Ähtäri, March 20th, 2014

# Nature-based products in Italy: their usage and marketing









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### Group of work and project

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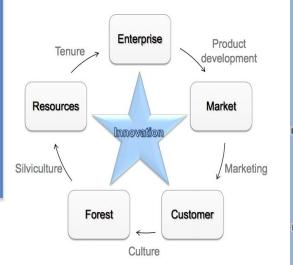






www.star-tree.eu

Multipurpose trees and non-wood forest products, a challenge and opportunity









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COST ACTION FP1203: EUROPEAN NON-WOOD FOREST PRODUCTS (NWFPS) NETWORK

Short Term Scientific Missions (STSM) are aimed at supporting individual mobility, strengthening existing networks and fostering collaborations by allowing scientists to visit an institution in another Participating COST Country



Ruralia Institute



Anne Matilainen

Research on marketing and branding of NWFP, focusing on the use of organic/natural/arctic logos





# Outline

- Some important nature-based products in Italy
- 2. NWFP marketing strategies
  - a) Mass products
  - b) Specialties
  - c) Complementary products&services
- 3. NWFP and territorial marketing





# 1. Some important nature-based products in Italy





# Chestnuts

• 780.000 ha



- Italy is one of the main producers and exporters of Castanea sativa Miller.
- 1° globally for value of exchanges
- 2 nd for volume of exchanges, after China
- Threats:
  - deseases
  - on the foreign market  $\rightarrow$  the Chinese competitors
  - On the internal market → weaknesses in the production organization. Small enterprises in hilly and mountaneous regions and asiatic competitors

Source: Piano del settore castanicolo (2010-2013)





# Mushrooms



 Strong tradition of picking and commerce of fresh and dried mushroom→legislation and rules since 1820 under Austro Hungarian domination





A national legislation list with additional regional/province legislation and lists accounting for the local culinary preferences of the population.





### Herbs

Herbs (Law 99/1931)



#### **MEDICINAL HERBS (DRUGS)**

WH0: plants that contain bioactive molecules used for therapeutic purposes.

#### **AROMATIC PLANTS**

Plants that contain essential oils (aromatic compounds) used for perfume and food flavours production.

- 296 different species from different countries used as herbs
- 142 species (48%) are cultivated or can be cultivated in Italy Source: ISMEA 2013, Ministero della salute et al. 2013





NAME - DRUG	USE (kg)	NAME - DRUG	UNIT PRICE (€/kg)
blueberry fruit	3.614.400	saffron stigmas	1.170,00
red grape seed	2.439.600	genepì male aerial part with flowers	58,5
ginkgo leaf	2.160.000	genepì female aerial part with flowers	58,5
Milk thistle fruit	1.920.000	Roman chamomile flower	33,8
fennel fruit	480.000	Echinacea angustifolia root	31,2
aerial part of Passiflora incarnata	432.000	mauve flowers	19,5
camomile flower	426.000	violet flower	15,6
onion bulb	360.000	pink pepper fruit	13,33
oregano leaves	360.000	escolzia aerial part	13
rosemary leaf	351.600	chives aerial part	12,68
licorice root	348.000	grindelia aerial part with flowers	12,55
Wormwood aerial part with flowers	300.000	and. pallida root	12,35
garlic bulb	240.000	bitter orange flower	11,7
coriander seed	240.000	gentian root	11,7
valerian root	240.000	Witch hazel leaf	10,4
anise fruit	216.000	lespedeza capitata aerial part	10,4
sweet clover aerial part with flowers	205.200	withania root	9,36
artichoke leaf	192.000	safflower flower	9,1
rhubarb root	184.800	wild garlic leaf	8,45
aloe juice	180.000	angelica root	8,45

Source: ISMEA 2013, Ministero della salute et al. 2013





### **2.NWFP Marketing strategies**





### It may be useful to refer to a distinctions among:

- mass products
- specialties
- complementary products and services





# 2a. Mass products





### Mass products – mass markets

- production of large amounts of standardized products (scale economies) for a large number of consumers
- competitive factors: reducing production costs → relatively low prices
- capital intensivation, land and labour estensivation
- high risks (market instability-biological risks)





#### Which marketing mix?

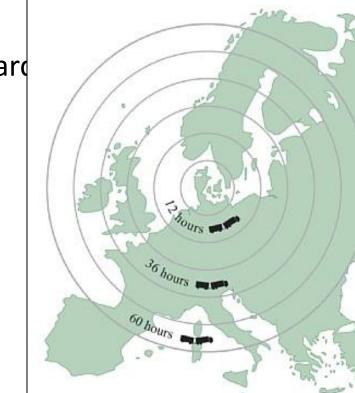
**4 Ps** 

2P

- Products: quality assurance, standard
- Place: logistic (JiT), packaging
- Price: cost minimization
- Promotion

