



Activating territorial specificities under a national PDO cheese label. Cooperation of small dairy territories to promote local-placed Feta in Thessaly Region

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Abstract

The paper addresses the question of effectiveness of GI schemes to reproduce local specific resources and to contribute to a socially and economically equal distribution of market benefits to all actors involved in the production chain. Drawing on field research outcomes from Thessaly Region, the paper explores: i) the limits of GI schemes to valorise and reproduce the ecological and cultural terroir of the production areas, particularly under a national PDO regulation as the Greek Feta cheese, ii) the processes and tools for activating local specific resources and developing diversified artisanal Feta of place-based quality at regional level (Thessaly) within the PDO “national terroir”, iii) the strategies to promote locally produced Feta PDO through the networking of the actors involved (sectoral approach) and the cooperation of small dairy territories (territorial approach) at regional level (Thessaly label).

Keywords:

GI schemes, Greek Feta PDO, cooperation of dairy territories, territorial governance of the local dairy system, Thessaly

JEL: R58, Q01, Q13, Q18

Introduction

Geographical indication schemes are conceived to protect the specific quality of local agrifood products and the intellectual properties of rural communities that have over time fabricated these identity products. They are therefore considered as an efficient policy tool to leverage wider social, economic and environmental benefits to rural areas, especially the mountainous and less-favored ones.

This holds particularly true in the case of Greece and the “Greek Feta” cheese. The final decision made by the European Court of Justice granting Greece PDO rights for Feta gave a new thrust to the market, both domestic and international. All this happens after a period of great hardship for Greek cheese producers, who face competition from the large agro-industries of European countries with high-intensity dairy farming, especially in the cow milk industry. However, the implementation of the PDO scheme strengthened the position of the Greek dairy industry in the global market but created a conflict situation within the production chain. It reinforced large Greek firms (due to the economy of scale and an extended territory of operation) while generating conditions of market exclusion for small dairies. It seems that the PDO scheme cannot ensure *per se* the sustainability of local traditional pastoral systems and small dairy territories within the globalised market. The situation raises questions about the future developments of the Greek dairy sector in view of a possible relaxation of the GI protection within the TTIP. In this context, the “Feta wars” could break out again, given the high demand by consumers internationally.

In recent years a large literature on local and alternative food systems highlights the beneficial contribution of the GIs to rural development at a macro level through political economy lens but little light has been shed on impacts (social, economic, and environmental) of the implementation of certification schemes at the territorial micro level (Tregear et al., 2007; Bowen, 2010). As GIs are rooted in particular territories and regulatory legislation deals mainly with local actors upstream of the production chain, it is overlooked that geographical indication products are nested in wider regional and international networks and that the transition from local to global market generates new relations of power into the supply chain (Bowen, 2010; Dupuis,

Goodman, 2005; Hinrichs, 2003). In this local-global dynamics certain main questions arise. How do different actors in the supply chain appropriate benefits of the GI schemes in order to maximize their market profitability, especially in the case of a nationwide PDO label? To what extent are certification schemes efficient to reproduce locally anchored cultural and natural resource (i.e. the terroir) and to contribute to a socially and economically fair GI production systems? How can we shift from governance of the local dairy system (sectoral approach) to territorial governance at the local level (territorial approach of rural development)? (Campagne, Pecqueur, 2014: 173-204; Muchnik et al., 2008:516).

Drawing on the diagnostic survey¹ and procedures to construct a territorial strategy aiming at the development of typical dairy products in the Thessaly Region (Central Greece), this paper explores i) the limits of GI schemes to valorize and reproduce the ecological and cultural terroir of the region, particularly under a national PDO regulation as the Greek Feta cheese, ii) the processes and tools for activating local specific resources and developing diversified artisanal Feta of place-based quality at regional level (Thessaly) within the PDO “national terroir”, iii) the strategies to promote locally produced Feta PDO through the networking of the actors involved (sectoral approach) and the cooperation of small dairy territories (territorial approach) at regional level (Thessaly label).

Greek Feta PDO: the complex issue of a local identity product in the globalised market

The complexity of Feta cheese is linked to both local and global dimension; it is a culturally emblematic Greek cheese which is also renowned in the global market. The high visibility of Feta in the international market, along with the need of countries with a surplus of cow's milk to diversify their production with new dairy products, led to the famous “Feta wars” which broke out after the first approval (1996) of its designation as a Greek brand under the European Directive. The key argument of the countries that denounced the PDO status of the Greek Feta (namely Denmark, Germany and France) was that it is a “generic term” that is not unique to Greek origin, as they had also been producing it for many years. In 2002, after an extensive investigation conducted by the European Commission on the origins and history of the cheese, Feta was definitely registered as a Greek PDO product that can be produced exclusively in delineated areas of the country from sheep and goat's milk under specific regulations². In 2005, the European Court of Justice reached a final decision in favour of Greece, after Denmark and France had appealed to fight for their own Feta rights (Goussios et al., 2014:12).

