



Do the French labels reflect the HNV value? The example of AOC

‘Can the market work for nature?’

Wiks castle, Uppsala, Sweden - June 2007



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What are AOC?

- ◆ **Appellation d'origine contrôlée : protected designation of origin**
- ◆ **Since 1937 for wines, 1976 for cheeses and 1990 for other products**
- ◆ **Supposes a link between the “terroir” and the quality of the product**
- ◆ **A legal procedure held by a committee which designs the cahier des charges:**
 - ◆ A list of Communes
 - ◆ (Specifications on the production patterns)
 - ◆ Specifications on the process (mandatory)
 - ◆ Specifications on the presentation (size, weight, aspect,...)
 - ◆ Possible revisions through time
- ◆ **(the best paid civil servant of MoA!)**



HNV x AOC [Wine excluded] (Solagro)

Legend

- PPDO in HNV Farmland areas
- PPDO out of HNV Farmland areas
- HNV Farmland areas without PPDO
- Out of HNV Farmland areas and without PPDO

Camembert
de Normandie

1. AOC in HNV

2. AOC not HNV

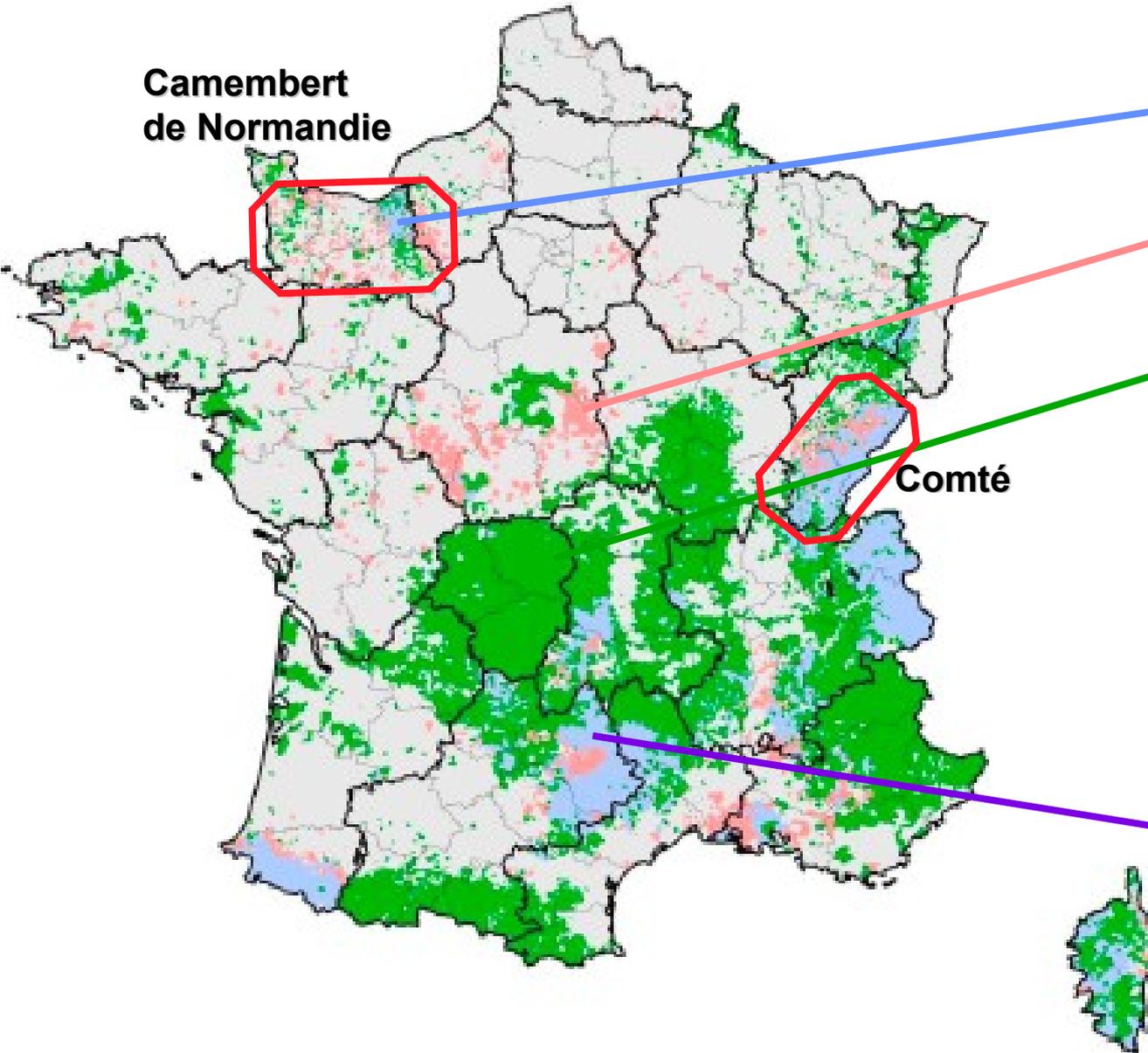
3. HNV not AOC

4. Neither HNV
nor AOC

In AOC world :
 $1 > 2$

Questionable AOC
being in HNV
(e.g. Roquefort 1.3 LU/ha)

Comté



**An assumption of a positive
- but not absolute - correlation**



Économie

- production, prix, délocalisation
- rentabilité, distribution
- tourisme

Emploi

- Emploi direct et indirect
- Qualification
- Exode rural

A.O.C. Comté

Tradition

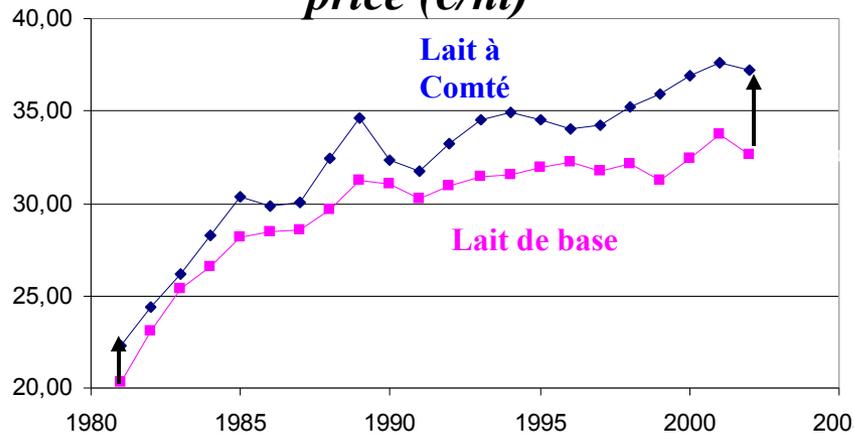
- 
- qualité
 - savoirs traditionnels

Environnement

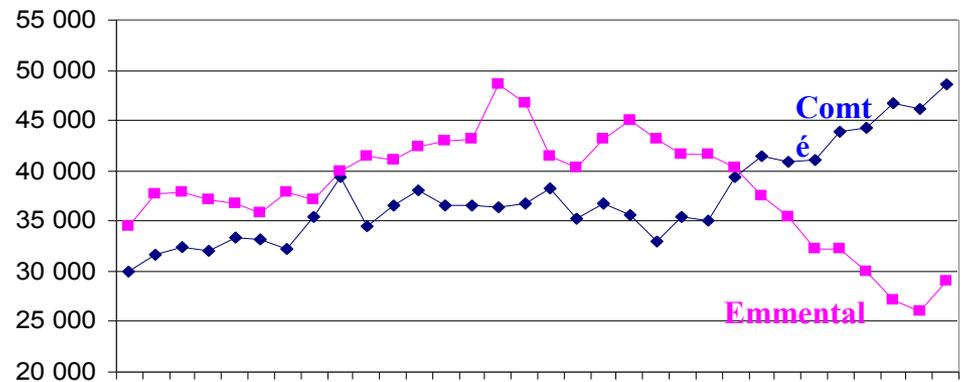
- Biodiversité
- Préservation de l'environnement
- Paysages

Economy

Producer's milk price (€/hl)