- { Political power Public support/participation

Source: E. Jerome McCarthy, 1960







### Examples

- Cork
- Berries
- Resins
- Gum arabic
- Dried wild mushrooms







# Wild mushrooms from China

Da: CHUN BAO

Oggetto: Supply dry porcini, dry shiitake and dry champignons CHUN BAO FOODSTUFFS SHENZHEN CO.,LTD

Data: 27 ottobre 2010 09.50.47 GMT+02.00

Rispondi a: chunbaofoodstuff@gmail.com

🕨 🔗 6 allegati, 498 KB 🤇 Registra 🔻 🔍 Visualizzazione rapida

#### Dear Sir/Lady,

Good day! This is Feng Lin writing from Chun Bao Foodstuffs (Shenzhen) Co.Ltd to ask whether you need dry boletus edulis and other dry mushrooms.

Our company, Chunbao Foodstuffs (Shenzhen) Co.Ltd, has our own factories across the mainland of China. From its foundation more than 30 years ago, we are specialized in providing series of quality dried mushroom products, which are mainly sold to countries of Europe and Japan. Now we can supply a series of dried Boletus edulis slice and dried mushroom products, with different specifications. Part of current available products list as follows:

S.N. Category Class Specification Origin 1 Dry Sliced Boletus Edulis (porcini) A N/A Yunnan, China 2 Dry Sliced Boletus Edulis (porcini) B N/A Yunnan, China 3 Dry Sliced Boletus Edulis (porcini) C N/A Yunnan, China 4 Dry Sliced Boletus Edulis (porcini) D N/A Yunnan, China 5 Dry Sliced Boletus Edulis (porcini) A2 Small Slices Yunnan, China 6 Dry Sliced Boletus Edulis (porcini) T Small Hats Yunnan, China 7 Dry Sliced Shiitake Mushroom A 4.0 UP Fujian, China 7 Dry Sliced Champignons Washed 1 1.0 UP Fujian, China

We also sell dry shiitake whole, sawdust or log cultivated. Our product specification is more than 100. If you need a complete product list, we welcome your enquiry.

Based in Province Yunnan, Shanxi, Henan, Fujian, and Zhejiang of China, our company would sincerely like to build a corporation relationship with your business, and supply you with the very products and prices you just need.

If you are interested in us, please feel free to contact either through E-mail or telephone or fax we provide below. We can send your further information in the forms of brochure and CD disc of product photos. If you want to know more about our products, there are three ways we can offer: 1. posting CD disc of product photos to your physical address 2. posting sample products to your physical address 3. you are also very welcome to our factory in Shenzhen, which is located in Southern China, to have a field look, with the introduction of our specialists.

Our contact way: Telephone UK: Feng Lin +44-7867602040 or +86-13410882004 (currently in China and thus available) China: Zikun Lin 00-86-755-25535139 Japan: Yan Lin 00-81-90-3621-1026 E-mail chunbaofoodstuffs@gmail.com Fax China: 00-86-75525625219 Factory address West, Floor 7, Building 2 Shuibei Shihua Industrial Zone Cuizhu North Road, Luohu District Shenzhen, Guangdong Province P.R. China 518000 Best regards!

Sincerely yours,

Feng Lin



e Sistemi Agro-Forestali









# Pine kernels



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#### (from China, Korea, Russia, USA, ...)

#### Pine Nuts 1KG (Excellent Quality)-Cooking

h	Item condition:	New			
	Time left:	2d 10h (20 Mar, 2014	21:	19:59 GMT)	
	Quantity:	1 8 available / 2 sold			
	Price:	£18.99		Buy it now	
			4	Add to basket	
		5 watchers	•	Add to Watch list	
			*	Add to collection	
		T	S	Dipartimento Territorio e Sistemi Agro-Forestali	MCC R S

22,6 €/kg (price in Italy: 100 €/kg)

### The Telegraph

#### Cheap Chinese pine nut exports blamed for rare condition

Cheap Chinese exports of pine nuts have been blamed for a rare mouth condition that leaves a bitter aftertaste for weeks.



