FACTS AND LESSONS LEARNT DURING THE PROCESS OF REGISTERING THE FIRST CAMBODIAN GI IN THE EU

Prepared for EU – FICCI – DIPP seminar on the registration, promotion and marketing of geographical indications

22, 24, 26 February 2016 – Nagpur, Chennai, Kolkata

Prepared by: Prak Sereyvath, Director of CIRD
Historical Background of Kampot Pepper

- Cambodia has a tradition of more than 700 years and a natural comparative advantage in pepper cultivation.
- Pepper production was mentioned as early as the 13th century, firstly in Kampong Trach, Kampot.
- Intensive production started in the early 20th century: up to 1 million poles in 1960 and exported up to 8,000 tons per year (Farmlink, 2007).
- Practically the entire pepper production in Cambodia came to an end during the civil war period (1970s & 1980s)
- Pepper production was only gradually re-established after the 1990s.
GI CREATION: HISTORICAL OVERVIEW AND REASONS FOR SEEKING GI PROTECTION

- A vision of MoC and MAFF: promotion and protection of IG is a rural development tool which is part of national development strategy.

- For the region of Kampot: Establishment of IG is a tool for regional promotion and also a means for protecting national heritage

- A financial support from AFD and Technical support from GRET and CIRD for the establishment of Kampot Pepper IG under “Pilot project on PGI in Cambodia” executed by MoC and MAFF

- Contribution of EU to the Royal Government of Cambodia on legal aspect and on the establishment of pilot IGs
GI strategy: planning and process toward the filing procedure for registering in EU

- Organization of meetings and seminars to introduce the GI concept and legal framework to producers, concerned economic actors and local authorities.

- Base on their motivations, a working group comprising of 26 members (representatives of producers and concerned economic actors) was established on 05 March 2008 through an election process.
Organization of regular working sessions of the working group assisted by PGI project team and PGI national secretariat for:

- Developing a proposal on by-law and work plan of Kampot pepper GI organization;
- Conducting a study and making a proposal on book of specification (BoS) of the product;
- Participating with experts in the process of geographical zone delimitation;
- Organizing consultation meetings on BoS with producers in all villages located in delimited zone;
- Doing inventory of Kampot pepper producers.
GI STRATEGY: PLANNING AND PROCESS TOWARD THE FILING PROCEDURE FOR REGISTERING IN EU

- GI organization foundation general assembly was successfully organized on 03/10/2008
- The GI Organization namely “Kampot Pepper Promotion Association-KPPA” was then officially registered on 28/12/08
- Board and EC continue to work on BoS
- 3 more assemblies were organized to discuss and approve the first year (2009) work plan, BoS, control system and control plan; first year result and second year (2010) work plan.
- After one year of full implementation of GI (BoS compliance, internal and external controls, GI logo/labeling developed; Kampot pepper GI was later on registered by KPPA at Cambodia DIP/MoC on 02/04/10 as one of the first two PGI in Cambodia.
PRINCIPAL REGISTER

National Geographical Indication (Geographical Indication)

Geographical Indication Name: Kampot Pepper
Application No: KH/GI/00001.09
Filing Date: 21-10-2009

Class/Goods: 30-Pepper

Applicant: Kampot Pepper Promotion Association

Address: Angkor Chey I Village, Damnak Kantut Khlong Tboung Commune, Kampong Trach District, Kampong Province

Registered for a term of 10 (ten) years from 21-10-2009 to 21-10-2019

Examiner: YAV ROTH SAI

In witness whereof, I have hereunto affixed my hand and the stamp of the Ministry of Commerce today.

CHAM PRASIDH
GI strategy: planning and process toward the filing procedure for registering in EU

REGLEMENT D’USAGE

Le présent règlement est déposé au regard de la marque communautaire collective n° 008497406, par l’Association de Promotion du Poivre de Kampot (KPPA), dont le siège social est sis Village de Angkor Chey 1, commune de Domnak Kantout Khang Tbong, district de Kampong Trach Cambodge, et dont le Président est habilité à représenter la KPPA.

1 – NATURE ET PROPRIETE DE LA MARQUE

La marque communautaire collective n° 008497406 est constituée de la dénomination POIVRE DE KAMPOT (ou "KAMPOT PEPPER" en anglais).