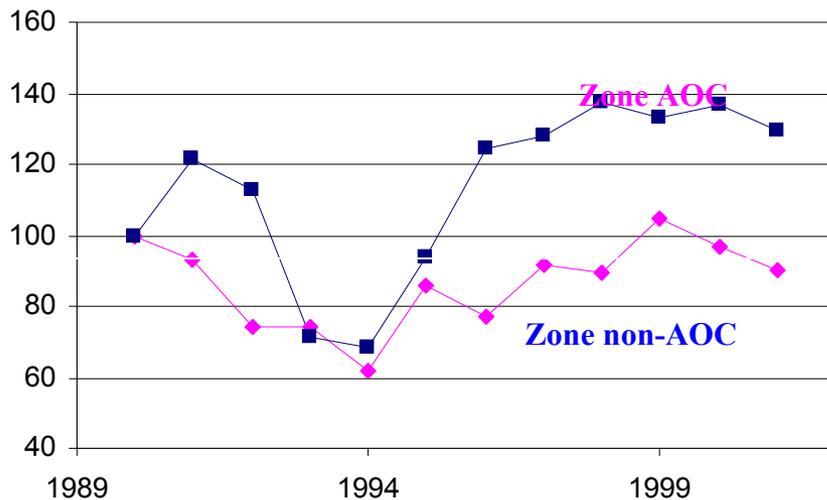


Volume of production (t)

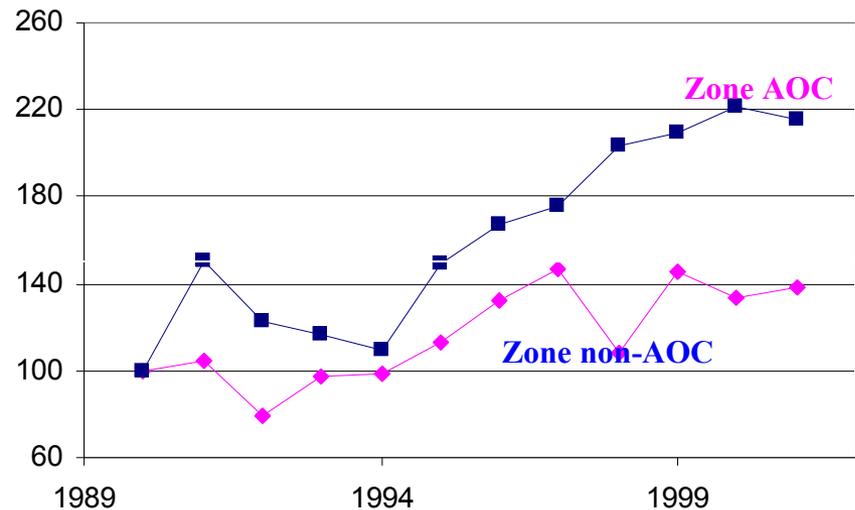


The maintenance of farms which, otherwise, would have had disappeared

- **The environmental content of the cahier des charges:**
 - **max 1 cow/ha of grassland - 1.3 LU/ha**
 - **max 4,600 l/ha of main forage area**
 - **no use of fermented forages (i.e. silage); no GMO**



Fertilisers/ha -100 = 1990



Pesticides/ha -100 = 1990



An increase in inputs 2.5 times less rapid than in other areas

Stocking rate: 0.95 bovines/ha against 1.11 outside

grassland; 30-65 species per field in AOC against only a tens in artificial grassland; studies about the relation between flora richness and taste

A redefinition of the question

- ◆ **From a naive static - and marketing:
“AOC preserves the terroir, and thus the traditional HNV farms”**
- ◆ **To “what does an AOC change in the development of HNV farms and product economy?”
“To what extent does it preserve some farms which, otherwise, would have had disappeared?”**



The Basse Normandie case



PRESENTATION GENERALE

LA BASSE-NORMANDIE



- Réalisation -
Atelier de Cartographie
du Conseil Régional de Basse-Normandie
Mars 2003



The Basse-Normandie case

- ◆ Until the XIXth century, a mixed farming region
- ◆ A direction towards meat and dairy products for Paris (special breed) + apples/pears
- ◆ Camembert, Pont l'Évêque, Livarot, Crème Fraîche, Cidre, Calvados... small factories
- ◆ “New” permanent grasslands
 - ◆ Not outstanding species
 - ◆ But a high number of species ($\pm 50-60$) for SD around 1
 - ◆ Land abandonment for 0.8 LU/ha
- ◆ HNV attributes at landscape level (circa 500 species in Pays d'Auge)

