

## What Does the Optional Quality Term “Mountain Product” Involve? The Biellese Mountain (North-West Italy) Farmers’ Opinions

Alessandro Bonadonna

Assistant Professor, Department of Management University of Turin  
alessandro.bonadonna@unito.it

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### Abstract

The latest European Regulation on quality schemes for agricultural products and foodstuffs, in addition to underlining the importance of consolidated voluntary certification schemes (PDO, PGI, TSG), confirms the importance of origin specifically for rural areas. The European Parliament drew attention to the need for the enhancement of mountain and insular areas and introduced the “Optional quality terms”. The Delegated Regulation, EU n. 665/2014, defined the conditions of use of the term “Mountain Product”. According to the current orientation, this optional term provides for a labelling scheme that allows to promote qualified mountain production. This paper aimed at the evaluation of when this term can be used i.e. the goods must meet set criteria as well as reporting the farmers’ points of view. The data were collected with the scope of defining a certification scheme dedicated to this optional quality term. A model mountain area (Montagne Biellesi, North-West Italy) was taken into consideration with semi-structured interviews on 33 farms collecting information from the producers as to their opinions on the use of this optional quality term. The resulting data, not only emphasizes the need for more extended and detailed communication as to which initiatives the European Union is taking, but also poses some doubts about the implementation of a certification scheme. As some critical points emerged, it would be advantageous to verify the consequences the adoption of the Term Mountain Product would have on all the stakeholders that were identified in the planning phase.

**Keywords:** Mountain Product, Agrifood sector, rural area, label scheme, certification

### 1. Introduction

The agricultural production and its transformation are a vital source of occupation and income for the populations in the European Union. Nowadays, the Common Agricultural Policy (CAP) and the Rural Development Programmes (RDP) aim at multifunctionality in agriculture (Giorgi et al., 2014). This objective is reached by switching from intensive agriculture, which targets quantity, to the modern extensive agriculture, orientated towards different kinds of quality (Haas, Wetterich, & Köpke, 2001; Nemecek et al. 2011; Todorova & Sârbu, 2014).

The Mediterranean Approach to food quality forms the historical base for the enhancement of foodstuffs in the European Union (EU). This approach defines food quality on the basis of sensorial aspects i.e. taste, flavour, smell, texture and colour, as well as the history of its origin and culture along with the *terroir* (Barjolle & Sylvander, 2000; Peri, 2006; Riviezzo & Garofano, 2015).

This European approach aims at the implementation of a policy, set up to increase the quality of food, whilst, at the same time, protecting the environment. This involves, not only the competitiveness of the agrifood sector and the diversification of rural economies (Tregear et al., 2007), but also the promotion of tourism and territory (Boesch, Renner, & Siegrist, 2008; Leal Londoño, 2014; Agolli et al., 2014). The final objective is that of improving the Quality of Life in the less privileged rural and mountain areas.

#### 1.1 Literature review

Mountain farming is useful to generate and redistribute income over the production area, as well as improving the quality of the environment e.g. soil cleanliness and the maintenance of biodiversity (Fleury et al., 2008).

Some studies have emphasised that mountain products have the potential to be very successful on the foodstuff market (Borec, Majkovič, & Neve, 2009; Baritoux, Tebby, & Revoredo-Giha, 2011), also because they have particular organoleptic-sensorial characteristics e.g. for milk and cheese (Gorlier et al., 2012; Noni & Battelli, 2008) or lamb meat (Cividini, Levart, & Žgur, 2008). In fact, European consumers are willing to give a higher value to these products than to

conventional foodstuff, as long as the supply chain is totally within mountain areas. Indeed, they link a mountain environment to the idea of a perfect place, characterized by no contamination (Santini, Guri, & Gomez y Paloma, 2013).

Currently, although some foodstuffs on sale on the market are sold with reference to being produced in the mountains through their logos etc (Alps-Mountains-Pastures), even if most of them have nothing to do with mountain areas at all. In this sense, a European research group is working to define a mountain food label for European territories, so as to make the consumer more fully aware of mountain food products and clear up their doubts (McMorran et al., 2015).