The so-called “Feta wars” reflect the battle between economic interests in a

¹ Goussios et al (dir) (2014) Developing the typical dairy products of Thessaly. Diagnosis and local strategy. LACTIMED project ‘Promoting Mediterranean Dairy Products’ with the financial assistance of the European Union under the ENPI CBC Mediterranean Sea Basin Programme, coordinated by ANIMA and CIHEAM-IAMM (scient.coord.) available from: http://www.lactimed.eu/sites/default/files/kcfinder/files/Lac_DiagnosisReport_Greece_EN_Final.pdf

² The scientific Committee in charge of the investigation concluded that the term feta is non-generic considering that “production and consumption of ‘Feta’ is heavily concentrated in Greece and that the original Greek product is dominant on the EU market. It also concluded that products bearing the same name in Member States other than Greece are primarily made from cows’ milk and using different technology. To consumers the name ‘Feta’ is also associated with a Greek origin implying that the name has not become generic on EU territory.” (http://europa.eu/rapid/press-release_IP-02-866_en.htm)

globalised market and its effects on the local dairy sector and on local communities. From the perspective of local actors and the broader perception of the Greek people, such rivalries symbolize the fight between two different sociocultural and productive systems: the predominant productivist dairy system of Northern Europe, based on cow's milk (which creates unfair competition to the original Feta producers), versus the traditional extensive grazing systems of Southern Europe, based on sheep and goat's milk (Anthopoulou, Kaberis, 2013; Petridou, 2006). Feta is an integral part of the everyday diet and culinary culture of the Greek people, a “national heritage” that clearly differs from those of “other” nations. Linking Feta cheese with the history and cultural identity of the producing territory reveals the conflict between the local and the global and the right of both producers and consumers to choose place-based quality food³.

Feta cheese represents a particular PDO case in the sense that its place of origin extends across an entire nation defining a kind of “national terroir”. According to PDO specifications (EU Regulation 2002) ‘Greek Feta’ is a brined cheese made from sheep's milk or a blend of sheep and goat's milk (up to 30%) following a specified traditional process and observing a minimum two-month ripening period. The animal breeds are adapted to the local environment and their diet is based mainly on the flora of the region's pastures. Beyond codified attributes, Feta has –as already mentioned– strong cultural connotations for the Greek consumers, referring to typical mountainous landscapes and extensive semiarid pastures, transhumant ethno-cultural communities (e.g. Vlachs and Sarakatsans), cheese-making techniques, culinary traditions, one's bond with one's village of origin, the recollection of childhood, etc.

Feta production accounts for more than 60% of Greece's overall cheese production (80% of the total production of cheese made of sheep and goat's milk). With an average annual consumption of approximately 27 kg *per capita*, Feta accounts for more than 40% of the total national cheese consumption. It is eaten just with bread or can accompany any meal at any time of day, including salads, traditional dishes, appetizers and various local-based cheese pies. Despite its nationwide identity label, for Greek consumers Feta illustrates multiple flavors and home places of production (e.g. “Feta Parnassou” originated from the Parnassos mountainous area in Central Greece, etc). Variety in tastes and flavours constitutes a particular attribute of “genuine Feta” testifying ecological and cultural ties with its territorial context. It is worth noting that the recent economic crisis reinforced the “quality turn” of Greek consumers towards local- Greek products and alternative food networks remaining loyal to Feta PDO (in relation to other white cheeses). This is a broader phenomenon that has to do with the effort to attain a better benefit-cost ratio and rationalize the household food basket (ICAP 2009).

All these market quantitative and qualitative data highlight the key role of domestic market consumers in preserving and reproducing the “Feta's terroirs”. They reveal the importance of collective knowledge, tastes, culinary experience and consumer behaviour in supporting local-based food over standard quality food deriving by the industrial dairy system (Muchnik, Sautier, 1998; Muchnik et al., 2008). That being, two main questions raise on whether GI schemes: i) allow local territories to capture added values generated by consumers' preferences towards tasty and locally differentiated Feta's varieties, ii) manage to fairly distribute market benefits to all actors involved to the value chain.

³ <http://courses.cit.cornell.edu/his452/fetawars.html>
<http://www.theguardian.com/world/2005/may/11/foodanddrink.greece>

Re-localising Greek Feta in traditional dairy territories within the PDO regime.

The definitive granting of Feta PDO rights to Greek producers has opened up new market perspectives and boosted the country's dairy industry by significantly increasing demand, both on the domestic as well as the external market⁴. Yet, it is mainly large industrial dairies that cash in on the new market shares, by virtue of their efficient technical and organisational capacity to adapt to market demand. They have requisite infrastructure, which enables them to collect milk across a wide radius, as well as modern technologies, which allow an economy of scale through standardization processes of production responding to national and international market requirements (industrial quality standards, sizeable quantities). This dynamics led to spatial concentration of industrial dairy units in high density livestock areas (e.g. Thessaly, Epirus, Central Macedonia) with tendency to monopolise raw-material suppliers, i.e. breeders of small ruminants.

