



Protected Geographical Indications in Cambodia



Outcome and prospects of the pilot project on protected geographical indications in Cambodia

Protected Geographical Indications: A Development Tool for Cambodia

Poverty alleviation is the main priority for the government of the Kingdom of Cambodia, as the National Strategic Development Plan 2006-2010 emphasizes.

This central objective is manifest in the sectoral strategies implemented by the various government ministries. For the Ministry of Agriculture, notably, the goal is to increase the incomes of small farmers. Given the very competitive agricultural sectors of its Thai and Vietnamese neighbors, Cambodia wishes to better showcase the quality of its products and obtain better prices for them.

For the Ministry of Commerce, developing high added value export markets is also an important stake. Increasing the amount of agrifood processing done in Cambodia and positioning high-end products in niche markets can be important elements in this strategy.

Following its adhesion to the WTO and with the support of the Agence Française de Développement, Cambodia has started down the path of protected geographical indications (GIs). From the legal standpoint, "GIs" are a new notion in Cambodia, but one that echoes a cultural reality strongly anchored in our country: Battambang oranges and rice, Kampot durian and pepper, Siem Reap *prahok*, and many other products are prized and have a reputation for quality throughout the country and even outside our borders.

Protected geographical indications are a relevant and effective tool to showcase the quality of these products, protect their names and reputations, and develop profitable markets. They offer real development potential that the Ministry of Commerce and the Ministry of Agriculture would like to explore fully in the coming years.

H.E. Cham Prasidh,
Senior Minister,
Minister of Commerce

H.E. Chan Sarun,
Minister of Agriculture,
Forestry and Fishery



▲ Harvesting sap to produce Kampong Speu palm sugar

What Are "Protected Geographical Indications (PGIs)"?

We speak of geographical indications when a product has a quality that can essentially be attributed to its geographic origin.

This quality is recognized by consumers, and the product is often worth more on the market because of its reputation.

Registering and protecting these "geographical indications" aims to avoid counterfeit products for the good of consumers and producers.

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The Geographical Indication Concept and its “Fundamentals”

Some products have unique reputations tied to their place of origin and are designated by a geographic name that distinguishes them from generic versions of the same products.

The quality associated with the place of origin is sought by consumers who are willing to pay more for authentic products from these sources.

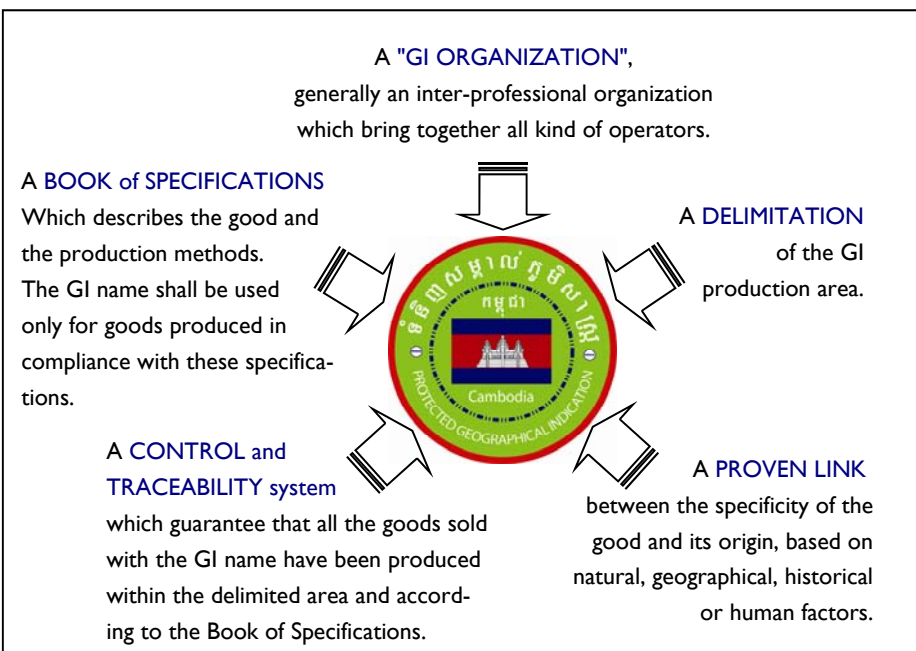
A GI product must have a specific quality (specificity) intrinsically linked to the characteristics of its geographic production zone, and must have a well-established reputation among consumers in connection with this origin .

