

Title of the Project

Study on socio-economic implications of GI registration for agricultural and non-agricultural commodities/ products

Funding Organization

United Nations Conference on Trade and Development (UNCTAD)



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Objectives of the study

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- To explore, using specific examples, how geographical indications (GIs) as a form of intellectual property impact the market opportunities;
- Analyze how the grant of GIs could impact the lives and livelihoods of those producing (directly or indirectly) the products that have been/ could be protected;
- To understand whether geographical indications provides an extra competitive advantage to people associated with the protected product under GI.

Steps in the study

- Identification of the products, about 629 products identified in three zones constituting 12 states- **Southern zone** consisting of Andhra Pradesh, Karnataka, Kerala and Tamilnadu **Central & Northern zone** consisting of Madhya Pradesh, Uttar Pradesh, Uttarakhand and Himachal Pradesh; **Western zone** consisting of Maharashtra, Gujrat, Rajasthan and Punjab.
- About 160 products short-listed for making final selection
- Selection of 75 products (42 non-agricultural and 33 agricultural) on the basis of the preferential ranking method.



Data Collection Teams

UNCTAD- NAARM Project: Salient features presented at Univ. of Warwick (UK) Workshop held at Goa on April 5, 2008

GI Type	Major classification of <u>listed products</u>	Example
I	Fruits	Banganpally mango- 9 products
II	Grains and Potato	Sehori genhu, Pahari aloo- 9 products
III	Plantation and spices	Dungarpur zinger, Amleta & Mahadev garlic- 12 products
IV	Unexploited indigenous products	Nannari, kokum, buransh- 3 products
V	Confectionery	Dodha, Bal mithai- 6 products
VI	Handicrafts	Warli paintings, Panjabi jooti- 6 products
VII	Manufactured products with organized trade	Hyderabad pearls, Harambha thresher-12 products
VIII	Textiles	Kutch embroidery, phulkari- 18 products

Field survey using several questionnaire schedules

Respondents for 70 products in 45 villages, 60 towns/ districts in 12 states	Number of Respondents
Producers	691
Institutional stakeholders	429
Consumers	370
Traders	375
Total	1865

Socio-economic Profile of Producers

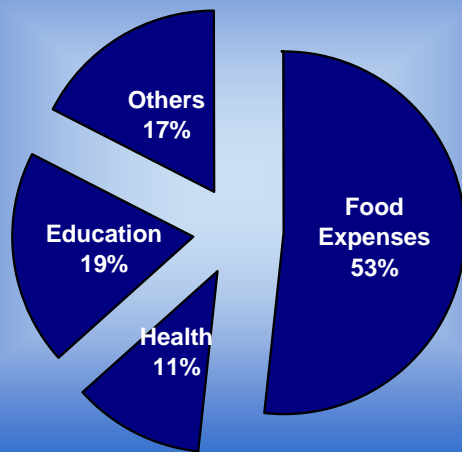
- The producers mainly belong to either OBCs or general
- About 7-8% respondents engaged in other subsidiary enterprise also
- The agri/non-agri producers received 67 & 57% of their income from main enterprise
- The less productive group (>55 years) is only 13% in agri & 9% in non-agri
- Education level of producers is fairly well because 57% of agriculture producers and 62% of non-agricultural producers are at least secondary
- 36% of producers in both categories do not have any skills
- Family has played a very significant role as large amount of producers (51 – 56%) acquired the skill traditionally in the family.
- Through family inheritance more skill is passed to its male members than it female members
- Training plays a significant role in developing skill but only 3% in agriculture and 6% in non-agriculture got the skill through formal training.

Socio-economic Profile of Producers

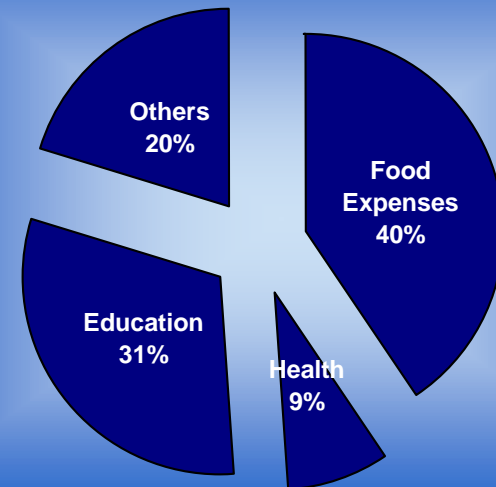
- Land is the biggest asset for agric producers and the percent share of this asset is 54, 74 and 72 for category A, B and C respectively. Land is the biggest asset for non-agric producer of category C, which is about 51% of total assets.
- Buildings are the biggest assets for non-agric producers of category A and B with 39 and 42% share respectively.
- About 62% of the total producers were below Rs. 50,000/- annual income

Expenditure pattern of producers

Monthly expenditure pattern of agricultural producers: > Rs 50000 income annually



Monthly expenditure pattern of Agricultural producers earning Rs. >50,000 to 2 lakhs annually



Analysis of agric. products & producers....