On the other hand, small and medium artisanal dairies that have remained attached to local socio-productive systems operate mainly through personal networks both at an upstream (breeders) and downstream (traders) level. They are anchored in local social, cultural and ecological resources (extensive pastures, local breeds, ethno-cultural pastoral groups, traditional cheese-making practices) within their small territory traditionally specialised, historically constructed and geographically *grosso-modo* defined by the milk collection radius. Loyalty and the sense of belonging to the pastoral community through personal networks contribute to smooth functioning of small traditional dairies whose the competitive advantage is in fact specific, place-based quality in the absence of economies of scale. Nevertheless the lack of cooperation among artisanal dairies within their small territory has configured a kind of socio-spatial enclaves of traditional breeding systems inside wider dairy territories without synergies fuelling activation of local specificities within PDO scheme. For the moment an important part of the added value is captured at the end of the value chain, that is the distribution and retail networks, who press back upstream (cheese processors first and then breeders) in order to reduce the production costs (Vakoufari, 2010, Goussios et al., 2014).

It should also be noted that in this polarised and conflicting market situation, breeders do not benefit from a differential price according to quality for milk intended for Feta PDO production. In the absence of collective arrangements for the negotiation of farm prices (lack of co-operatives, farmer groups and dairy inter-professional structures), the producer's price and time of milk collection are fixed by individual mainly verbal agreements between sheep and goat breeders and processors. In this contrasting dynamics, we notice a decreasing tendency in sheep and goat livestock herds, especially in extensive mountainous grazing systems, including transhumance (Goussios et al, 2014). Likewise, there is a tendency of disappearance of small and very small dairies and therefore risking the loss of cultural heritage resources in territories with a strong pastoral identity. Yet it is the small producers (breeders, dairy farmers, cheese-processors, local creameries, etc.) and rural communities that ensure the reproduction of agri-pastoral systems and traditional techniques, contributing to the sociocultural and environmental sustainability of mainly mountainous and semi-mountainous Greek areas. The question is now how

⁴ Between 2006 and 2012 export of Greek Feta PDO increased by 33% with a total amount of 34,512 tons in 2012 (Ministry of Rural Development and Foods).

can local communities re-appropriate their identity GI system or, in other words, how to re-localise Feta cheese, a cheese of strong national and local identity.

Activating territorial specificities under the Greek Feta PDO regime. The case of the Thessaly Region

Drawing on fieldwork data from the Thessaly Region, we present in this paper the outcome of the diagnosis and elaboration of a local strategy to develop typical Thessaly dairy products (LACTIMED Project)⁵. The main objective was to reinforce cooperation among local actors involved in the value chain (inter-professional networks) and small dairy territories inside the Region (cluster type) in order to activate latent territorial resources that contribute to place-based cheese qualities.

The sheep and goat dairy sector in Thessaly. An inherited pastoral territory in search of the valorisation of its specificities

The Thessaly region represents an important dairy basin in Greece, with high-density small ruminant livestock⁶ and the concentration of 75 dairy factories –mainly SMEs- that produce 30,300 tons of Feta (33% of national production), among other products. About half of its surface area is fertile lowland surrounded by major mountains, including the Pindus range and Mount Olympus.

The region has historically shaped traditional socioproductive systems based on extensive pastures and seminomadic pastoral populations within the complementarity of natural resources and production systems in the mountain and the plain. This relationship was largely affected after the 1960s, with the modernisation of agriculture, the abolition of the set-aside system and the establishment of the productivistic model in the plain (cereals and industrial crops, notably cotton). At the same time, extensive and seminomadic livestock of small ruminants has been limited to hilly and mountainous areas after losing its vital grazing area in the plain, while a large number of seminomadic breeders settled permanently in the lowland, working mainly in agriculture. In the mid-2000s, the reduction of CAP subsidies in agriculture (decoupling) led to a tendency towards crop restructuring and the re-territorialisation of farming systems, as for example a shift towards local traditional products (e.g. lentils, medicinal plants), organic farming, etc. Farmers are also turning to fodder crops to meet the dietary needs of the sizable regional livestock, opening up the perspective of a renewed cooperation and complementarities between the local agriculture and stock-breeding.

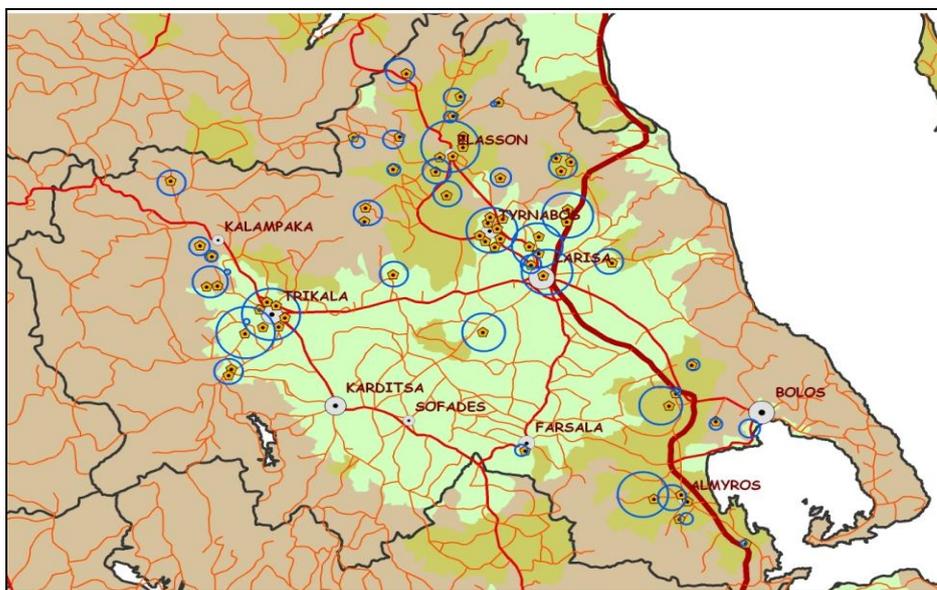
The vast majority of cheese dairies are family-owned SMEs,⁷ with modern equipment and qualified owners, cheese-makers and managers. The owners are often