The geographical indication notion was initially developed in Europe, where geographical indications are now widely used. Now recognized as an intellectual property right by the Agreement on Trade Related aspects of Intellectual

Property Rights (WTO/TRIPS), Protected Geographical Indications are now a tool used in many regions of the world.

To register a product as a protected geographical indication, operators (farmers, processors, traders, etc.) must group together within an organization that will submit a registration request and manage the PGI after it has been registered. They must define the production zone and explain how it influences product quality, and describe the GI products’ production methods and the specificities that distinguish them from generic versions. These elements make up the PGI’s book of specifications. They must also elaborate control and traceability procedures. Once the geographical indication has been registered, all of these elements make it possible to provide consumers with guarantees as to the product’s origin and quality, and justify a higher sales price than for generic versions. ■

▼ **The 5 pillars of a Geographical Indication (center: Cambodia’s national GI logo)**



2 Questions for H.E. Mao Thora, Secretary of State, Ministry of Commerce

In your opinion, what advantages are there in setting up a GI system in Cambodia?

M.T.: Establishing a GI system will give Cambodia advantages in three areas: the economy, tourism and culture. From the economic standpoint, organizing producers and other concerned actors to protect products whose quality is linked to specific territories and know-how will allow rural farmers to better showcase their agricultural products or crafts. The economic optimization will encourage them to maintain—even develop—traditional activities that are part of our cultural heritage. PGIs can make it possible to preserve this know-how and better showcase it on the commercial level. This also has a positive impact on the image of producing regions and the country as a whole, improving attractiveness for tourists.

What is the government’s strategy to develop GIs?

M.T.: Developing GIs is very consistent with the Royal Government of Cambodia’s strategy, notably because it can help promote agricultural exports. The Ministries of Commerce and Agriculture are the principal promoters of the GI protection system in Cambodia. With the support of the AFD, the two ministries have created a working committee to develop the legal framework, define registration and control modalities, and launch a pilot operation for two products (Kampot pepper and Kampong Speu palm sugar). This project has made it possible to build the capacities of administrators and field actors, and clear the way for the future registration of other GIs in other regions and for other products.

Establishing Regulatory and Institutional Tools to Protect Geographical Indications

The Elaboration of the Legal Framework Protecting GIs

In the framework of its adhesion to the WTO in 2003, the Kingdom of Cambodia made a commitment to prepare fourteen laws to comply with WTO adhesion rules. The law protecting geographical indications is one of these. The process was launched in 2005, with technical and financial support from France. Today, the Ministry of Commerce has finalized a complete version of this draft law, after extensively revising and validating it with the National Intellectual Property Committee. The bill will soon be transmitted to the Council of Ministers, and then submitted to the National Assembly for approval.

In parallel, and to avoid hindering the completion of pilot projects, His Excellency the Minister of Commerce issued a decision (Prakas No. 105 MOC/SM2009, dated May 18, 2009) defining a provisional framework for registering geographical indications whose provisions are identical to those contained in the bill.

A New System that Requires a New Supervisory Structure

The geographical indication registration procedure is handled by the Intellectual Property Department. A Geographical Indication Office was created within this Department on August 18, 2007.

However, the examination of geographical indication registration applications can involve more technical skills. A Geographical Indication Commission is therefore also planned, and a secretariat has been nominated. The secretariat makes it possible to add the skills of two engineers from the Ministry of

Agriculture to the skills of the representatives of the GI Office. In this way, day-to-day management of the "GI" system in Cambodia relies on a multidisciplinary team. This is a decisive advantage for the success of the approach in Cambodia. This team's vocation is to act as liaison between the Ministry of Commerce and the economic actors applying to register GIs, advise these actors on how to elaborate their applications, examine registration requests, and supervise the control and protection of registered GIs.

Capacity-Building for the GI Office and Secretariat

While the notion of geographical indication is already well-anchored in Cambodian tradition (with dozens of products for which consumers believe that quality and origin are linked) from the cultural standpoint, the legal system protecting GIs is, for its part, totally new and requires new skills to be developed. The project financed by the AFD (as well as other interventions such as the ECAP project financed by the European Union for ASEAN countries) has contributed greatly to training the executives in the GI Office and Secretariat.

A training plan was established for GI Office staff and the members of the Commission Secretariat. It consisted of several training courses provided in Cambodia by international experts covering the various phases of GI development: book of specification design, delimitation, control plan elaboration, etc. The executives from the GI Office and the engineers from the Ministry of Agriculture working with the Office have also received training on GIs' contribution to rural development, and participated in hands-on training courses or-

ganized in collaboration with the INAO (Institut National de l'Origine et de la Qualité, in France).