## 1.2 European Regulations

The latest European Regulation on quality schemes i.e. "quality package" (Regulation EU n. 1151/2012) for agricultural products and foodstuffs, not only underlines the importance of consolidated voluntary certification schemes on Origin and Geographical Indications and Traditional Specialities – Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), Traditional Speciality Guaranteed (TSG) - but it also confirms the importance of origin specifically for rural areas (Antonelli & Viganò, 2009; Santini, Guri, & Gomez y Paloma, 2013; Gragnani, 2013; Tosato, 2013). In this context, The European Parliament drew attention to the need for the enhancement of mountain and insular areas and established the "Optional quality terms". Specifically, the Optional Quality Term "Mountain Product" (MP) has been introduced by European Legislation with the aim of the valorization of the foodstuffs produced in mountain areas. This term was coined to provide an instrument that mountain workers may apply to the agrifood market. The EU definition of "Mountain" is contained in the Regulation EC n. 1257/1999 (Article 18).

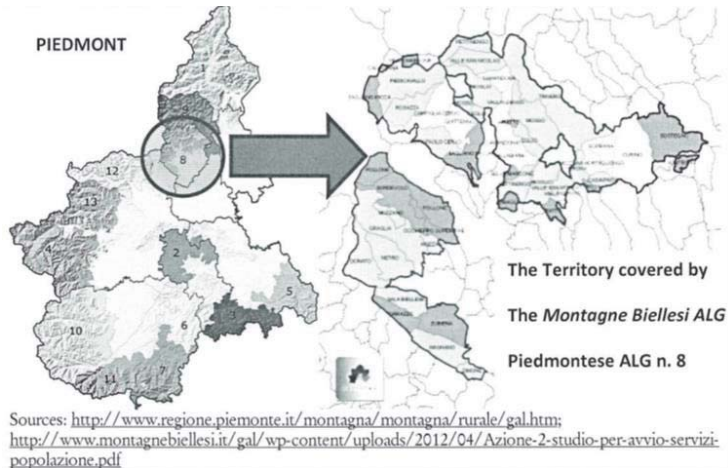
The Delegated Regulation EU n. 665/2014 detailed the "quality package" instructions and defined the conditions of use of the Optional Quality Term MP and took into consideration France, Switzerland and Italy's experience in this field (Giorgi & Losavio, 2010; Santini, Guri, & Gomez y Paloma, 2013; Bonadonna & Rosati, 2015). According to the current orientation, this optional term provides for a labelling scheme that allows the term MP to be used by agrifood operators to promote their qualified production.

Indeed, this Delegated Regulation offers specific indications on what kind of agricultural activity is carried out. It stipulates that all the activities involved in production and transformation be done within the limits of defined mountain areas. Specific breeding conditions must also be met i.e. how long the animals are kept in the mountains and the origin of the fodder, as well as how the products are transformed for the market i.e. the origin/percentage of the raw materials and the place of transformation. There are some exceptions that cover the transformation of dairy products, meat and olives, which can be done in areas outside the delimited zones, as long as it does not exceed 30 km.

## 2. Scope, Material and Methods

This paper aimed at the evaluation of when this term can be used i.e. the goods must meet set criteria as well as reporting the farmers' points of view. The primary scope of this research was the collection of data to define a certification scheme dedicated to the Optional Quality Term MP. A model mountain area (Montagne Biellesi, North-West Italy) was taken into consideration with semi-structured interviews on farms obtaining information from the producers as to their opinions on the use of this optional quality term. The model area was chosen as it represents an example of all the agricultural supply chains in Italy and to verify the producers' approach in meeting the requirements established by the MP regulation.