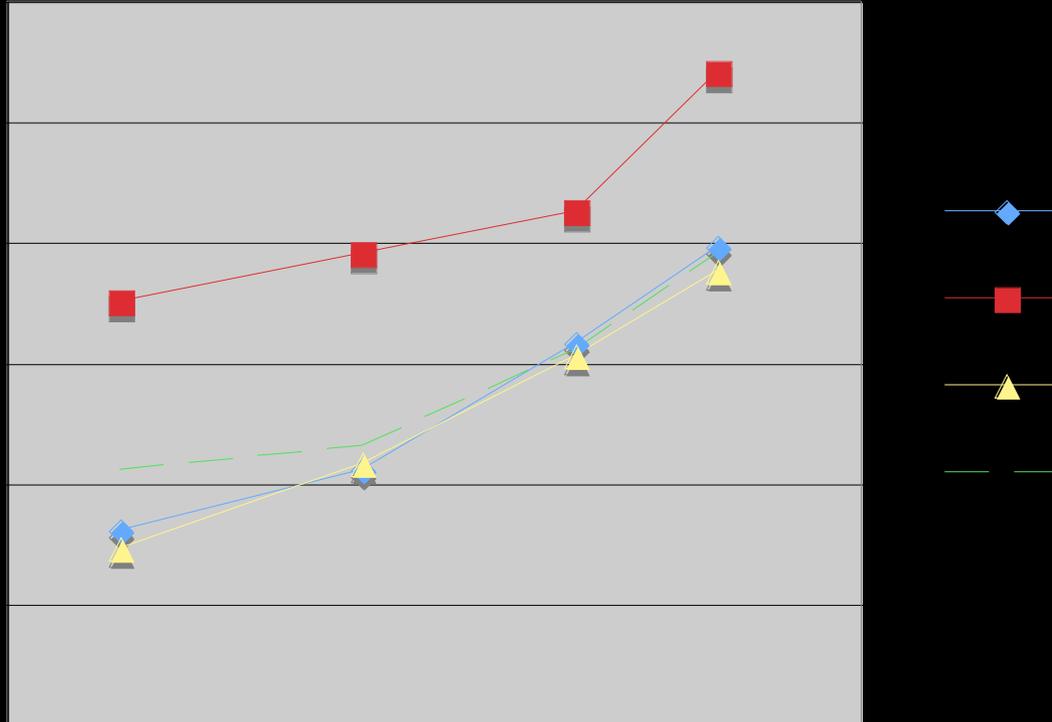


The Basse-Normandie case

- ◆ The development of a powerful dairy industry in the 1960's on the Camembert basis + other products (butter, milk, powder)
- ◆ The AOC “Camembert de Normandie” (≠ “Camembert”) in the 1970's
- ◆ Nothing about the production at farm level (only process and presentation)
- ◆ An economic success...
- ◆ ... mainly for agri-food industries (≠ Comté)