Over time, the presence of permanent technical assistance (GRET and CEDAC, then CIRD) for nearly three years and the daily involvement of Administration staff in the field in the framework of the preparations for the registration of pilot GIs has provided indispensable practical training. After this process, the members of the GI Office and GI Commission Secretariat completed the registration of two pilot GIs: Kampong Speu palm sugar and Kampot pepper.

Finally, study visits in France and the sub-region, and attending regional workshops allowed Office staff and Secretariat members to discover the processes, status and supervision modalities for GIs in other countries in Europe and Asia.

Since their creation, the GI Office and Secretariat have, thus, acquired the skills necessary to successfully complete their missions, in particular:

- ▶ support/advice for the elaboration of GI applications,
- ▶ delimitation support,
- ▶ examination of control plans,
- ▶ GI concept promotion,
- ▶ etc.

The GI system is not normative: each GI is a special case, and the members of the Office and Secretariat will continue to develop their expertise as they work on new cases. ■

April 2010: The Registration of the First Two GIs in Cambodia: Kampot Pepper and Kampong Speu Palm Sugar

On April 2, 2010, Kampot pepper and Kampong Speu palm sugar were the first two protected geographical indications to be officially registered by the Ministry of Commerce. This stage, made possible by the elaboration of the

national regulatory framework on GI protection, was the culmination of a long process of mobilizing and organizing those who produce and market these two products, forming inter-professional organizations, elaborating

books of specifications and control tools, and testing their implementation.

The verification and traceability tools have already proven their effectiveness, notably allowing Kampot pepper producers to recover market shares from intermediaries who sold pepper from undetermined origins under the name of "Kampot pepper."

In terms of quality, the efforts at defining and applying the specifications have also been successful. ■



◀ April 2, 2010, H.E. Cham Prasidh, Senior Minister, Ministry of Commerce, signed and delivered to the Chairmen of the respective inter-professional associations (see following pages) the registration certificates for the first two protected geographical indications recognized in Cambodia.

Following the Two Pilot GIs... The Geographical Indication Development Prospects in Cambodia, according to Mr. Var Roth San, Director of the Intellectual Property Department, Ministry of Commerce



The Intellectual Property Department (IPD) recognizes the interest to be found in protecting GIs as an important tool for local (economic, social, cultural and tourism) development. Geographical Indication registration is a tool to differentiate products and showcase quality. There is considerable potential in this field in Cambodia. PGIs are a way to enhance this potential and give traditional Cambodian products comparative advantages on national, regional and international markets.

The Intellectual Property Department hopes to be able to protect as many potential products as possible, beginning with widely-known products with considerable economic weight but also taking into consideration the motivation of actors in the commodity chains concerned. Products such as Battambang rice, Kampot durian, Siem Reap *prahok* (fermented fish paste), Battambang oranges, Kampot fish sauce, and many others are some of the Cambodian products that are a good fit for the GI concept (recognized quality and notoriety, in connection with the geographic origin of these products) and have considerable development potential.

The IPD would like to mobilize the GI Office to launch preliminary studies on these potential products, their territories, and the actors concerned. But these studies and the support for registration procedures and promotion require the mobilization of additional funds and support from the government and development partners. For its part, the IPD has placed a priority on its goal of providing a rapid, efficient and inexpensive registration service .

Inter-professional Organizations: Tools to Manage GIs and Spark Commodity Chain Organization

GI Organizations and their Roles

In the process of setting up the “Kampot pepper” and “Kampong Speu palm sugar” geographical indications, two inter-professional GI management organizations were created: the Kampot Pepper Promotion Association (KPPA) and the Kampong Speu Palm Sugar Promotion Association (KSPA). The members of these two organizations are (in the majority) farmers, but other operators in the commodity chains (intermediaries, packagers, traders, exporters, etc.) are also members. The two organizations’ goals are to promote and defend “Kampot pepper” (KPPA) and “Kampong Speu palm sugar” (KSPA), and preserve producers’ know-how and product quality. These objectives serve both farmers’ interests and the interests of other actors in the commodity chains and consumers.

