ADDED VALUE AT REGIONAL AGRI-FOOD PRODUCTS IN ARGENTINA "DENOMINATION OF ORIGIN SALAME OF TANDIL" A CASE STUDY OF SOCIAL COOPERATION AND LOCAL DEVELOPMENT

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Abstract
Geographical Indications and Denominations of Origin are an agrifood strategy, in which the geographical name, and ecological niche – product process (methods of production and local traditional processing) and whose close association comes together to get an original and inimitable product that retains its identity throughout the value chain.

This strategy of adding value began to spread in Argentina in the nineties, but legal protection is only achieved at the local level (the national law and its amendments are from 2000 and Regulatory Decree from 2005), since they are not protected at the international level because the MERCOSUR- EU negotiations are still open to discussion. One of the successful cases, the object of this study, is the Denomination of Origin “Salame of Tandil.”

In this paper is presented the advances and setbacks that occurs in Argentina, showing a model of social cooperation and local development, which is the DO Salame of Tandil, and considering the various factors that restrict their commercial development, - presented aspects are discussed in the above - and particularly the human aspects, whose greatest difficulty falls on investments to be made by actors to achieve compliance with quality standards and the effort involved in the different ways of associations required by law. This case is definitely a model of the re-engineering process of agricultural and industrial of Small and Middle enterprises in the regional agri-food business, but has limitations that could be solved by the Council itself and others, that depends on national and international policy strategies.

Keywords: Denominations of origin, food strategy, regional economies, local development, and social cooperation

Introduction
Denominations of Origin constitute an agricultural strategy, in which the geographical name, the ecological niche (natural and human factors) and the process - product (methods of production, local and traditional processing, packaging) all converge into one. An original product is obtained from that intimate association of a delimited geographical area, in which the conjunction occurs. Therefore, the product is inimitable in nature and retains its identity throughout the entire value chain.

The legal system of protection of GI/DO emerged in France with the law of 6 May 1919 regulating the protection of denomination of origin for wine regions rich in tradition. The French regions were devastated because of the First World War, which led to the state incentive mechanisms to boost economic activities. The legal protection and legal security
afforded by the law of denomination of origin was very successful and got wine associations were created in order to regain their quality and consumer recognition, not only locally but also, globally. This Law also elevated geographical names, to which the State recognized special attributes to the category of IPR - Intellectual Property Rights.

The protection of DO's in the field of world trade had been in international negotiations on two specific agreements: the Madrid Agreement of 1891, which in 1934 introduced provisions on geographical indications and the Lisbon Agreement of 1958. None of them counted with important support of many countries.

And it continued in 1995 when the TRIPS were accepted – reaching the adhesion of at least 125 countries-. This Agreement introduced the multilateral trading system provisions on IPR -related trade and at the insistence of the European Union it was included the Geographical Indications.

The TRIPS Agreement contains three specific provisions in the definition, first, the general system of protection applicable to all products and a specially wines and spirits, second, exemptions relating to pre-existing rights, and third, the principles set of no discrimination characteristic of multilateral agreements. It also obliges Member States of the WTO to have legal means to prevent fraudulent use of the IG, when the product has a different origin to avoid misleading the consumer, and / or when the use of a GI is an act of unfair competition.

The IG's recognition of the European Union presents conceptual differences in cultural, economic and legal issues for Argentina. Cultural, because some of the IG's are part of everyday language and food habits. Economic, because recognition of a GI may involve the ending of the use of the name by which many companies sell their products in the domestic and foreign markets, implying a repositioning of the product with a new name in those markets. Legal, because the EU proposal would involve non-compliance of the national legislation and the TRIPS Agreement, regarding the protection of trademark property rights and the prohibition of allowing the appropriation of names in common use by private companies.