China supplies most of the world's pine nuts Photo: ALAMY





### Mass products – mass markets

→in Italy, as in many Mediterranean rural areas, this is not a winning strategy for promoting sustainable local development, added value, employment, multifunctionality





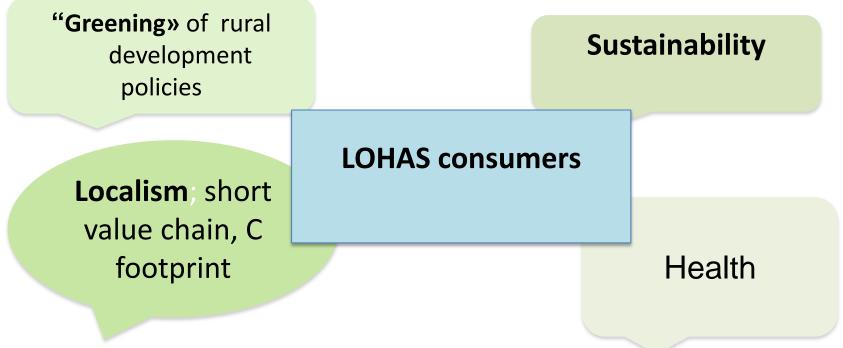
Alternative strategies based on strengths and constraints of the Med region ("competitive advantages")

- A long tradition of multifunctional forest management systems
- No much space for very extensive forest investments
- A high quality landscape
- A territory rich of culture, traditions, biodiversity
- Presence of highly educated young people (→ entrepreneurial competences?)
- Good connections with the more advanced economies (demand for tourism)
- Rather positive external socio-economic conditions: innovation spreading, greening of the policies (CAP)





New trends in marketing of food and, in general, products and services from rural areas



#### Some examples:

- O.F. Direct farmers market
- Purchasing solidarity groups (O.F. and F.T. also)
- Shops and markets selling only local food (O.F. also)
- Fresh milk automatic dispensers (O.F. also)

O.F.: organic food F.T.: fair trade products





### **2** alternative strategies





#### **Specialties**

e.g high added value niches product and services

#### Complementary products & services:

synergies with other products/services (tourism, recreation), i.e. with other economic operators



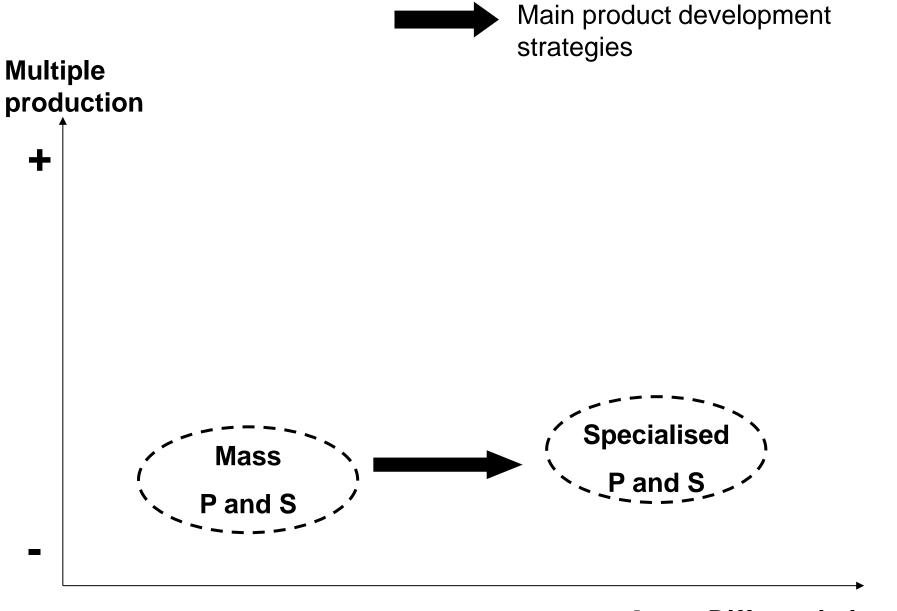


### **2a.Specialities**











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### **Specialized products and services**

Typically products and services well differentiated, often available in relatively limited quantities (e.g. specialties like truffles) for a target market.

Which marketing mix?

