independent organisms to which each of the pig farms, slaughterhouses and processing firms should join. The Consortium is looking for a solution which preserves the *ratio* of law and avoid overloading itself with further burdens. Every designation user will delegate the present Consortium to fulfil its functions in the common interest of the three designations and three subcommittees will be created, one for each of the PDOs, in order to guarantee independence of strategies and actions concerning the single designation.

3. Link with rural development (ex WP3)

3.1 Area of production

- *Relevance of OLP for the region (in terms of revenue, employment, land management, culture and local identity, etc.)*
- *Which are the links of the OLP with local culture (OLP festivals, gastronomy, traditions, etc) ?*
- *To what extent specificity comes from local natural resources?*
- *In Which way PDO Code of practice take into account these relationships?*
- *Which are the stockholders in the OLP others than firms involved in the supply chain (tourism association, local and non local consumers associations, research institutions, ect.)?*

The Piacenza food-processing sector accounts for approximately 25% of the provincial GNP, involving approximately 8,000 companies representing 27% of the total. In 1999 the number of employees in the food-processing sector was nearly 2,500 out of the 28,000 overall industrial employees. The territory boasts a wealth of typical products, with 5 PDOs; 18 CDO wines; preserves and vegetable products bearing the regional QC label and 25 traditional products covered by the Italian Agricultural Ministry decree of 8.5.2001. This sector involves the employment of highly specialised and qualified staff, a strong integration among agriculture and industry and a deep-rooted culture of associationism, making it one of the strong points in which investments can be concentrated in order to promote the economy in this territory.

3.2 The Effects of PDO-PGI ("institutionalisation"):

- *How do the definition of production area, techniques, and characteristic of the final product in the Code of practice affect the value of local resources in the supply chain and outside it (externalities)?*
- *Have small and/or artisan firms difficulties in implementing PDO-PGI schemes? Which are the problems? (shortness of the resources and skills required, low flexibility in production schemes, hygienic problems, etc.).*

There is no doubt about the fact that the PDO label can act as a marketing tool to increase value added to the local resources invested in the production of the PDOs. Consumers outside the production area may become acquainted with the products of Piacenza willing to pay for origin labelled products in this way contributing to the market enlargement . The quantification of the externalities related to these effects is however extremely difficult and would ask for an ad hoc research comparing the actual economic performance of the group of firms composing the PDO supply chain with the null hypothesis without PDO labelling.

3.3 Rural development tools:

- *Are OLP important for stimulating the demand of other local products (both food and non-food, or services) in the rural area?*
- *Are there any tools for building networks between different local economic activities starting from the OLP, that can create diversification opportunities in rural areas (tourism, non-food craft products, environmental and recreational services ...)? (for example: "product routes")*
- *Which are the actions of rural development based on the OLP product? Which is their legal base? (for example: EU LEADER Initiative ...)*
- *Which are the actors involved (public/private, Consortia ...)?*
- *Problems and results of these OLP-related development actions*

The *Consorzio Piacenza Alimentare*, the consortia for the safeguard of typical food products of Piacenza (*CSTP*; *Consorzio Vini Colli Piacentini*, *Consorzio Formaggio Piacentino*) and other local economic associations and bodies recently drew up a promotional plan (the "*Patto per Piacenza*", "Pact for Piacenza") in order to strengthen the position of the provincial food-processing products on the national and international markets and to increase the integration of associated sectors such as tourism.

This project springs from the need to overcome the difficulties of commercial valorisation that derive from fragmented policies, through a series of interventions to emphasise the common characteristics of the products involved, and is integrated with the activities of the individual firms and consortia participating in the project. This includes:

- Interventions regarding communication, aimed at consumers and the trade sector, limited to some areas in Lombardy, Liguria and Emilia: advertising campaigns in the daily press, the organisation of tasting events, the preparation of promotional stands at PDO sales points and collaboration with tourist sector operators for guided tours to the companies.
- Participation in specialised trade fairs outside the province and the organisation of specific events through the creation of exhibition and tasting areas at specific collective events (festivals, local feasts and celebrations, etc)
- Interventions to promote the products abroad: market surveys in the EU countries (sliced meats markets in Great Britain and France), organisation of Workshops and business meetings, collaboration with foreign Chambers of Commerce for the investigation of new markets, participation in specialist trade fairs for the promotion of these products (Foodex Tokyo; Prodex Moscow; Alimentaria Barcelona; Cibus Parma; Sial Paris).