The Basse Normandie case

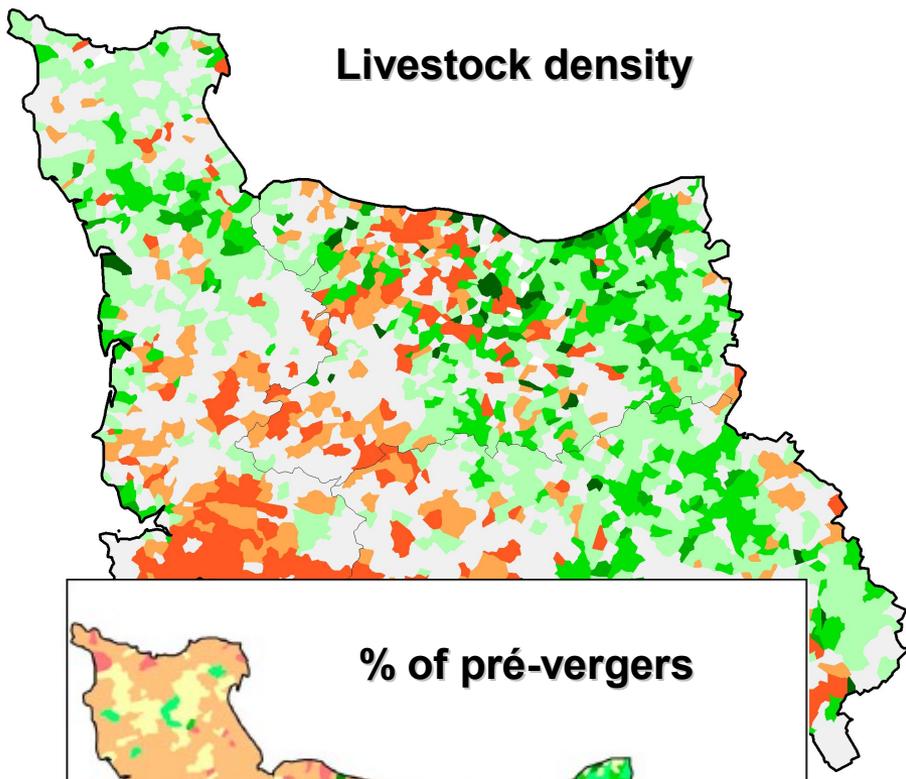


A HNV-AOC discussion

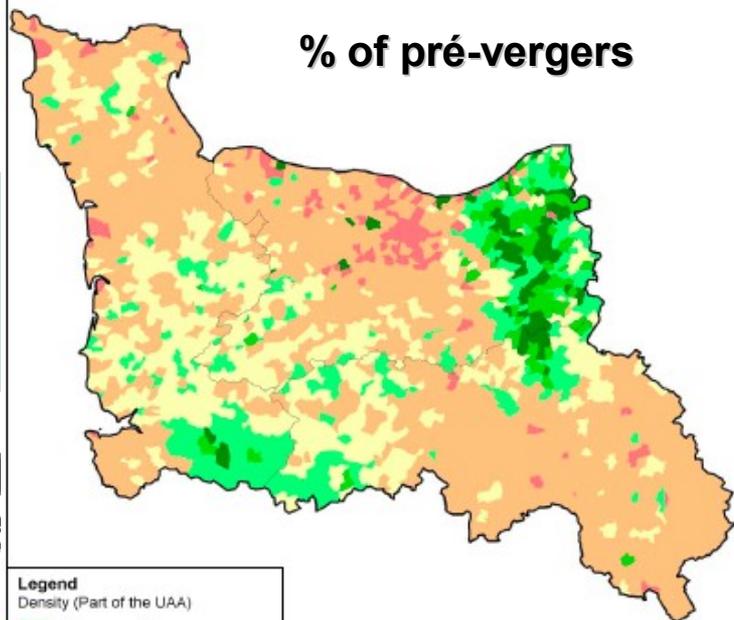
- ◆ **What is the point from a HNV perspective?**
 - ◆ % of not fertilised grassland, highlyt correlated to farming systems between 0.8 LU/ha and 1 LU/ha
 - ◆ Density of hedges
 - ◆ Presence of traditional orchards ('pré-vergers')