⁵ The main goal of the LACTIMED Programme “Developing the typical dairy products of Thessaly” was to create a territorial collaboration (cluster type) for the promotion of a local-placed cheese under a Thessaly brand name. Among a dozen of products (cheese and yogurt) including eight labeled as national PDO cheeses and one Thessaly originated PDO (Graviera Agrafon), Feta was selected as the flagship cheese of the Thessaly dairy sector.

⁶ The region (14,037km²; 730,000 inhabitants) includes 959,000 sheep (14% of the country) and 369,000 goats (10%) with a predominance of small and medium-sized breeding farms (120-600 small ruminants/ farm).

⁷ Out of 66 cheese dairies producing PDO cheese, the six larger units (over 8,000 tons/year of processed milk, sheep’s milk equivalent) collect 63% of the milk and produce 52% of Feta in Thessaly. Follow, 9 medium sized units (2,680-8,000 tons of processed milk) and 27% Feta production, 4 units (1,600-2,680 tons of processed milk) and 3 % Feta production, 29 small sized units (400- 1,600 tons of processed milk) and 15% Feta production, and 18 very small units (less than 400 tons) and 2% of Feta production (Goussios et al., 2014).

2nd or 3rd generation proprietors of a Vlach origin. They combine modern knowledge and traditional cheese-making techniques, and pertain to a network of cheese-makers, usually of the same ethnocultural descent, which they inherited along with the family dairy. A handful of small territories have been identified within Thessaly, representing dairy basins that bring together small and medium-sized dairies, as well as the network of their stock-breeders (see Map1). These small territories more or less coincide with the settlement areas of former seminomadic populations, granting them a significant tradition and reputation in stock-breeding. Cheese-makers and stock-breeders are linked together by relations of trust and the feeling of belonging to a common social and cultural territory. But there is no cooperation between the actors involved in the productive chain within the same small territory or even between small territories in order to build common strategies to promote territorial dairy specificities reflecting a severe functional introversion of each of them.



Map 1. Distribution of cheese factories (Feta PDO) in Thessaly Region (2010). An “archipelago of small dairy territories”.

Source: prepared by the Laboratory of Rural Space- University of Thessaly

The main dairy product of Thessaly is Feta. The region takes advantage of the growing demand for the Greek Feta PDO and other emerging internationally dairy products such as yogurt, and goat cheese. However, ten years later, the price of Feta at the cheese-factory remains stagnant at 5,5-6 € (when the cost of the milk is approx. 3,5 €/1kg of Feta); that means the stock-breeders and cheese-processors do not receive any added value from a PDO product. There are three reasons for this: a) the national character of the PDO and quality standards referring to an undifferentiated “national terroir”, combined with the absence of an inter-professional control and coordination body beyond the competent authorities of the Ministry of Rural Development and Food; b) a weak promotion of the special characteristics and variety of flavours at the small territory level and c) the absence of collective organisation and cooperation of local actors to defend local specificities and negotiate *vis-à-vis* major dairy industries and extra-local actors (large distribution networks and retail) (Lamprinopoulou, Tregear, 2006).

Weakness to overcome these issues and especially to increase the value of the product is pushing large and medium-sized companies to increase their production.

This strategy in turn leads to their seeking milk outside the traditional area of collection (small territory of belonging) and favours the creation of large intensive livestock farms to the detriment of the organoleptic qualitative characteristics of the Feta (industrial-style Feta) as well as of extensive livestock breeding as a particular territorial resource. At the same time, it reinforces -often unfair- internal competition, contributing to the marginalization of smaller dairies in isolated areas.

In contrast, artisanal family dairies work in small territories in close cooperation with their networks of extensive stock-breeding farms reaching relatively lower economic performances (small quantities of processed milk, underemployed facilities etc) but keeping high quality standards of Feta product both organoleptic (related to *terroir*) and industrial (ISO and HACCP standards) through cheese factories' modernization (especially after late 1990s with the support of the CAP). These cheese-processors conserve the quality and traditional techniques, an advantage valued by the local/domestic markets which they mostly target. However, although small dairies are present in the regional and national markets, they are recently seriously affected by the lack of liquidity caused by the crisis (delays in repayments from networks of distribution and the retail market, suspension of bank lending). This weakness undermines traditional long relationship with the stock-breeders of their territory with the risk of losing their stable suppliers of raw material. It is so these small artisanal units who are interested in cooperating in the context of a local networking of dairy SMEs and their small territories, looking for alternative markets that recognize the local-differentiated-specific quality of Feta.