The study group of agricultural companies was identified with the collaboration of the Local Action Group - Montagne Biellesi (*GAL Montagne Biellesi*) and were extrapolated from a database of 47 companies and set up to verify and monitor the agricultural activities on the territory covered by the Local Action Group. This territory extends up to the Alpine Arch and the Biellese Pre-Alpine mountains, encompassing 37 communes in the Elvo Valley (Donato, Graglia, Magnano, Muzzano, Netro, Occhieppo Superiore, Pollone, Sala Biellese, Sordevolo, Torrazzo, Zimone, Zubiena), in the Cervo Valley (Campiglia Cervo, Piedicavallo, Quittengo, Rosazza, Sagliano Micca, San Paolo Cervo, Zumaglia), the Sessera Valley the Mosso Valley and the Biellese Pre-Alpine mountains (Bioglio, Callabiana, Camandona, Mosso, Pettinengo, Selve Marcone, Soprana, a part of Trivero, Vallanzengo, Valle San Nicolao, Veglio, Casapinta, Crosa, Curino, Mezzana Mortigliengo, Piatto, Strona, Sostegno) (Figure 1).



**Figure 1.** The territory of the Montagne Biellesi Action Local Group (Area n. 8)

The final study group was made up of 33 companies as 14 did not meet the criteria laid down in the EU Delegated Regulation n. 665/2014 as to territory. There were 10 companies in the dairy supply chain, 7 producing beef/veal, 13 in the fruit and vegetable sector and 3 in beekeeping. The interviews were semi-structured with the aim of collecting all information as to the Term MP, so that both the questions and their order could be changed according to the individual interviewed in line with other authors (Pitrone, 1984; Fideli & Marradi, 1996); 30 were telephonic and 3 on site from September to November 2014. This different method was adopted due to the hesitation of some farmers to give information by phone.

The questions were as follows:

- whether they met the requirements stipulated in the EU Delegated Regulation n. 665/2014
  - for the beef/veal and dairy supply chains: how long the beef/dairy cattle stayed in mountains areas (mountain pasturing at least  $\frac{1}{4}$  of the animal's life and for those kept in the mountains, but not pasturing, at least the last  $\frac{2}{3}$  of their lives) and feedstuffs for farm animals shall be deemed to come essentially from mountain areas if the proportion of the annual animal diet that cannot be produced in mountain areas, expressed as a percentage of dry matter, does not exceed 40% in the case of ruminants, the documentation that testimonies meeting the aforementioned requisites;
  - for the fruit and vegetable supply chain: the position of the agricultural terrain and the documentation that testimonies meeting the aforementioned requisites;
  - for beekeeping: the position of the beehives and where the honey is collected and the documentation that testimonies meeting the aforementioned requisites;
- exactly how much the company knew about the initiatives being taken by the EU on the Optional Quality Term MP;
- what their opinion was on the implementation of a certification scheme using this term, in substitution of the present labelling scheme.

## 2.1 Results

The interviews emphasized significant compliance with the requirements for the supply chains, object of this study stipulated by the European regulations. Although these requirements are very restrictive for livestock activity, only one company was not able to satisfy the fodder requirement. This lack of compliance was due to the fact that the farmer had insufficient land to provide the amount of animal feed to respect the minimum percentage stipulated in the requirement i.e. 60% of annual fodder obtained in a mountain area.

The survey showed that the companies (32/33) were confident to satisfy all regulation requirements as to the transhumance and being kept in mountain areas, as well as the location of the beehives, as required by the sanitary documents. All but the aforementioned farmer, also satisfied the requirements as to the production of animal feed, fodder,

fruit and vegetables, in compliance with the food safety documents (Table 1 column n. 1).

Most of the participants (25/33) were not aware of the Term MP. However, the fruit and vegetable companies (4/13), as well as the honey companies (2/3), showed a high level of perception of the European initiatives (Table 1 column n. 2).