These differentiation's instruments (DO and GI) - used in agriculture and agri-food, wines and spirits began to spread in Argentina in the nineties from the National Government, although the institutional aspects like laws to protect them were implemented after the approval of the Act, in 2000. To the present, there have been recognized, almost 86 Geographical Indications and 2 DO of wine products, such as, Wines of Lujan de Cuyo and San Rafael, and two food products: DO Chivito Criollo of Norte Neuquino and DO Salame of Tandil and there are others in their ways to be accepted like: Patagonian lamb (Cordero Patagónico), Colonia Caroya Salame, melons Medaglia, among others. The products thus protected at national level have not yet reached international protection, since the MERCOSUR - EU negotiations have not been completed until these days.

The National Government and several provincial governments strongly believe that there are effectively differentiated products by their particular origen-related quality, and traditional and historical production methods, and also they estimate that the promotion of this form of recognition and value added, would promote the growth of regional economies. Therefore, the National and Local governments supported the producers and farmers using technical programs and international funding, coming from the Quality Program of the National Department of Agriculture Livestock and Fisheries), including conscientiation, training and other ways of promotion. Still, the progress is slow not only because of the commitment required for the development and implementation of a standardized quality protocol, but because in the organizational aspects, the association of the actors involved is very complex and requires efforts that not everyone is willing to perform.

The Agricultural Sector has always played an important role in the recovery of national and regional economies of Latin America countries, in general, and of Argentina, in
particular. Since the recovery and protection of typical territory, not only as an economic area but also as a social and cultural development’s area, is being strongly appreciated by local governments. Thus they are gaining commitment and involvement and more leadership.

Problem statement

At follow-up that has been done on the subject, serious problems are observed that affects the chances of developing this strategy of social cooperation with regional impact, since the producers (actors) of the production chain must do relevant investment to achieve quality standards imposed by their own protocols as well as the effort to grow as a person and as a entrepreneur, to achieve social cooperation, which means the organization in one of the different forms of civil association according to the requirements of the DO/GI Act.

The other difficulty is that legal protection is limited to the domestic market, because not having Bi-National Agreements as demanded by WTO, DO/GI protected products can not be exported for lack of mutual recognition in the destination countries, or if exporting the product do not get the recognition of the relevant Agencies in the destination’s country. Therefore, producers and farmers cannot benefit from the incremental value they should get.

And finally, regarding the domestic consumers exists in the collective imagination a connection with the Origen’s name and the product quality, but they are not always willing to pay a premium price while recognizing the differential attributes of the IG/DO. In other cases, it is recognized a differential value of the product as a result of a prestige and recognition of a Denomination of Origin however it does not generate additional value, either because the consumers are unaware or they do not understand the guarantees or benefits that this tool can provide.

I

The world market trends open multiple pathways to recovery and differentiation of local products through specific qualities such as Denominacion of Origin and Quality Seals that give exclusivity to the production of a particular region and that properly planned should generate profitability that returns to the Origin and consequently to the farmers and producers. The identification of potentiality in rural areas is one of many rural territorial development processes that are gaining momentum in the countries of the Southern Common Market (mercosur).

The definition of "Denomination of Origin" is the name of a region, province, department, district, city or registered area of the national territory which serves to designate a product originating therein the qualities or characteristics are due exclusively or essentially to geographical environment, including natural and human factors. Denomination of Origin refers not only to the specific source of a product, meaning, the local territory where it was given origin, but also refer to particular qualities result of production processes, raw materials, selection practices, knowledge technicians, which allow the product reflects a specific quality and may not be reproduced elsewhere.

While protection and recognition of a product with DO/GI is a tool of differentiation and added value, above all, it is an instrument of legal protection that provides legal frame against the usurpations and false imitations. For example, within the legislative framework of the MERCOSUR's Protocol Harmonization of Intellectual Property that establishes rules and principles that guide the actions of the countries in the recognition and enforcement of Intellectual Property Rights, such as ensuring that the execution of those rights not represents a barrier to trade and that countries undertake to mutually protect their GI/DO's.