Characteristic Profile of Agricultural Producers/ Products

- **The ownership style-** About 80% of enterprises are sole proprietorship
- The producers on an average possess < 10 hectares of land
- **Per cent of land put under cultivation of product-** Producers have significant 'no activity' and 'lean activity' months
- The engagement of skilled workers are far more than non-skilled workers. The number of engaged skilled women workers is almost double of the engaged skilled men workers
- Mostly the loan was taken from bank and for purchase of inputs
- Mostly producers are satisfied with the supply of inputs except in few cases
- **History of production- Time scaling for uniqueness**
 - Kurnool rice is newer as grown since last 18 years, this rice is a variety BPT-5204 developed by Bapatla Agric. College in 1983 and became popular in the whole region. Some products are grown since olden days, for example, pokkali rice since about 232 years, while pahari aloo is from 9.9 years.
- **Packaging and grading-** Mostly it is either **no packing** or raw packing. Grading if done mostly based on physical traits.

Characteristics of sale/ purchase

- **Mode of sale-** In 14% cases, it is either sale to government agency or cooperative society. **Mostly sale to Mahajan/** local middlemen is in GI type II.
- **Mode of purchase by traders-** the major **purchase is direct**. In GI type IV, the purchasing is not organized.
- **Price decisions** - individual bargain or purchaser offer a price to which producers had to agree and there is no other choice. **Collective bargaining poor-** Producers group are absent in GI type IV and quite weak in GI type II and III.
- **Spectrum of sale-** sale is mostly **confined to the region** where their origin is claimed specially in case of GI type II and IV
- **Contribution of uniqueness to sale-** About 93 – 95% respondents in agricultural products of all GI types believe that **unique characteristics of product give better sale value** than the other product in same category available in market
- **Price increments in supply chain-** maximum increase is seen at intermediaries and retailer level

Strategic issue- uniqueness & quality

- **Scientific evidences for uniqueness-** Navara rice, palakadan matta, Sehor wheat- C306 or Sujatha, WH147.
- **Inspection, quality control at various stages of production-** The situation of methods of inspection and quality control in agricultural products is very pathetic. Mostly the inspection and quality control is either by producers themselves at production level on field and harvesting level. Scientific evidences as method of quality control in few only.
- **Technical guidelines for production codes-** Production as per self guidelines learnt from forefathers
- **Maintenance and monitoring of codes of production practices-** no inspection by government, NGO or association. there is no quality control mechanism available
- **Traders' view to maintain product quality-** High quality production practices and also inputs is the major concern
- **GI awareness-** producers, stakeholders & consumers
- **Producers' associations-** membership, understanding of utility

Trade issues

- **What led consumers to buy a product?** Most believe quality assurance, some believe- traditional character, few believe- reasonable price.
- **How do consumers buy?** To be sure that product is genuine, consumers make special efforts. The most reliable method is ‘going to authorized/ reliable / reputed shop’ followed by looking for a label or trademark.
- **Duplicates and competition-** Duplicate may not be a problem but competition has been seen as a serious matter. The major competition is from same product produced in other areas of the country.
- **Expected enhanced premium- ??**
- **Earnings and income-** Most producers feel that earning from enterprise is average. Not many traders are satisfied with their earnings from sale of agricultural product.
- Agrobiodiversity- sustainable use

Problems and bottlenecks related to acquisition and maintenance of GI

- **Scientific endeavors in product development-**The research institutions are in agreement that they are conducting research studies to find out uniqueness but these institutions had very poor involvement for technical interventions to stop infringement of GI and facilitation of the GI registration process
- **Endeavors by depts. and agencies responsible or concerned with GI registration-** Being a community property, the role of public institutions is expected to be the strongest amongst other stakeholders. In the state governments, no specific responsibilities have been given to any government department to facilitate the GI registration
- **Institutional stakeholders' approach-** The institutional stakeholders are not much aware of the deficiencies or difficulties found in getting the GI registration or maintaining it. **Reason? - Individualistic but not systems approach.**

Post registration expected changes

- **On market-** **producers** expect market expansion; **stakeholders** expect products' standard quality, **traders** expect authentic purchases from authorized producers only, **consumers** expect improved standardization and grading.
- **On overall socio-economic conditions-** **fair number of producers** and **very high number of stakeholders** believe that registration will bring overall improvement in socio-economic conditions
- **On livelihoods** As a result of GI registration, the producers leave their other livelihood activities and shift to producing the GI product in question? **Only few** producers/institutional stakeholders agree to it.
- **Institutional stakeholders-Visualized benefits at the time of GI registration- ???**



Thanks and Enjoy... Bal Mithai from Almora