Elaborating methods and strategies for the networking of dairy actors. The cooperation structure of small dairy territories within the Thessaly region.

Research context and problematic

The information gathered through consultations with diverse stakeholders from the supply chain as well as semi-structured interviews with a sample of selected cheese processors points out that *milk* is the key resource for the identification and qualification of the specific organoleptic attributes of Feta. Going back upstream to the genetic resources of the production chain (breeds adapted to local biophysical conditions), it is the grazing-based diet of small ruminants (herbal varieties and species in pastures) and traditional breeding practices (semi-extensive systems) that give to the milk added value (Belletti, 2012; Lambert-Derkimba et al., 2011). The activation of this potential, currently undervalued, requires collective processes of resource qualification and the cooperation of local actors inasmuch as local specificities in a given territory are shaped and reproduced over time by a community-shared knowledge, and thus a collective heritage (Bérard, Marchenay, 2006 and 2008; Muchnik et al, 2008). It involves all actors of the local pastoral community, especially breeders (animal feeding system) and cheese processors (selection of milk suppliers) who, through their choices, influence the quality of the final product. According to the existing literature, the establishment of an "origin-linked quality virtuous circle" as a methodology to support local stakeholders might allow the local community to identify, promote, preserve, and reproduce a place-based specific quality of Thessaly Feta and the local resources embedded in it (Belletti et al., 2012; Vandecandelaere et al., 2009:2-7).

However, as already mentioned, existing informal networks between dairy factories and associated breeders present a marked introversion, with a complete lack of cooperation between cheese processors at a local (small territory) and regional

level (Thessaly region), despite any geographical, social-professional or ethno-cultural proximity. The lack of interaction among territorial actors and the maintenance of strictly individual strategies are due to different factors, such as: a) the family nature of dairies (it is the family that ensures the relationships with farmers and the pastoral community), b) the euphoria related to the increased demand for Feta PDO and c) the organisational deficit at a regional level (no inter-professional organization, dissolution of large cooperatives) combined with a weak institutionalisation within the environment where the public sector operates. This deficit is partly compensated by the membership of dairies in the departmental Chambers of Commerce and Enterprises, as their role is limited to the dissemination of general information (e.g. exhibitions) and training (general- conventional type).

That said, only small and medium-sized artisanal processors could ultimately engage in a process of activation of territorial assets in Thessaly in a “Sustainable virtuous quality circle”. It concerns those who still maintain relationships with traditional breeders through networks of cultural belonging to a particular small territory (i.e. the aforementioned traditional dairy basins). In fact, ten (10) small and medium-sized artisanal cheese factories, including a breeder cooperative (Shepherd Association of Olympus) have responded to such an initiative proposed by the LACTIMED programme, aiming at jointly producing an origin-linked Thessaly Feta (territorial brand) within the national PDO scheme.

In this context, the main question to address is “how to network cheese processors as the key-actor in the process of the product qualification and the promotion of a Thessaly quality Feta within PDO regime”? What they have in common is a context-specific knowledge and socio-cultural ties which, however, are not shared through institutionalised professional structures; this leaves them powerless in the face of difficult conditions of market competition. That said, what drives this first group of determined cheese processors -especially at this time of economic and financial crisis- is the awareness that they possess significant territorial assets which confer them a qualitative advantage to answer to globalised market norms (large volumes of treated milk, economies of scale) that they cannot achieve. The participation of local actors in the territory's collective project represents a “voluntary and solitary commitment” to the coordination of their actions and the promotion of Thessaly Feta as a territorial brand name, highlighting a specific “local-based terroir” within the “national PDO terroir”. However, as has been argued in relevant literature, some involvement of external actors (government authorities, NGOs, research and development centres etc.) is a necessary precondition in order to provide a supportive framework and empower small and medium-sized actors (Bowen, 2010: 209; Vandecandelaere et al., 2009: 4). This role of external support at Thessaly region has been assumed by the EU LACTIMED Programme.

Elaborating strategies

The strategy adopted by the LACTIMED programme aimed at enhancing competitiveness through a sectoral as well as territorial perspective by i) improving the productive conditions of traditional extensive farming systems, contributing therefore to the sustainability of territorial resources (e.g. locally adapted breeds, native flora) and ii) highlighting the distinctness of the territory's milk resource as an important contributor to the quality of Feta (see Figure 1). For this purpose, an expert team from the University of Thessaly and research laboratories has been organised to provide scientific and technical support for the territorial collective project; more precisely, in enhancing forage quality in pastures and applying best practices in

grazing management; increasing ewe milk production through a balanced diet for sheep and goats; improving the quality of the milk, through a diet based on native plant species of pastures, combined with eco-friendly local fodder crops (which also leads to a reduction in production costs and the ecological footprint in comparison with current practices).