With DO’s protection a quality product attributable to its geographical origin is ensured. These particular characteristics are not an information "invented " or "created", but part of the tradition and therefore they are "recognized" and are maintained in accordance with production’S protocols whose "intrinsic characteristics" depend on associated natural and
human factors. The GI/DO once recognized and registered are granted forever, unless an eventual natural factor changes some of the features that gave them Origen.


Also the Argentine government not only incorporated all undertakings IG's and DO's TRIPS Agreement, but also designed an institutional structure for recording domestic and foreign IG's and DO's. International negotiations on Denomination of Origin are brought forward via MERCOSUR - EU.

However, the date of entry into force of the TRIPS Agreement in 1995, the EU already had a legal protection regime of DO's: Regulation 2081 /1992. Currently in the EU agricultural and food Regulation (EC) No. 510/2006 and wine products by Regulation (EC) No. 1234/2007 regulate products. Since the finalization of the Uruguay Round (1986-1994), the EU has continued to insist in negotiations aimed at increasing the protection of GI both at the multilateral level, as also bilaterally through Bilateral Free Trade with countries such as: Mexico (1997), South Africa (2002), Chile (2002), Canada (2003), USA (2006), Australia (2008), Korea (2010) and Colombia (2012) from which managed to get these countries to renounce the use of globally recognized names used as generic which are: Cognac, Grappa, Bourgogne, Chablis, Champagne, Marsala, Port, plus get the recognition and protection of hundreds of DO's.

The European Union, in representation of a strong interest from France, Italy, Portugal and Spain, demands exclusivity on the use of the names of foods that originated in their territory, to third countries. The explanation of this situation is related to the emigration that occurred in the early twentieth century that globalized those names. The phenomenon occurred because large numbers of European immigrants in order to reach new territories turned to food processing not only repeating the procedures used in their region of origin, but also the same names. For example, the semi-hard or hard cheeses were called Parmesan or Sardo Regiano. All these names were used to identify the product and were accepted by society in general, and in many cases, regulated by national food laws. By then, no country had adopted some legal protection system and eventually became the names commonly used terms with which the population began to identify these products (known as generic).

Currently the Countries Parties of MERCOSUR have not yet concluded any agreement on the DO's with the EU. However, many companies have been recalled in recent years various denominations, either for exporting, for ignorance or for being purchased by European companies interested in the protection of the name and will not be further used. (Échenique, 2013) An example of this is that in Argentina in 1999, the article 627 of the Argentine Food Code (CAA) was changed regarding the identity and quality of blue cheese. The amendment provided that the sales description of the Roquefort and Gorgonzola cheese were to become "blue cheese."

In the negotiation of the free trade MERCOSUR-EU, the latter demands the recognition and protection of a list of over 200 IG’s, arguing that the reputation of their products is used to deceive or mislead consumers regarding the true origin. The EU argues that the consumer and product reputation are legal rights that must be protected, when the real reason is economic, that is, the enormous commercial value that some of these names have.

Nationally the cornerstone of development policies for the food industry is set to the value added at origin and development with social inclusion. Salame Tandil: In September 2011 the second local Origin Denomination formally recognized. Before, DO Chivito Criollo
Norte Neuquino. There are several projects in development, but there is still a long way in a country of federal organization, which has a vast geography, diverse agro-ecological niches, strong presence of migrant cultures, and therefore, many products "with origin" whose possibilities to be recovered should be considered.

Argentine food, particularly regional production, in the case of eligible demanded by GI / DO could adopt this strategy to achieve greater market recognition. Thus, shrimp, squid, crab and hake are the South Atlantic in the name Patagonia a synthesis of known origin and quality. The same happens with pears and apples from Alto Valle de Rio Negro, lemons and pink grapefruit from Tucuman, Salta and Jujuy. All typical, well known and prestigious highly positioned in the global market for its quality products and recognized origin. Argentine Beef constitute the great paradigm of typical food, notorious and prestigious that owes its positioning and quality due to the geographical origin and natural grassland. No escape to this distinction the salame of Tandil, product that has built its identity over nearly a century of existence through natural and human factors integrated in a particular region that have given its feature tipicality

Valuing a product is a multidimensional process: social, political, economic and cultural it assumes a potential situation: a product, territory, society and market recognition, actual implementation requires mobilized actors, interested consumers an intervention team, the deployment of collective action, and knowledge especially bonds of trust join the parties.