4. Link with consumer and citizens (ex-WP4):

4.1 Image of the product:

- *Description of promotion (advertising, packaging, use of trademark, use of Collective brand, etc)*
- *Perception by the consumer*
- *Image of the product VS competitors*

Coppa Piacentina is one of the many PDO/PGI pork products on the market in Italy which compete with each other. With respect to ham Coppa has an image of being more fat, as the fat is visibly present within the meat and not removable. The province of Piacenza in Italy as a whole is less known for its production of high quality pork products, suffering to some extent the competition of the province of Parma. However, within the region of Emilia-Romagna many consumers know the origin of Coppa being produced primarily in the province of Piacenza. As to the PDO mark the majority of consumers does not care about it yet, which explains the phenomenon of the production of high quality coppa which does not carry the PDO label. The firm image still predominates heavily on the product image.

The Piacentini cured pork products have to compete with other products with or without a designation of origin, which are widespread within the high quality sector of the cured pork market. Coppa Piacentina, for example, is a direct competitor of Coppa di Parma, sharing the top quality coppa market. Similarly, Salame Piacentino is often associated to its "neighbour" Salame di Felino among the most well-known quality pork products of Northern Italy. It should be noted that up till now Salame di Felino is not safeguarded by a recognised designation today, but it is clear that behind their sales strength there is an effective promotional machine which has been able to make use of the Parma-labelled porks, many of which are product leaders, and important private brands that are used even for products that cannot be compared to the high standards of the Piacenza PDOs.

The relatively low number of associates and the small and medium size of the firms involved today is the main obstacle to an efficient promotional policy of the local comparable PDO production, even if only in terms of available budget, compared to the main consortia operating in the pork processing sector (in 1999 the costs of promotional activities reached a meagre 105,000 Euro).

Table 11: Number of firms, production and sales

	Processing firm (n.)	Production (tonnes)	Average production per firm (in tonnes)	Sales (MI Euro)
Coppa Piacentina PDO	22	308	15	2.8
Coppa di Parma	30	6,100	203	55.0
Salame Piacentino PDO	22	278	13	2.1
Salame di Felino	18	1,900	105	20.0

4.2 Marketing differentiation:

- *Capability of the consumers to recognise and perceive OLP Vs non OLP*
- *Competitive advantage and disadvantage of OLP against non OLP*

As for many OLPs the PDO mark increases the product image for consumers, but in particular outside the area of production of the product. At the local level consumers and retailers are more attracted by the firm label and within the local marketing networks the PDO label does not add a significant value to the product. A PDO label can create a competitive advantage in particular in areas where the product cannot count on local rooted culinary traditions which foresee the use of the product. Within a context of market expansion the PDO label may become essential in order to obtain a competitive advantage against a non-OLP on the market.

As the official EU mark for PDO and PGI is rather recent consumers are not much acquainted with it. The principle of a designation of origin and its positive meaning for high quality products is however broadly known in Italy, as it has been in used already for years in the wine sector.

4.3 Strategies:

- *Influence of multiple retailers on the chain*
- *Quality strategies: "Cost leadership" against "Focalisation": low/high quality, different techniques of productions and different prices.*
- *Most relevant actions of marketing supporting the product*
- *Strategy of diversification followed by the firm involved*

The influence of multiple retailers on the chain of cured pork PDOs of Piacenza has been discussed previously and can be summarized referring to the emergence and success of private "umbrella" labels of several multiple retailers which aggregate PDOs and PGIs of different nature and provenance. Only strictly selected firms can have access to these labels, controls are frequent and severe, prices paid for the product are in general lower than small local retailers are used to pay, but these private labels accompanied by the EU PDO/PGI logo can act as a vehicle for a much broader market as the multiple retailers may present the product all over the country.

Different Coppa's are presented mainly differentiated according to the maturing period. Prices are primarily correlated to the maturing period. High quality coppa, sold mainly in the gastronomy boutiques meets the demand of "connaisseurs", whereas standard average quality Coppa are offered by the large retail stores. Some do only produce high quality products for the local market following a policy of focalisation, but the majority of the firms are deliberately producing for different market segments. Among the investigated firms there are no firms trying to become cost leaders as the size of firms is quite limited.

Please add the following information:

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- ECEPA, "*Regolamento per la concessione del diritto di utilizzare certificati e marchi ECEPA e di conformità per un determinato prodotto e per il mantenimento della certificazione di prodotto*".

- a copy of the Code of Practice

- internet websites on the OLP analysed (official website, firms' websites, etc.)

<http://www.gpbecepa.bbk.org/>

<http://www.piacenzafoodvalley.it/>

<http://www.consorziopiacenzalimentare.it/>

<http://www.ferrarisalumi.com/>

<http://www.salumificiobobbiese.it/>

<http://www.sanbono.it/>

<http://www.salumificiolarocca.it/>

<http://www.alsenese.it/>

<http://www.lacoppa.it/>

<http://www.piacenzafoodvalley.it/consorziosalumi.htm>