Elle a été déposée le 19 août 2009 auprès de l’Office de l’Harmonisation dans le Marché Intérieur (OHMI), par l’Association de Promotion du Poivre de Kampot (KPPA), pour désigner le poivre de Kampot en classe 30 et des services, notamment de vente et de promotion du poivre de Kampot, en classe 35.

La marque POIVRE DE KAMPOT est la propriété exclusive de l’Association de Promotion du Poivre de Kampot (KPPA), laquelle regroupe des exploitants (producteurs, transformateurs, entreprises de conditionnement) du Poivre de Kampot et a pour objet la protection, le défense et la promotion du poivre de Kampot.

2 – PERSONNES AUTORISEES

Il faut être membre de la KPPA pour être autorisé à utiliser la marque POIVRE DE KAMPOT. Peut
Both internal and external controls are applied to ensure the quality of Kampot pepper GI.
Promotion tools were developed followed with promotion campaigns organized at national and international levels:

Kampot Pepper GI protection and Market Promotion are the mandate of KPPA
Promotion tools were developed followed with promotion campaigns organized at national and international levels.
Kampot Pepper has very distinct flavor and smell. It develops an enthralling aroma, strong, and delicate.

Between mountain and sea. Kampot province special climate and soils, as well as the experience from generations of farmers, make it unique.

Visit our website: www.kampotpepper.biz
**Ingredients (serves 2)**
- 300g Local Beef Sirloin (slice)
- 4g Fine Salt
- 20g Kampot Black Peppercorn
- 10ml Lime Juice
- 80g Red Curry Paste
- 5g Prohok - Fish Paste
- 1 Red Bell Pepper
- 1 Green Bell Pepper
- 10g Shallot
- 100g Beef Stock
- 20g Kampong Speu Palm Sugar
- 10ml Fish Sauce
- 10g Unsalted Butter
- 10ml Sunflower Oil
- 200g Green Papaya Pickle

**Method**

1. Cut the beef in thick slices
2. Let the beef marinate with the Kampot black peppercorns and the red curry paste for 10 minutes
3. Slice the shallots, green and red bell peppers, and fry in a pan with salt and crushed pepper
4. Add the marinated beef to the hot pan and fry until the beef turns a golden colour
5. Serve on a plate with pickled green papaya on the side and a Kampot pepper and lime sauce.
KAMPOT PEPPER

This brochure was realized with the support of the pilot project for the development of geographical indications in Cambodia, under the supervision of the Ministry of Commerce of Cambodia, financed by the French Agency for Development and implemented with the technical support of GRET, CIRED and the support of the Ministry of Agriculture of Cambodia.

Geographical indications bureau: bgimac.cam@gmail.com

Kampot Pepper Promotion Association
www.kampotpepper.biz
Cambodia IG law was promulgated by NA in Dec. 2013.

Soon after, with the request from KPPA, Cambodia DIP/MoC started the filing process for registering with support from ECAPIII and assisted by BERENGUER & POMARES commercial law firm that is base in EU.

3 Observations made by EU Directorate-General for A&RD, comments & responses were made within the registration procedure.
Period for filing oppositions against KPPA application for the registration of the PGI Kampot Pepper expired on November 13, 2015.

The Implementing Regulation granting registration to be issued and published in the EU Official Journal within 1 to 3 months from this date.

Finally without any opposition, the name of 'Mrech Kampot' / ‘Poivre de Kampot’ (PGI) is registered in EU.
Avoid misuse and counterfeit of the GI name on the market:

- Ensure the consumer when it’s “Kampot pepper” on the label, it’s genuine Kampot pepper inside the box ➔ increase market demand
- Ensure producers that only the genuine “Kampot pepper” producers (or traders) can use the name “Kampot pepper” ➔ limit the supply by reducing counterfeit product on market.

Collective market promotion of the GI name ➔ increase reputation

Quality improvement due to control systems

As “Kampot pepper” is mainly for export market, it is useful to register as PGI in imported countries, e.g in EU.

Local development, promotion of traditional local know-how ...
GI protection: what are the advantages of GI protection?