To attain their goals, each association has taken on the following missions:

- elaborate the specifications for the geographical indication;
- set up an appropriate control and certification system;
- submit the application to register “Kampot pepper” or “Kampong Speu palm sugar” as a protected geographical indication to the Intellectual Property Department, and take the necessary measures to protect these “territorial brands” in Cambodia and abroad;
- make decisions in regard to membership, and collect and manage dues and service fees in compliance with the decisions by its General Assembly;
- distribute the book of specifications to members, and help them comply with the specifications and appropriately use traceability tools;
- conduct internal control and act as liaison with the certification body;
- manage the data on membership and production volumes under the GI;
- promote the geographical indication; and
- take the necessary anti-fraud measures, and act as liaison with the institutions in charge of this protection (Intellectual Property Department, etc.).

The Support for the Creation of Inter-Professional Associations

The project team (staff and experts) first identified then mobilized the farmers and other actors in the two commodity chains around the notion of GIs and technical subjects (notably quality and specifications) in order to begin with concrete and “telling” subjects.

The need to set up an inter-professional organization was also addressed relatively early, but after having already identified why the GI process would require the creation of such

To be effective, the establishment of a GI management organization must necessarily be a participatory process that is as inclusive as possible and based on a functional and concrete approach.

organizations. Thus, the elaboration of by-laws of association began with a relatively functional approach, under the leadership of groups of representatives of commodity chain actors, mandated by their peers.

The by-laws of association were therefore “tailored to fit” in light of the tasks required to manage GIs, and thereby in a fairly pragmatic manner.

After approximately seven or eight months of work (simultaneously on the by-laws of association and GI specifications), the draft by-laws of association for the two GI organizations were approved by their respective General Assemblies (in October 2008 for KPPA, and November 2008 for KSPA).



▲ KPPA Board, elected on the 3rd of October 2008

The functional bodies were elected: the boards of directors, executive committees (which contain farmers' and traders' representatives, for both associations), and procedural audit units (within the boards of directors but separate from the executive committees). The KPPA's General Assembly contains all its members, whereas the KSPA has a General Assembly of Representatives, which is more operational given the large number of farmers that could in time join the asso-

ciation.

The two associations were officially registered by the Ministry of Interior—KPPA on December 12, 2008, and KSPA on January 20, 2009. This official recognition was crucial in allowing the two products to be registered as protected geographical indications thereafter. Among other things, with the aim of this registration, it was imperative that the associations remain statutorily open to the integration of new

The work involved in establishing the book of specifications: the example of Kampong Speu Palm Sugar

The preparation of specifications for the two pilot GIs was handled by a working group made up of farmers' and traders' representatives, supported by the project team.

Identifying Specificities

Elaborating specifications implies identifying the specificities of the product one wishes to register as a GI. How is Kampong Speu palm sugar different from the palm sugar produced in other regions of Cambodia? Sensorial analysis was conducted with the working group and experts in the product in order to describe its characteristics.

Production Methods

Every stage of the production process was described, in an effort to identify the key elements that contribute to the product's quality and specificity. The book of specifications does not necessarily contain an exhaustive description of the production process, but it does mention all key steps that contribute to the unique nature of Kampong Speu palm sugar. The practices of producers in the region are taken into account, but the specifications are not "the lowest common denominator." Instead, they attempt to raise product quality across the board. Elaborating specifications is therefore not only a descriptive exercise, but also an exercise in quality improvement and standardization. However, to avoid being too exclusive and making GI produc-

tion inaccessible, compliance delays can be granted: for example, the use of improved cook stoves and the use of bamboo tubes to collect sap were unanimously recognized as factors that have a positive influence on the quality of the palm sugar. Thus, these elements were included in the specifications but with a compliance delay to allow producers time to make the necessary investments.

Delimitation

To delimit the "Kampong Speu palm sugar" geographic area, statistical studies were conducted on sap quality and established a link between certain locations (the districts of Oudong, Ang Snuol and Samrong Tong) and the sugar concentration in the sap. This study was used as the basis for the delimitation. It was completed by eligibility criteria: producers and traders agreed that the sugar made from the sap of palm trees grown on sandy soil was better quality. Thus, only sandy terrain within the three identified districts was chosen for the production of Kampong Speu palm sugar.

Validation and Testing

At the end of this process, the specifications and delimitation were validated by the General Assembly and distributed to the members. The 2008-2009 production season was used to test the specifications and the control system, learn the appropriate lessons, and make a few adjustments before submitting the final GI registration application to the Ministry of Commerce.



members as long as they comply with the PGI specifications.