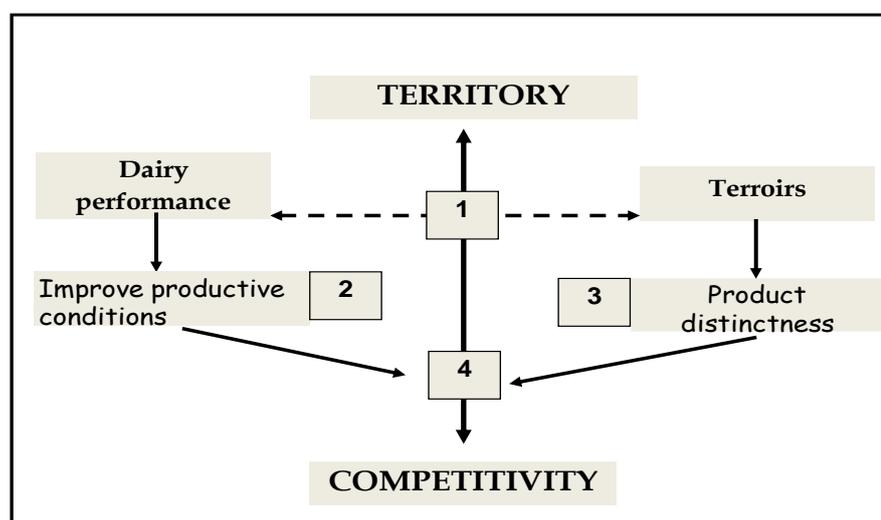


Figure 1. The strategy adopted by the territorial project. Enhancing competitiveness through sectoral and territorial perspective

Source: Authors, Laboratory of Rural Space- University of Thessaly

Discussions within the corpus of the first ten cheese processors and associated actors in the production chain (their milk suppliers, fodder farmers) allowed to define the specific characteristics of the production small territories and the production process that confer particular organoleptic properties and taste quality in the Thessaly Feta. This qualification phase resulted in a Code of Practice elaborated through the lens of the “Origin-linked quality virtuous circle”, according to which Thessaly Feta requires the following specific conditions (beyond the national PDO requirements): i) the cheese should be produced from the milk of locally adapted sheep and goats grazing in the area’s pastures, ii) flocks should feed on supplementary fodder based on local farming crops, iii) a necessary period of three months for cheese ripening should be observed, iv) cheese-makers should use artisanal production and ripening methods (e.g. ripening in barrels), v) cheese- processors should be of a small or medium size to ensure artisanal methods and the integration of locally anchored knowledge and know-how.

Thessaly Feta leverages the national PDO scheme but specifies the particular characteristics of the place of origin by means of a regional brand name. At the same time, the definition and internal control of the quality in all stages of the productive chain contributes to a sense of cooperation and trust among actors boosting the sustainability of the system.

Implementation of cooperative procedures

The organisational deficit in the construction/ valorisation of specific resources at a regional level -which is a general weakness in the promotion of innovative projects in Greece's rural areas- is compensated through the awareness and

mobilisation of the actors involved, combined with successive instances of *rapprochement* (specialised information meetings, consultations, focus group, etc.) based reconciliation and adjustment. The process of creating an organisational structure to boost the cooperation and territorial coordination of dairy actors was largely determined by the ascertainment that, although there exists within small territories a conjunction between sociocultural and geographical proximity, this component is missing in the consolidation of a cooperation at a wider regional scale (Thessaly region), notably among cheese factories. In this context, the interaction within the successive instances of *rapprochement* might restore the collective and territorial anchorage of knowledge and practices. It also brings local actors closer to public services and helps them become familiarised with the institutionalised environment of the public sector and existing policies (Dalle, Didry, 1998: 312).

That said, the actors involved have also had to search for an effective form of coordination and of required performance for the (re)construction of the specific territorial resource and its valorisation on the market. Consultation processes during several sessions led to the choice of a mixed form of territorial governance including private, social and public actors. The central core was constituted by representatives of the productive chain coming from small dairy territories (cheese processors representing small territories, the breeders gathered around them, farmer cooperatives and fodder producers). A second, broader circle included actors external to the productive chain, such as representatives of municipal authorities (responsible for the management of communal pastures), regional public research institutions and providers of technical services, The University of Thessaly in collaboration with the Agricultural University of Athens, Local Development Agencies, and local retail outlets. This form of regulation -that also integrates partners outside the market- has expanded beyond the economic sphere towards the social and cultural, thus creating the conditions for the generation of territorial proximity and development (see Figure 2).