Regarding to the DO’s organizational aspects, it must be considered that revaluation processes requires time and because its complexity, requires also an agreement with a team stable over the time. In Argentina, according to the Act No 25.966 and its amendment No 25.380 (art. 9), it is mandatory that each DO has a unique name, which shall includes exclusively the actors involved and engaged in the extraction, production, packaging, and marketing of the products covered by the DO.

This Council of DO, its authorities and with its legal status, is responsible for developing the technical aspects because of the right that has been conferred by the representation of all farmers registered under the DO. The DO’s Councils are empowered to control, maintain and improve the quality of their products and the freedom to choose the legal organizational figure that it is most appropriate and suitable for them.

**Designation of Origin Case Salame Tandil**

The search for the Denomination of Origin for Salame Tandil took about 15 years of work until the current Promotion Council was conformed, including the definition of typical product (salame) and the development of the Protocol (quality). This story was triggered by a presentation of the former authorities - Ministry of Agriculture, Livestock, Fisheries and Food of the Nation, in the city of Tandil, due to spread of Denomination of Origin and, also the Argentina First International Seminar on Denomination of Origin, held in the city of Buenos Aires in 1995. During the meeting with the participation of a large number of local agri-food producers, they make first contact; some of them are members of the current Board. This initiative was immediately supported by the Municipality which supported the initiative through different resolutions commending the implementation of action programs for sausages handmade, and the declaration of local interest in obtaining a future denomination of origin that included the term "tandileros".

Several projects among producers, farmers and the Municipality began, and in order to adapt to national regulations regarding DO, the end of 2004 created it created a Technological Pole called "Producers Group chacinados of Tandil", all the tandilense producers were invited to participate in the project aimed to request a DO. Professors and researchers from the Department of Food Technology of Veterinary Sciences School (National University of Central Buenos Aires Province), participated and cooperated in the definition of the type of product that would be protected, the definition of the criteria that such a decision should be
based its patterns and finally procedure for both processes and the products, depending on the needs of the consumer.

As a result of this research project and joint work was presented the form of Denomination of Origin Salame of Tandil, in 2006. As a result of the changes to be made by the Regulatory Decree No. 556/2009, it became necessary to redesign the presentation, taking into account both aspects of the product and the production process.

In early 2010, a group of producers and marketers of Tandil, formed an association called Civil Council of the Denomination of Origin of Tandil Salame, with the sole purpose of promoting and regulating the Denomination of Origin “Salame de Tandil” according arises from legal documents of the Council. Subsequently acquires the character of Legal Entity from recognition by resolution DPPJ No. 2234 of the Justice Provincial Department under the Ministry of Justice of the Province of Buenos Aires. In this way, the Council was institutionalized and a common vision to protect a typical production linked to the cultural heritage of the region, which was permanently attacked by fake copies and counterfeits. It was reflected on paper work that had begun to take shape from informal meetings long time ago. A project that brings together producers, government of province of Buenos Aires, Tandil Municipality, technical schools, local institutions, national universities and countless reviewers.

The paperwork submitted by the Board of Denomination of Origin of Tandil ‘s Salame was finally approved by National Goverment (Resolution SAGPyA 986/2011) in which , the quality protocol " Salame de Tandil " was approved, in September 2011.

Currently, the Board is composed of twelve members including sausages manufacturers, despastaderos, cattle producers, and farmers, businesses of regional food, pig farms, marketers and Institute of Agricultural Education, which are described and identified in the following Table. Although the Association is open, allowing the incorporation as partners including all the actors involved in the value chain of salami, since its creation has maintained its original conformation.