In April 2010, KPPA had 129 members, 118 of which were farmers and eleven were traders; and KSPA had 173 members, 162 of which were producers, eight were collectors, and 3 were companies or organizations that prepare products for the market and sell them.

Close Collaboration Between Producers and Sellers, with the Support of the Authorities

The entire process of organizing the associations and preparing the specifications (see box) for the two products benefited from close collaboration between producers and sellers, who clearly understood their shared interest in setting up geographical indications.

The support from the Ministries of Commerce and Agriculture throughout the process was also a precious advantage, which increased the confidence of the actors involved and made it possible to advance rapidly to the official registration of the two associations and then the two protected geographical indications.

Several public actors supported the process. The central and local representatives of the Ministry of Agriculture and Ministry of Commerce and the local authorities (provinces, districts and communes) were invited to attend and attended the two organizations' founding general assemblies. The attendance of high-level representatives (H.E. Mao Thora, Secretary of State to the Ministry of Commerce, H.E. Lord Reasmey, Secretary General of the Ministry of Agriculture, and the vice-governors of the provinces) at these events presented several advantages. Official witnesses of these founding assemblies, they promised to support the associations' endeavors. Their presence also made it possible to promote the concept and advantages of geographical indications, and support the promotion of the products in question.

“Test” Implementation and Association Capacity Building

More than one year went by between the creation of the KPPA and KSPA associations and the official registration of Kampot pepper and Kampong Speu palm sugar as the first two protected GIs in Cambodia. But this time was not wasted time. The first books of specifications were validated at the very start of the 2009 production season (sugar and pepper are mostly harvested during the dry season, mainly the first four or five months of the year). Accordingly, the 2009 season was, for both associations, a “full-scale” test of GI management: each hired a permanent staff member, and proceeded to register its members (farmers, intermediaries,

traders), who signed a promise to comply with the specifications. With the support of the project team and international experts, tools were proposed to ensure traceability and control. Each operator in the respective commodity chains received a binder containing the specifications, the association's by-laws and his or her membership certificate. The binders are also used to record his or her production and sales (see the article on the following page on the control system).



▲ Training Kampot pepper producers in recording “matter accounting” (recording pepper production and sales under the GI) .

Internal control inspectors were hired and trained by the associations, and inspected 100% of the members in 2009. The entire internal control system was then audited at the end of the season by an international certification body (Ecocert, later hired by the associations to certify the two GIs). The 2009 crop year made it possible to test the system, improve product quality, and strengthen the specifications. Above all, it allowed the associations to develop real operational capacities and submit, in October 2009, GI registration applications with full knowledge of the commitments GIs involve. ■

GI Control and Certification Systems

Verifying Economic Actors to Fight name Usurpation

As soon as a geographical indication encounters success—and sometimes even before it is truly recognized—one can see an increase in usurpations of the product name and even counterfeit goods. Some people attempt to sell products under the GI name that do not come from the production zone or comply with the specifications. These counterfeit goods and usurpations are sometimes one of the reasons that GI recognition is requested. While they are a problem, these counterfeit goods are also a sign of a real reputation and value linked to the geographic name. In the long run, however, they are a threat to the product's reputation if the quality of the goods sold under the name of the geographical indication does not meet consumers' expectations of quality. It is up to the GI management organization to develop methods to fight such coun-

terfeit goods and preserve the GI's reputation.

In 2009, for example, in the case of Kampot pepper, an economic actor attempted to sell pepper that did not come from the production zone under the name "Kampot pepper." The economic actors within the Kampot Pepper Promotion Association mobilized to prevent this pepper from being sold and were successful, thereby increasing the GI's credibility. The association also "called to order" this operator, ordered it to follow the rules or leave the "Kampot pepper" commodity chain, and brought this case to the attention of the certification body. These actions help bring markets and orders that had previously escaped the production zone "back to the area." This increases the demand for the GI product and, therefore, ultimately its price.

It is therefore advantageous to develop

a reliable verification system that provides farmers and consumers with a guarantee that the product sold is indeed the authentic GI product.

Controls Organized on Three Levels

Control mechanisms must ensure product traceability and compliance with specifications by economic actors.

Control is divided into three parts:

- control by the operators themselves on their own production: this consists essentially of ensuring that they are in compliance with the specifications and recording a specific set of information, notably production and sales data;
- internal controls by specifically-trained members of the GI organization (internal inspectors); and
- external control usually by a certifica-

The Documentary Control Tools Set Up for Kampot Pepper and Kampong Speu Palm Sugar

Producer's binder containing:

- the book of specifications and the producer's promise to comply with it;
- production declarations; and
- product sales declarations for each type of product (signed by each buyer).