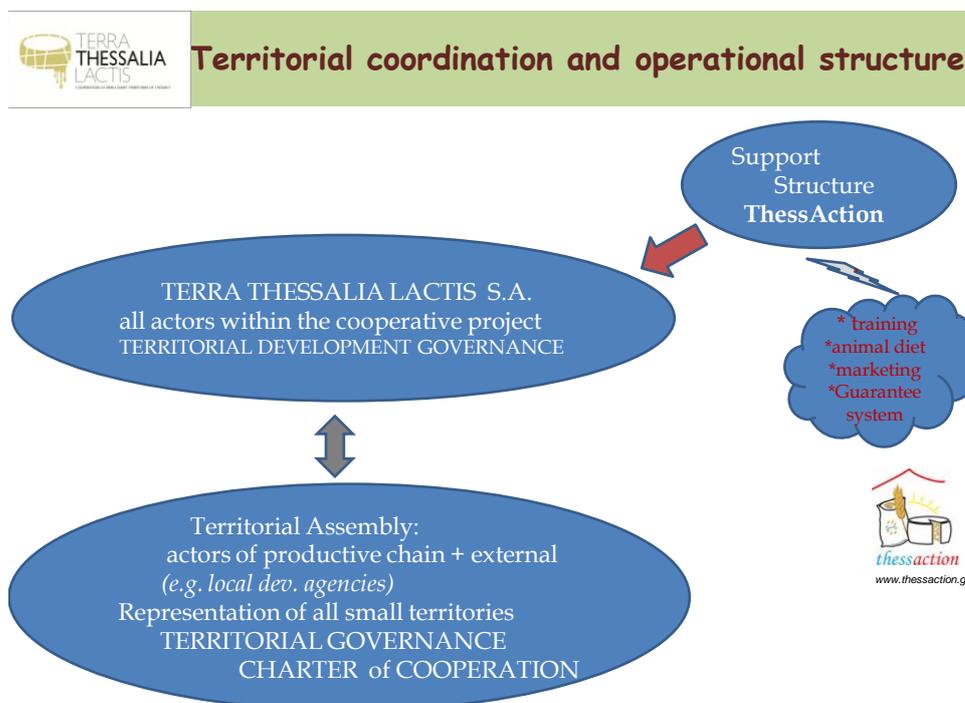


Figure 2. Cooperation of small dairy territories in the Region of Thessaly
Source: Authors, Laboratory of Rural Space- University of Thessaly

The signing of a Charter of Cooperation is a first institutional recognition of informal agreements among regional stakeholders. It expresses the constitution of this collectivity of actors -who recognize themselves in their territorial action project- in the form of a Territorial Assembly, whose responsibilities (to ensure the strategy and goals of the project), organisation of cooperative relationships and conditions of intervention are established by the Charter (Angeon et al., 2006). The Charter also illustrates the cooperation of small dairy territories of Thessaly in a cluster form as a kind of an “Archipelago of places or micro-basins” within the national terroir of Feta PDO (Requier-Desjardins, 2007; Sforzi, Mancini, 2012). It is from this territorial assembly that a form of Territorial Development Governance emerged (Moquay et al 2000; Muchnik et al, 2007) composed by the above mentioned stakeholders with the status of a limited company under the name “Terra Thessalia Lactis”. This label constitutes the territorial brand name of the Thessaly Feta.

The operational effectiveness of this form of governance was based on the creation of an external Support Structure with the participation of representatives of the Thessaly agencies that specialise in extension services, training, marketing etc. This Structure, named “ThessAction”, has been the essential animator and moderator of the territory construction process. Apart from its task of rendering service to upstream actors (advice to livestock farmers) and downstream (marketing support based on the construction of the image of Thessaly Feta and its promotion as a collective resource), its decisive contribution has to do with the organisation of the “Quality Guarantee System”.

Supporting specific dairy resources and territorial cooperative action. Setting up a Quality Guarantee System

A key objective for the territorial cooperation structure was to develop a way to continuously enrich and update quality claims related to place-based attributes. For this purpose, the Support Structure (*ThessAction*) has undertaken the implementation of a Participatory Guarantee System (PGS)⁸ whose goal is to reveal the specific characteristics of the resource as well as to foster it. To this end, the Structure relied on elaborate information provided by experts on methods, techniques and qualification benchmarks that must be met for this particular purpose.

The PGS is conceived on two pillars to give evidence on the: i) traceability of milk production procedures and cheese making in accordance with the Code of Practice (integration of herds in the particular breeding system to ensure the specific quality claims), ii) certification of the livestock farms and herds participating in the territorial project of the Thessaly Feta. In reality PGS is both an informative tool (links with natural and cultural milieu, nutritive and health qualities, etc) and a territorial method to re-integrate herds/ livestock farms and artisanal cheese factories in their small dairy territory (“terroir”). It brings in thus the additional guarantees and transparency of a third-party certification through a private territorial label (*Terra*

⁸ Participatory Guarantee Systems (PGS), as defined by IFOAM are “locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange”. They represent an alternative to third party certification specially adapted to local markets and short supply chains. They can also complement third party certification with a private label that brings additional guarantees and transparency (available from: <http://www.ifoam.bio/en/value-chain/participatory-guarantee-systems-pgs>).