**Table 1.** The survey results – absolute value

Supply chains	(1) Compliance with requirements		(2) Knowledge of the Term MP		(3) Interest about implementation		(4) Certification costs	
	YES	NO	YES	NO	YES	NO	YES	NO
Dairy	10	0	2	8	8	2	2	6
Cattle Meat	6	1	0	7	7	0	1	6
Fruit and Vegetables	13	0	4	9	13	0	8	5
Beekeeping	3	0	2	1	3	0	3	0
<b>Totals</b>	<b>32</b>	<b>1</b>	<b>8</b>	<b>25</b>	<b>31</b>	<b>2</b>	<b>14</b>	<b>17</b>

However, it was observed that, although there was scant knowledge of the Term MP, this did not limit the participants' interest in its future adoption. Indeed, 31/33 companies considered it was a positive overall initiative, in as much as they considered it a useful tool to communicate a specific characteristic to their consumers i.e. the mountain origin of the product (Table 1 column n. 3).

On the other hand, they were somewhat concerned about the implementation of a binding label scheme which would necessitate a certain quantity of documents. They would be willing to implement it as long as it was not too much time consuming (17/31). Others suggested the set-up of an educational system about the knowledge of the Term MP, with detailed explanation for the consumers (12/31).

Furthermore, the majority (17/31) were not interested in the implementation of a certification scheme with third party control due to the high related costs. The remaining companies (14/31) were, however, willing to spend money for a hypothetical "Mountain Product certification" dedicated to their products.

## 2.2 Discussion

The resulting data put forward hypothetical considerations on the implementation of the European quality Term MP. Firstly, the term is considered easy to adopt: neither the fruit and vegetable or beekeeping companies indicated any problems in managing the regulation requirements; nor do dairy and meat companies show any perplexity in satisfying the requirements, despite the fact that they do seem to have some problems with abiding by the fodder requirement (Bonadonna, Peira, & Varese, 2015).

Secondly, the survey emphasizes a lack of information and communication system about European initiatives dedicated to stakeholders: most of the companies didn't know the Term MP two years after the publication of EU Regulation n. 1151/2012.

Overall, the companies show a strong interest in this tool after having been given an explanation of its main characteristics, despite the increase in terms of management costs. However the switch from a labelling scheme to a certification scheme is less well accepted.

In this context, it is important to evidence that 8/14 of the companies interested in the certification scheme already have such a scheme handled by a third party (Organic production) and 3 (all the beekeeping companies) are very interested in this term because, in the past, the honey regulation excluded a similar labelling indication. Indeed these companies are even willing to pay a further 4% of the value of their mountain production for the implementation.

On the whole, the resulting data, not only emphasizes the need for more extended and detailed communication as to which initiatives the European Union is taking, but also poses some doubts about the implementation of a certification scheme.

## 3. Conclusions

The European Union introduced the Optional Quality Term MP, with the EU Regulation n. 1151/2012, in order to support the mountain supply chain management. In this context, this term operates as a promotion tool for local dissemination and development, the creation of added value and a redistribution of wealth, in favour of the rural population

(Euromontana, 2014).

The creation of company networks and the set-up of organised food supply chains are activities which have the potential to produce positive structural and social results (Brown & Miller, 2008; Ikerd, 2011), also applying different kinds of networks and supply chains (Dansero & Puttilli, 2014). However, it must not be forgotten that each initiative of this kind must be followed and supported by stakeholders and public institutions with management planning, within the required time frame and paid the necessary attention (Tregear et al., 2007; Agolli et al., 2014).

Some other points also emerged, such as the lack of regulations that cover previous mountain symbols and terms before the emission of the EU Regulation n. 1151/2012, the derogation about processing operations that may take place outside mountain areas and, in the Italian context, the term implementation only by the agrifood industry and the lack of unambiguous definitions of the word *mountain* (Bonadonna & Rosati, 2015).

Currently, research is being carried out on these points to find resolute strategies e.g. McMorran et al. (2015), who are striving to find a symbol which could represent all European Mountain products. Various European national institutions are also studying how to limit the derogation expected by the European regulation.

In this context, it would also be advantageous to verify the consequences the adoption of the Term MP would have on all the stakeholders that were identified in the planning phase.

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