Processor's and re-seller's binders containing:

- the book of specifications and the operator's promise to comply with it;
- purchase summaries (backed up by the delivery certificates obtained from the producers);
- processing information (sorting, etc.) and the formation of lots; and
- a sales register and inventory reports.

Other documents kept by the promotion association:

- internal inspection reports;
- reports by the external inspector(s); and
- producers' matter accounts (for the years prior to the current year) archived with the association.

កាលបរិច្ឆេទ Date	ឈ្មោះអ្នកទិញ (ឈ្មោះ/ក្រុមហ៊ុន) Name of buyer (/ Company)	លេខបញ្ជីអ្នកទិញ (លេខបញ្ជី/កម្មសារពើពន្ធ) Code of buyer (/ Register./KPPA)	លក់ (ក.ក្រ) Sold (kg)	លេខបញ្ជី Batch n°	ហត្ថលេខាអ្នកទិញ Signature of buyer
21/12/09	អ៊ុំ វិចិត្រ	C-001	5 kg	W9-1-003-013-001	[Signature]
19/10/2009	គ្រូ វិចិត្រ	C-001	3,2 kg	W9-1-009-009-001	[Signature]
1/1/00			kg	W9-	
1/1/00			kg	W9-	

▲ Registration of white pepper sales in the matter accounts binder of a Kampot pepper producer

tion body accredited according to the ISO-65 standard (as is the case for Kampot pepper and Kampong Speu palm sugar) or a competent and independent body.

The cost of control is in addition to production costs. If the approach is to be truly profitable for farmers, the control costs must not be too high compared to the added value provided by the GI.

The Tools Set Up for Kampong Speu Palm Sugar and Kampot Pepper

Implementing these three levels of control implies a need for each producer, processor and seller of GI products and the GI association to keep the appropriate records.

In the case of sugar and pepper, the project made it possible to develop these tools, distribute them to the economic actors involved, and test their use during two crop years (see “test implementation and association capacity building,” page 7).

Verification of compliance with specifications and traceability requirements is done by the GI organizations’ internal inspectors and by the certification body according to the control plans that were validated when the GIs were registered. Each control plan comes with a catalogue of sanctions, which range from simple notices to the definitive exclusion of the operator from the commodity chain. While notices and warnings can be issued directly by the association, decisions to exclude operators from the commodity chain are more a matter for the certification body in order to minimize the risk of arbitrary decisions or possible abuse of power by association leaders in regard to other members with whom they may also be in competition.



Control Management by the Promotion Association and the Support from the Project

Verification management requires rigor on the part of the GI associations in how the distribution and filing of documents are organized. The GI associations must also be able to manage the contractual relationships with the certification bodies and monitor control activities.

The associations’ human resources may, however, find it difficult to manage the relationship with the certification body. For example, the English language skills of the staffs of the two GI associations are limited. It would therefore be useful for the associations to continue to receive long-term support in certain areas. This support could come from the GI Bureau, local Ministry of Agriculture staff, or even a local NGO or a network of farmers’ organizations. It is also important that the certification body, if it is not local, have national correspondents who can facilitate the relationship with its clients and provide a “near at hand” service, notably when problems arise that require immediate intervention by one of its inspectors.

▲ Inspection conducted by Ecocert in a pepper field in 2009: the certification body checks the plantation’s compliance with the specifications and verifies the reliability of the internal inspections conducted by the association .

In the case of the two “pilot” GIs, the control tools have been elaborated and the associations were, with support from the project, able to organize controls in 2009 and 2010. An external certification body was selected, and it conducted its first control campaign on the two products developed by the project. Certification is underway. Support is still required during these first years for a progressive transition toward full autonomy in managing (both technically and financially) the control system by the GI associations. In financial terms, the ability to finance all GI management costs (including certification costs) will require an increase in the volume of GI product sales, hence the importance of simultaneously working on promotion (see the following pages). ■

GI Product Markets and Promotion

Position the Products on Quality Markets

The aim of the geographical indication approach is to position products as quality products on the market and sell them for more than standard versions of the products in question. The price supplement paid on the market for the quality product must cover:

- the production costs necessary to obtain a quality product according to the GI product specifications;
- the cost of the internal and external controls planned by the association;
- additional value for the commercial actors; and
- significant additional value for producers.