Thessalia Lactis) thus strengthening the traditional dairy sector of small territories without assuming an additional legislative certification. It has been defined as a form of valorisation which serves multiple goals:

a) it proposes an itinerary for the integration of production units (cheese factories, livestock farms, fodder producers) within a territorial development model (compliance with a set of specifications by the actors involved in the production chain)⁹ at the level of small territories.

b) it guarantees the characteristics of the dairy product, both inherent and extrinsic which result from the interaction of biophysical and cultural factors inscribed in this geographic context (contextualisation of heritage).

c) it integrates the services of other actors involved in the second circle, given that they are key factors in the organisation and realisation of the guarantee system (applied research, anchored information, support to producers).

d) it monitors the application of the knowledge, know-how and practices that have been inherited and are completed by the collectivity of actors which are working to give prominence to the resource. This is achieved through a follow-up system (herd management, local livestock feed, diet, environmental burden, etc.).

e) this system of interactive guarantee also integrates local consumers (taste control, traditional techniques, ethical aspects regarding all phases of elaboration of the final product), thus reinforcing the effectiveness and legitimacy of the system.

This multiple role of the PGS seems to be decisive in the adoption of the territorial approach to governance and rural development at local level. It is a support tool for the management of local natural and cultural resources, but it also reinforces participative democracy while avoiding conflicts through the use of new technologies (GIS, virtual representation, Internet, etc.)¹⁰. The first exportations (to Switzerland and France at the beginning of 2015) confirm the recognition of such prominence and of the value of the products by high quality markets which confer an important prime price (wholesale price that approximately doubles the previous one). The redistribution of this surplus to the actors involved (in particular breeders and cheese-processors) is not only a powerful element of cohesion for this cooperation project and thus its sustainability; it also reflects the territorial dimension of the initiative. Furthermore, it translates as a recognition of a heritage and activity (extensive livestock farming) which is undervalued by the quantitative approach of intensive production systems and the norms of the industrial model that prevails in the global market.

Conclusion

The analysis of the Greek Feta supply chain showed that the GI certification scheme has boosted the national dairy sector but failed to equally redistribute the benefits of the specific quality (related to the ‘national terroir’) and reputation of the origin at all actors involved locally in the production chain. That means that PDO labeling failed to unlock territorial dynamics for local/rural development. The key question was: how can small territories appropriate their resources –currently poorly or badly utilised (latent or usurped) mainly by large dairy industry- through a

⁹ The cheese-makers (individual cheese processors and breeder cooperatives) have been invited, according to their commercial commitment and productive potential, to integrate part of their herds and production into the guarantee system, accepting the rules and control measures defined by the Support structure. PGS enable the direct participation of producers, consumers and other stakeholders.

¹⁰ The guarantee system is at a pilot phase within the LACTIMED programme (in progress)

territorial approach against a more economic, sectoral approach of the implementation of certification schemes.

Based on the “Origin-linked quality virtuous circle” approach, the research/action LACTIMED initiative developed, in collaboration with local stakeholders, strategies and tools in order to jointly produce a place-based quality Feta inside the national PDO regime. This framework might allow qualifying and promoting a Thessaly- origin Feta of specific quality, and reproducing the local resources embedded in it. More precisely, through participatory processes and multiple instances of rapprochement (information meetings, focus group etc) of different local actors (cheese processors, breeders, fodder producers, representatives of municipalities etc) it was attempted to create the conditions for cooperation and synergies to activate the interim stages of the sustainable virtuous circle; that is to say: i) identification of the potential of specific local resources upstream of the productive chain (natural, historical, socio-cultural collective assets) currently undervalued under the PDO regime, ii) the qualification phase by setting-up the Code of Practice to signaling the specific attributes of Thessaly Feta (*Terra Thessalia Lactis*) versus standard quality of industrially- produced Feta, iii) remuneration of the distinct quality by the establishment of strategies and tools for jointly promoting Thessaly Feta into market and equally (re)distributing added value throughout the value chain; goal achieved by first small quantities exported on European dairy niche markets (Switzerland and France), iv) the reproduction of local specific resources through a territorial approach of governance of the dairy systems. The adoption of the Charter of territorial cooperation by the community of local stakeholders as a form of Territorial Assembly was initiated for this purpose. Therewith the establishment of a ‘Participatory guarantee system’ (*tool currently under construction within the LACTIMED Programme*) was conceived as an open, multifold tool to guarantee specific quality claims of the local-placed product and to adapt to changing societal expectations (with regard to biodiversity, ethno-cultural heritage, ethical aspects, ecological footprint, etc) while strengthening the cooperation of territorial actors involved in the supply chain. The research group of the University of Thessaly within *ThessAction* Support Structure provides the necessary supportive framework of expertise as an external actor to this territorial project.

In this article we argued that the creation of Thessaly Feta (regional brand) within the defined PDO area (*i.e. the product is already protected for its origin-rooted features against misappropriations*) by activating territorial assets (mountainous pastures, native flora diversity, locally adapted breeds, cheese-making techniques and traditions, ethno-cultural proximity, etc.) fosters small dairy territories; i.e. traditionally specialised and historically constructed territories that are firmly embedded in ecological, social and cultural networks. Moreover, Thessaly Feta fosters artisanal dairies and actors involved in the supply chain (breeders, fodder producers, local food processors, traders, local development agencies, municipalities acting as managers of communal pastures). The cooperation of small dairy territories as a kind of “archipelago of places or of micro-basins” within the “national terroir” contributes to the sustainability of the localised agri-food system.

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