4 Ps
+ Products: quality assurance, certification, packaging, links with a territory or/and a local tradition
- Place: direct sales
- Price: selling systems
- Promotion: local association, e-marketing

- **2P** {- Political power Public support/participation

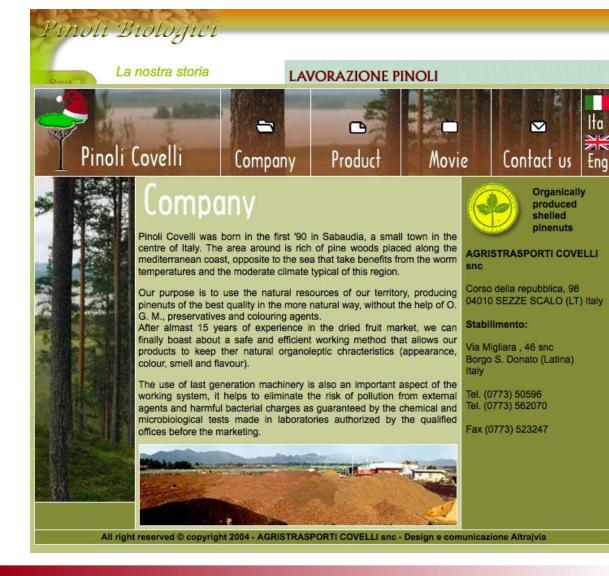




#### ... getting back to the pine kernel case...

#### specialities: organic-certified kernel (or from a protected area)





Our firm "Lavorazione Pinoli di Lanini Edo & C." has been involved with the production and uses of pine-kernels for more than thirty years. The pine-cones, from which we obtain them, come only from trees which grow naturally in our region, or are bought from others Italian producers who also take care about their place of origin.

Our forefathers had been occupied with the production and uses of pine-kernels in the beginning of the last century. They used rudimentary instruments which were used also for many others types of handiworks; nevertheless they took care about the quality of their products as we do today. The pine-cone harvesting takes place in a period which lasts from November till April- May, namely when the fruit is still "closed".

e pine-cones in the sun in our courtyards and fields until they e-kernels out through a special milling-process. After this still in their hard shells, are cracked, washed, selected and as small splinters of shell and yellow pine-kernels. At this packages from 25 Kg. and more. It is important to remark that e do not use any kind of chemical products which might alter preserve their physical and chemical characteristics, as well

he selling of -cones and ed for ting. We as fuel for smoke imparts









### Differentiation: certified chestnuts

### **Certification under EU regulations**

- Registration of Protected Designation of Origin (PDO) (Reg. 2081/92)
- Protected Geographical Indication (PGI)
- Traditional Speciality Guaranteed (TSG) (Reg. 2082/92)





Organic production (Reg. 2092/91, Reg. CE, 834/07 and 889/08 and at national level a D.M. 18354/09.)

Organic Chestnuts flour

#### Azienda Agricola BACCANELLA



Home

Prodotti

Contatti

Etica

#### Farina di Castagne Bio

La raccolta e la trasformazione delle castagne sono le attività con cui abbiamo iniziato a strutturare un rapporto stabile con la terra e l'agricoltura. Il marrone di Caprese e il suo rapporto con il territorio e la sua storia così come viene narrato dai castanicoltori locali ci ha affascinato e ci ha spinto a recuperare due castagneti di famiglia.



Il fatto di avere un castagneto di sola varietà pistolese, particolarmente adatta ad essere trasformata in farina, e di avere a disposizione un seccatoio della metà del 1800 ancora integro ci ha spinto a sperimentarci nella essiccazione tradizionale,

ricerando consigli ed insegnamenti dagli anziani che questa attività l'hanno vista e fatta negli anni passati.











### Chestnuts

#### Fairs, exhibitions, ...





- ... restoring old building ...
- ... research:
  - diseases, graft and crown care
  - recovering of old chestnut orchards
  - harvesting techniques







#### **Truffles**



83th Alba International White Truffle Fair, from 12/10 to17/11 JUST SATURDAY AND SUNDAY

. . . . .







... Sharing the experiences: a network of local municipalities (the Italian Associazione Nazionale Città del Castagno)



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### **New selling systems**

- Direct sales: "Pick-up your chestnuts": selling directly to the consumers the right to collect chestnut for a fixed rate or in relation to the weight of collected fruits
- e-marketing
  - B2B: fresh chestnuts, semi-finished products, ...
  - B2C: jams, dried nuts,...
- "Adopt your own chesnut tree": chestnuts picking and organised picnics under the chestnut tree





#### http://adottauncastagno.garfagnana.eu/

#### Adopt a chestnut tree:75 €/year

#### Adottando un castagno hai diritto a...

5 KG DI CASTAGNE FRESCHE (ritiro diretto presso l'Agriturismo Cerasa in occasione della merenda o nei giorni immediatamente successivi presso lo IAT Garfagnana, per tutti coloro che non avranno ritirato le castagne fresche nella spedizione dei prodotti essiccati sarà aggiunto 1 ulteriore Kg di Farina di Neccio DOP)