The main stakeholders involved in the “Kampot pepper” GI are attempting to position the product in the market segments corresponding to high-end or even luxury products. “Kampot pepper” is sold in Europe in gourmet grocery stores and by rare spice distributors to showcase the product’s specific quality and the efforts required to comply with the specifications. In Cambodia, the economic actors target tourist markets and high-end restaurants.

Similarly, the Kampong Speu GI granulated sugar is sold essentially in the “modern” distribution circuits (supermarkets, luxury restaurants, etc.) of Phnom Penh and Siem Reap, and for export to European markets.

On traditional markets, when it comes to palm sugar and pepper, it is very difficult to differentiate between GI products and run-of-the-mill versions. The products are also often sold without market preparation, which makes it difficult to organize a system to ensure traceability.

For the GI approach to work, it is necessary that the product be able to position itself in quality markets, that consumers be willing to pay more for this quality product, and also that the intermediary economic actors who process and/or sell the product be ready to apply this strategy at the instigation of the GI association.

Estimated Additional Value Obtained by the Producers of GI Kampot Pepper

The sale of Kampot pepper under the GI label results in a significantly higher producer sale price. In 2009 and at the start of the 2010 season, producers were already being paid approximately \$5/kg for black GI pepper, compared to \$3/kg for the pepper bought from the same producers by local collectors who did not showcase the geographical indication. In addition, in connection with the product’s position on the niche market for rare spices, the demand for red and white pepper has already risen, as well as the showcasing of these products. In 2010, several producers have already been seen modifying their practices, harvesting pepper grain by grain rather than harvesting it by bunch. This change in harvesting method results in a change in the production ratio for red (or white) pepper compared to black pepper, which also increases farmers’ remuneration.

Calculated Producer Turnover Before the GI

Category	%	Quantity	Unit Price	Producers' Total Turnover
Black pepper	95%	19 000 kg	3 \$/kg	\$ 57 000
Red pepper	3%	500 kg	3 \$/kg	\$ 1 500
White pepper	3%	500 kg	6 \$/kg	\$ 3 000
Total		20 000 kg		\$ 61 500

In all, if one calculates turnover based on the twenty tons of pepper currently produced in the GI zone, the combination of higher prices paid to producers and the increased demand

for red and white pepper generated an increase in producers’ turnover of approximately 55,000 US dollars per year.

Calculated Producer Turnover After the GI

Category	%	Quantity	Unit Price	Producers' Total Turnover
Black pepper	80%	16 000 kg	5 \$/kg	\$ 80 000
Red pepper	10%	2 000 kg	8 \$/kg	\$ 16 000
White pepper	10%	2 000 kg	10 \$/kg	\$ 20 000
Total		20 000 kg		\$ 116 000

Here, we look at the product effect as early as 2010 or 2011, with production levels remaining constant. In the longer term, one can anticipate a rise in production (many farmers have begun to expand their plantations, and the better plot maintenance also makes it possible to progressively increase productivity). It must also be emphasized that this positive impact cannot solely and automatically be attributed to the registration of the GI; it is also the result of an ensemble of promotion and quality efforts made by operators in the commodity chain, including the GI process.

What is more, the effort revitalizing the Kampot pepper commodity chain also generates growth and jobs further downstream in the commodity chain, and the GI, by imposing market preparation in the zone, helps locate this growth in the country.

Ensure that Some of the Value Added Stays with the Producers

One of the goals of the GI approach is to ensure that a significant share of the value added generated by the GI goes to the producers located in the GI's territory.

In the case of Kampot pepper, the producers join together to benefit from the GI. They have agreed to make the necessary efforts to improve product quality, and the intermediary economic actors have agreed to acknowledge this by paying more for the GI version of the product. Those who market Kampot pepper are all the more inclined to participate because this product is one for which name usurpations are already frequent, and the GI protection process will in time make it possible to sharply reduce competition from "false" Kampot pepper. Thanks to the commitment of actors in the downstream segments of the commodity chain (companies selling pepper for export or on local markets), "GI" Kampot pepper is already more expensive than regular pepper.

The pepper can be sold to collectors outside the GI commodity chain. In this case, there is no additional value for the product's quality. The farmers sell pepper to anyone, without sorting it and without any guarantees as to its origin (which is generally not showcased by clients of local collectors). This commercialization circuit is therefore less interesting, but it still existed in 2009 because KPPA-member buyers were not yet able to absorb all Kampot pepper production. They may be able to do so as early as 2011, and one can therefore estimate that the entire process carried by commodity chain actors will have been able to double farmers' turnover (see box) and, above all, that the commodity chain will have been revitalized with considerable growth potential and will therefore ultimately have a much stronger economic impact.