The Council is composed by large salami’s manufacturers, vertically integrated with agricultural and livestock production, also by smaller producers, and diversified developments of salami on a small scale and retail at the same time, and an educational institute which also produces and distributes salami following quality protocol. This is how they can be together in the same business and the Council, including those who produces handmade’s salami, only – Estancias Integradas-, as much as those processors that make the same products with the highest international technology both in processes and equipment - Cagnoli.

Also there are members whose production dates back to the last Century when European immigrants settled in Tandil and found the ideal climate for making salami which name became famous and reknown transcending the borders of the city and began to gain fame in major hotels and restaurants in Buenos Aires. Others have started for the first time and others started over the craftsmanship of salamis, more recently, settling in Tandil. –the productive region.

<table>
<thead>
<tr>
<th>Business name</th>
<th>Activity</th>
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</thead>
<tbody>
<tr>
<td>CABAÑA LAS DÍNAS</td>
<td>Las Dinas S.R.I. Sausage factory</td>
</tr>
<tr>
<td>CAGNOLI</td>
<td>Cagnol S.A. Meat processing plant (pork and beef) sausage factory</td>
</tr>
<tr>
<td>ESTANCIAS INTEGRADAS</td>
<td>La Isidra S.R.L. Livestock producer, agricultural, sausage factory and regional retail of food products</td>
</tr>
<tr>
<td>SYRUYET</td>
<td>Syrrey S.A. Regional retail of food products</td>
</tr>
<tr>
<td>UNIPORC</td>
<td>Uniporc Tandil S.A. Breeding Swine (1000 mothers in production)</td>
</tr>
<tr>
<td>CHARCUTERÍA TANDILERA*</td>
<td>Javier Norberto Menéndez Breeding Swine (50 mothers in production), sausage factory, regional trade in food products</td>
</tr>
<tr>
<td>GRANJA EL REENCUENTRO</td>
<td>Luqui S.A. Breeding Swine (450 mothers in production), sausage factory, regional retail of food products</td>
</tr>
<tr>
<td>GRANJA 9 DE JULIO</td>
<td>Granja 9 de Julio S.A. Breeding Swine (200 mothers in production)</td>
</tr>
<tr>
<td>ESTABLECIMIENTO EL CIMARRON</td>
<td>Planum S.A. Beaststock producer and agricultural</td>
</tr>
<tr>
<td>INSTITUTO AGROTECNOLÓGICO DE TANDE</td>
<td>Inst. Agroturnologico de Tandil Dr. Ramón Santamarina Institute of Secondary and College</td>
</tr>
<tr>
<td>ESTABLECIMIENTO SAN LORENZO</td>
<td>Zabbarre S.A. Beaststock producer and agricultural</td>
</tr>
<tr>
<td>MARIA LELOIR</td>
<td>Maria Leloir S.H. Beaststock producer</td>
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Table: Composition of the Council of the Denomination of Origin of Salame of Tandil.
Salame Denominacion of Origin

The Tandil Salami has built its identity over nearly a Century of existence. Its flavor and aroma has been from the very origin of the activity in the region, the differentiator for excellence and prestige reached nationwide. This is recognized by producers, processors and consumers and even local visitors from other regions of the country and the world. Carefully selected meats and bacon, combined with spices and ingredients prepared in conformity with an old family recipe, added to the maturation in the exact amount of time and under an adequate climate, gave origin to a product with distinctive flavors and fragrances.

There is a clear, direct and almost immediate association between Tandil region and salamis. This determinant identification of product and region, and its persistence over time, contributed to the formation of the current recognition and reputation of the product from Tandil, since it expanded into other areas beyond the original boundaries of Tandil.

The salami Tandil has developed its distinctive qualities from multiple factors associated with the natural environment of the region and the aptitude and attitude of men who for nearly a century ago began to develop this product. It is the result of a history of immigrants, who were rooted in a very particular way within the pioneer families of this activity in the region itself, and they knew how to combine the old knowledge written in ancient own recipes, with excellent natural resources and the enabling environment that offered the new land. Thus, this salami is the result of a process that harmonizes the favorable environmental conditions from Tandil, availability of raw materials in sufficient quantity and quality, the knowledge of traditional production techniques and a unique legacy of carefully guarded recipe. All linked by a wise family transmission’s process that ensured the survival of the secret “know how” in order to keep it from one generation to the next.