Evolution of Kampot pepper production under KPPA since its foundation

<table>
<thead>
<tr>
<th>Description</th>
<th>In 2009</th>
<th>Up to mid 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of producer members (family)</td>
<td>113</td>
<td>241</td>
</tr>
<tr>
<td>Total land size produced by producers member (Total/Harvested -Ha)</td>
<td>9.45</td>
<td>50/25</td>
</tr>
<tr>
<td>Volume of pepper produced by producers member (Ton)</td>
<td>10.26</td>
<td>55</td>
</tr>
<tr>
<td>Amount of pepper produced by producers member which could be sold under the name of Kampot Pepper (Ton)</td>
<td>0.97</td>
<td>50</td>
</tr>
<tr>
<td>Number of individuals/companies member</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Total land size produced by companies member (Total/Harvested –Ha)</td>
<td>0.28</td>
<td>60/4</td>
</tr>
<tr>
<td>Volume of pepper produced by individuals/companies member (Ton)</td>
<td>0.50</td>
<td>11</td>
</tr>
<tr>
<td>Amount of pepper produced by individuals/companies member which used the name of Kampot Pepper (Ton)</td>
<td>0.40</td>
<td>10</td>
</tr>
</tbody>
</table>
A cooperative of Kampot pepper producers (Kampaco) was established for collective selling.

Written contract was applied between Kampaco and 7 private companies/exporters.

Contract farming also applied between some individual farmers with 3 private companies/exporters.

Each year, pricing is made by Kampaco in August, contract farming also made during this time.

A deposit of 20% of the total amount contracted was made by the companies to Kampaco & individual farmers.
IMPACTS OF GI ESTABLISHMENT AND COMMON MARKETING OF KAMPOT PEPPER

- A better collaboration amongst producers, market operators and authorities for the management and valuation of Kampot pepper GI;
- Quality improvement due to BoS and control system, especially on hygiene and environment aspects;
- A motivation sign makes the sector and region more dynamic
- A more diversified markets, particularly modern and export markets. These allow producers to sell their products easier and with higher price

<table>
<thead>
<tr>
<th>Year</th>
<th>Farm gate prices of Kampot pepper ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Black pepper</td>
</tr>
<tr>
<td>2009</td>
<td>4,50</td>
</tr>
<tr>
<td>2010</td>
<td>5,75</td>
</tr>
<tr>
<td>2011</td>
<td>7</td>
</tr>
<tr>
<td>2012</td>
<td>8</td>
</tr>
<tr>
<td>2013</td>
<td>11</td>
</tr>
<tr>
<td>2014</td>
<td>11</td>
</tr>
<tr>
<td>2015</td>
<td>15</td>
</tr>
</tbody>
</table>
### Estimated Additional Value

**Calculated Producer Turnover before the GI**

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>Quantity (kg)</th>
<th>Unit Price ($/kg)</th>
<th>Producers’ Total Turnover ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black pepper</td>
<td>95%</td>
<td>19,000</td>
<td>3</td>
<td>57,000</td>
</tr>
<tr>
<td>Red pepper</td>
<td>3%</td>
<td>500</td>
<td>3</td>
<td>1,500</td>
</tr>
<tr>
<td>White pepper</td>
<td>3%</td>
<td>500</td>
<td>6</td>
<td>3,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20,000</td>
<td></td>
<td>61,500</td>
</tr>
</tbody>
</table>

**Calculated Producer Turnover after the GI (mid 2015)**

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
<th>Quantity (kg)</th>
<th>Unit Price ($/kg)</th>
<th>Producers’ Total Turnover ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black pepper</td>
<td>70%</td>
<td>42,000</td>
<td>15</td>
<td>630,000</td>
</tr>
<tr>
<td>Red pepper</td>
<td>25%</td>
<td>15,000</td>
<td>25</td>
<td>375,000</td>
</tr>
<tr>
<td>White pepper</td>
<td>5%</td>
<td>3,000</td>
<td>26</td>
<td>78,000</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>60,000</td>
<td></td>
<td>1,083,000</td>
</tr>
</tbody>
</table>
LESSONS LEARNT

• Before the registration in EU, control was not made on exported Kampot papper in EU where misuse of the name already found in market
• To renew old plantation or to start new plantation it requires big start-up capital
• Limited capacity to respond the current demand that is creased every year
• Legal framework and law enforcement
• Control of counterfeit
• Fast expansion of individual big private enterprise from outside soon will make local smallholder farmers become smaller shares in production volume