Producers have also organized themselves to recover more of the value added by creating a cooperative. It allows them to sell small amounts of packaged product, and acts as an interface between producers and traders, who find it difficult to manage their supply from small individual farmers directly. Indeed, pepper is grown on small plots (0.1 ha on average), with total production being 100 to 200 kg per farmer per year on average. The cooperative makes it possible to respond to larger demand, although total production remains limited.

Promotion Management by GI Associations and the Support from the Project

The challenges involved in developing this new market are considerable—first, to manage to sell all the pepper or sugar produced by the members as GI products, and then to increase the volumes produced.

The GI associations are in charge of general promotion of the GIs. The project provided the two GI associations (Kampot pepper and Kampong Speu palm sugar) with support in the following areas:

- reflection on the product positioning strategy;
- organization of product promotion events (for example, organizing promotional lunches with renowned chefs);
- organization of publicity campaigns for the products (advertising in the media, restaurants, *tuk tuk*, etc.); and
- the production of communication tools (logos, brochures, videos, etc.).

These communication efforts made it possible to provide the associations with the basic tools and methods necessary to promote GI products. They also

Strong Media Interest

Detailed news stories and news bulletins on the development of the two GIs (notably Kampot pepper, which attracted particular attention from international journalists) were broadcast by various national (TVK, Apsara, Bayon, TV5) and international (BBC, M6, France 3, Deutsche Welle, Radio Australia, etc.) television and radio stations and in the written and online press: national newspapers and magazines (*Reasmey Kampuchea*, *Cambodia Daily*, *Phnom Penh Post*, *SEA Globe*, *K7*, etc.) and international newspapers and magazines (*L'Express* and *Sud-Ouest* in France, the *Jakarta Globe*, and the *Bangkok Independent Newspaper*, etc.). This media attention also contributed to the success of the process.



▲ Chef Luu Meng showcased Kampot pepper and Kampong Speu palm sugar during a press conference and dinner at the "Malis" restaurant in Phnom Penh, in October 2009.

supported the efforts of companies selling the products. However, after only one year of practice, the associations still need support to truly master this function. In this area as in others (verification, association management, etc.), the method requires support conceived over the long term so that the actors can truly master the skills involved. ■

The Development of Future Geographical Indications in Cambodia: by H.E. Lord Reasmey, Secretary General of the Ministry of Agriculture

The cooperation between the Ministry of Agriculture, Forestries and Fishery (MAFF) and the Ministry of Commerce, supported by the AFD and technical assistants, and above all the commitment of the operators in these commodity chains made it possible to realize a long-standing dream: register Kampot pepper and Kampong Speu palm sugar as PGIs. We hope that these

products will earn a reputation rivaling that of Champagne, and that the law on protecting GIs will be applied effectively, usefully and lastingly.

The Ministry of Agriculture made an important contribution to the preparations for the registration of these two GIs, notably with the technical surveys conducted (for example, on pepper production methods in Kampot and in other production regions). The MAFF wishes to optimize this tool—geographical indications—because it is an important lever in the development of smallholder farming. For this reason H.E. Chan Sarun, Minister of Agriculture, has commissioned Kampot Provincial Department of Agriculture to support the creation of a pepper producers' cooperative. Cambodia has many products with strong traditions, anchored in local farming and whose reputations and quality are tied to their

origins: Siem Reap *prahok*, Battambang oranges and rice, Phnom Srok silk, Kampot durian, Kratie pomelo, Stung Treng pineapple, Mondulkiri avocados, Svay Rieng red rice, etc. GIs are a tool to showcase these names, products, commodity chains and regions. They can also, through their books of specifications, be a tool at the service of natural resource management (as, for example, with Mondulkiri honey or cardamom from Pursat in the Cardamom Mountains, etc.).

The first two GIs recorded this year played their "pilot" role very well and proved that it was possible to set up systems of this kind. If the GI protection system in Cambodia is to be useful for development and continued over the long term, it is important that we be able to attain a "critical mass." We need to set ambitious objectives (fifteen new GIs in the next five years, perhaps) and mobilize the resources necessary to attain these objectives. ■



◀ H.E. Chan Sarun, Minister of Agriculture, visits a pepper plantation.

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