The geographical area in which the DO Salame Tandil is settled down, is a particular area that combines urban and rural elements, hills and mountains with small valleys, and configures a particular conjuction socio- productive and comprising within its limits both production of raw materials (pigs and cattle), as the process of manufacturing product.

The Denomination of Origin “Salame of Tandil,” was registered nationally and is considered a successful case which has required the development of innovative tools, strategies of the cultural heritage - tangible and intangible – revalorization that somehow the globlization devalued, and search and investment in the growth of local skills and resources.

The protection of this traditional activity is important not only for producers but for the entire region. Currently in the city of Tandil 400 tons per month of dry sausages are made and is employing more than 500 families, most of them are living in Tandil. While the relevance of DO salame of Tandil is bounded in terms of volume of monthly sales of each producer, its importance is radical in terms of value added per unit and the role it plays in the position as a high quality product in association with culinary roots in the region.

This allowed that rural and surrounding areas of Tandil, changed from being peripheral areas attached to the primary sector of the economy, structured in small and medium towns to be rediscovered and revalued, not only the geographical environment but also lifestyle, food, goods and services, representing the result of the cultural identity of the people. And that such processes are reflected in local economic and sustainable production that is environmentally friendly and necessary for the settlement of the rural population. No doubt that has taken a long time, and has not finished yet, still difficult especially in Argentina, a country strongly agri-exporter in which the natural resources are very rich and that shows itself as a supplier of commodities to the world, despite of aiming to be the hypermarket of the world, specially food provider (with added value).

The strategy of Denomination of Origin conecets around the quality food, collective actions, and assessment of territorial identities, focusing on market access and customer preferences, which revalued, rescue, protect and frame the rich heritage of the communities.
and towns, so that the DO strategies introduces an interesting potential for the reconstruction of the economic and social network of regional economies.

**Conclusion and recommendations**

Regarding the challenge and must of the Counsel’s members to maintain their partnership and grow both individually and collectively, requires an organized and hard work that will help to preserve the productive tradition and spread the differential value of this product. Because of this, the Council of the DO works not only in the control and audit of the productions made under the agreed protocol, but also in the organization of activities and marketing that spread the meaning and value of the DO, trough differents local and nationwide events such as: The Festival Salame of Tandil, Contests and Salamis Tasting at local and provincial level, participation in food shows, training sessions, as well as be transparent and respect both legal and accounting regulations that are included under civil partnership of its kind.

On the other hand, actions are also developed to help strengthen ties within the value chain of salame de Tandil, as recent agreements of mutual cooperation between the Council of producers and regional food shops of the city, or the Mutual Cooperation Agreement signed with the Faculty of Veterinary Sciences, National University of Central Buenos Aires Province, in order to allow the specialists audit the DO productions.

Regarding the lack of recognition of the great value of DO products, by consumers, the Council must work in lines of action that promote communication program at national level about the importance of DO in general, and typical products recognized as DO Salame de Tandil, in particular.

About the limitation and restrain that only allows the actors to market their products domestically, is not a task that can intervene council members, it only can be performed by the National government. It is in Argentina’s interest to move forward with the signing of trade agreements.

In the meantime, producers must work in advance around some issues like investing in human resources, promotion and marketing for further growth in the domestic market and thus absorb the higher costs associated with the certification process of the products with DO and the need to expand the critical mass of actors linked to the Council are the main challenges faced by producers of Tandil Salame partners in the Council of the DO.

The case study of DO Salame de Tandil is an experience of reengineering’s process of the agricultural and industrial Small and Middle Enterprises in the local and regional business. This successful consolidation of a DO strategy promotes the adoption of similar alternatives for different regions and different products, which would face the same challenge to survive and competitively grow wherein the intra-zone, industrial development and aims to improve linkages with the international system.

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