Livestock density



% of pré-vergers

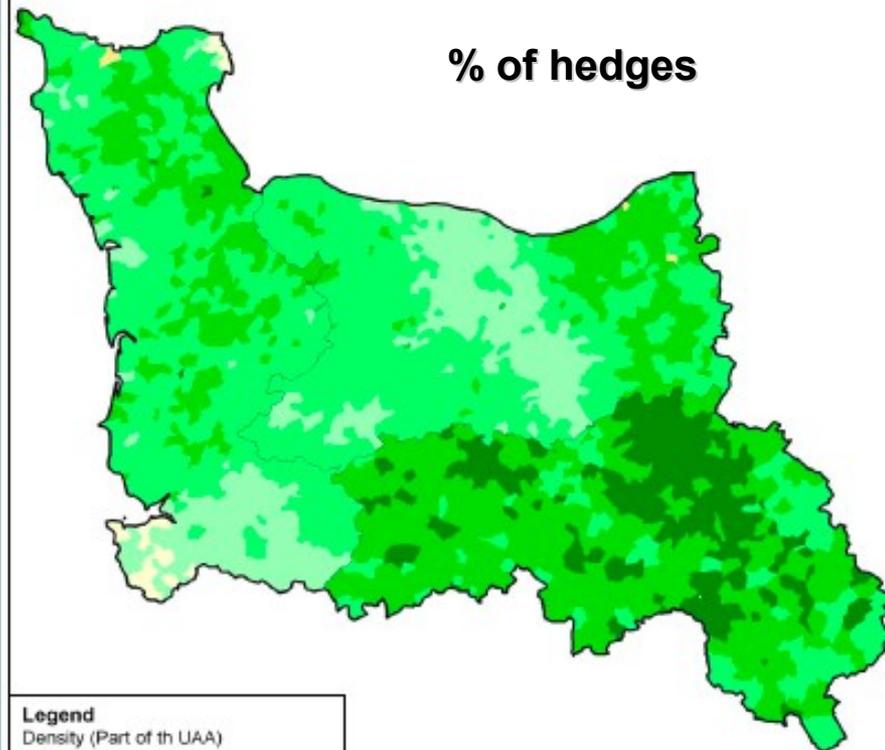


Legend
Density (Part of the UAA)

> 6%	(55)
4% to 6%	(74)
2% to 4%	(203)
1% to 2%	(403)
< 1%	(977)
None	(100)

Sources : RA2000.
(C) IGN GeoFLA pour les limites administratives.

% of hedges



Legend
Density (Part of th UAA)

> 12%	(154)
10% - 12%	(562)
7% - 10%	(794)
5% - 7%	(280)
2% - 5%	(17)
< 2%	(5)

Sources : RA2000, IFN Cycle 2.
(C) IGN GeoFLA pour les limites administratives.

A HNV-AOC discussion : 2 different strategies

◆ Western part of the Region (bocage)

- ◆ Specialisation intensification (maize), loss of the hedges density though still permanent grassland
- ◆ Industrial AOC for supermarkets (and quite good products)
- ◆ AOC did not prevent from losing HNV areas
- ◆ But still better than Bretagne

◆ Pays d'Auge

- ◆ Preservation of more extensive systems, though under a fragile balance
- ◆ Different AOC contributed to the continuation of diversified systems, more direct sale and producteur fermier
- ◆ Still, some ambiguous effects with dairy specialisation > 1.3

UGB/ha



**Pays d'Auge : the window for the whole AOC
(a strong marketing and identity image)...**

- ◆ ... but probably the main loser at broad scale

How to put more HNV in the AOC ?

- ◆ **Some discussions to put grassland in the cahier des charges**
 - ◆ affect the whole AOC, many losers
 - ◆ go against the supermarket interests
 - ◆ Strong discussions inside the sector
 - ◆ => AOC camembert de Normandie du pays d'Auge?
- ◆ **But not sufficient for HNV purpose**
- ◆ **Studies about the relationship of flora and quality of the product**



Better milk with \pm 20 species/grassland

(\neq 50-60 species of non-fertilised grassland)

Impact of the quality of the product % process?

What are the findings of this case?

- ◆ **Complex link with territory (cf. Gwyn's point)**
 - ◆ A standard camembert de Normandie is good
 - ◆ (better than a camembert)
 - ◆ A camembert de Normandie fermier is good but expensive
- ◆ **An AOC is - till now - a market tool which tends to create benefits**
- ◆ **These benefits will create an incentive to maximise production at ≠ scales (farm, region): a necessary ambiguous process**
- ◆ **The size, philosophy and history of the AOC producers organisation + the product itself do matter**
- ◆ **Labels, images are a question of marketing**
- ◆ **The WTO discussion (brands vs. terroirs)**



Can the market work for nature?

- ◆ Risky to have an approximate idea of things
- ◆ Marketing persons are quite skilful in promoting nice images
- ◆ Market is not a pure idea ('invisible hand')
- ◆ It is an organisation, with actors
- ◆ (this is a good new for our purpose)
- ◆ Can the nature work for another market?
- ◆ Yes, but not only with the present market instruments...
- ◆ It requires quite a lot of public policies to make the market work



We should not put all our eggs in the same basket

- ◆ **The market as it is has destroyed many HNV areas**
- ◆ **It might in future, and the rhythms of market and nature are not the same:**
 - ◆ How will the market be able to restore a loss on biodiversity in the future?
 - ◆ Nature is not a merchandise (though it might deliver commodities)