#### 1/2 KG DI CASTAGNE ESSICCATE

**2 KG DI FARINA DOLCE** (farina di neccio)

1 BUONO SCONTO con validità annuale del 10% sul pernottamento per n. 2 persone presso le strutture ricettive aderenti all'iniziativa (escluso i mesi di Luglio e Agosto). L'elenco completo delle strutture è consultabile sul sito di Adotta un castagno

1 BUONO SCONTO del 10% sull'acquisto dei prodotti dell'Associazione Castanicoltori presso i punti vendita aderenti

1 BUONO SCONTO del 10% sul menù degustazione con piati tipici a base di farina di castagne valido per due persone nei ristoranti e agriturismi che aderiscono all'iniziativa. L'elenco completo delle strutture è consultabile sul sito di Adotta un castagno

INVITO PER DUE PERSONE alla Merenda in Cerasa organizzata dall'Unione Comuni Garfagnana a metà Ottobre di ogni anno per la raccolta libera e la consegna delle









You help the recovery of the wood and the cultural and traditional territory and panorama

Adotta un castagno

#### Nolvelty: Product development



#### Dried soft chestnut

#### Chestnuts liquor



Package for making the traditional *castagnaccio* cake (based on chestnut flour, pine seeds, raisins)









### **Specialized products and services**

→good income opportunities for a single enterprise

(= they give the possibility of *premium prices*)

Sometimes good links with a local natural resources, but often:

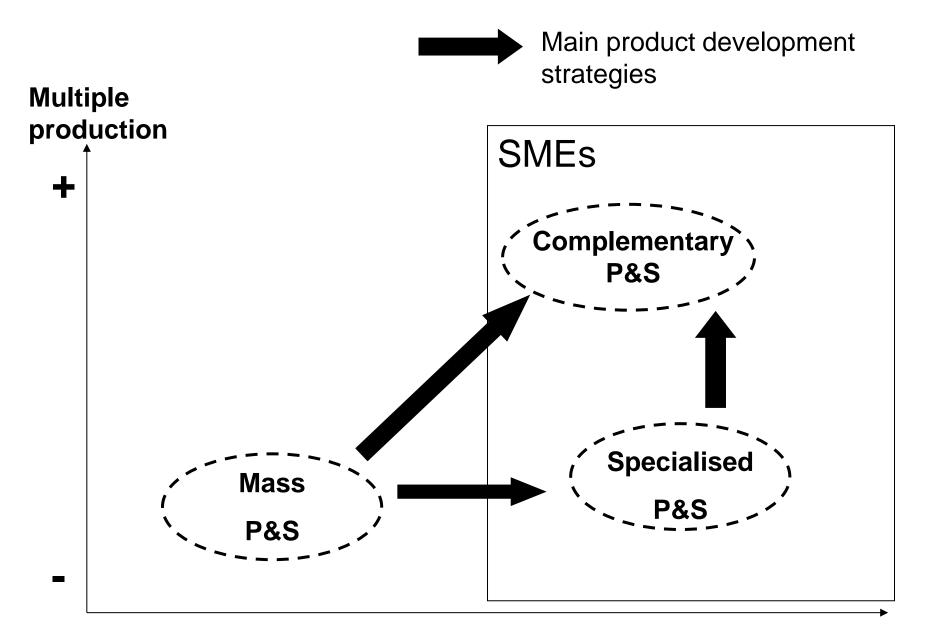
- seasonality
- no relevant impacts on the local economy
- specialized use of the forest resources (limited multifunctionality)



# **2c.Complementary products and services**









## **Complementary products and services**

= those specialized NWFP&S that can be sold and used in strict association with other, due to the synergies deriving from their conjoint marketing.

# ↓

A crucial role of networks

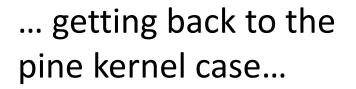
*"Network*: a mode of organization that can be used by managers or entrepreneurs to position their firms in a stronger competitive stance"





#### I pinoli di Migliarino

A pochi chilometri da Pisa, rigogliose piante sostennero a lungo l'industria alimentare nel Parco regionale che oggi affianca tante celebri spiagge di sabbia



complementary products & services: offering the kernel within a larger set of products and services



#### I pinoli di Migliarino

La pineta di Migliarino, in provincia di Pisa, é stata per molti decenni del XX secolo il primo centro italiano di produzione dei "pinoli" da cucina. è una splendida foresta di 2400 ettari in riva al mare, con piante centenarie, bella spiaggia e preziosa avifauna; conserva ancora i fabbricati e gli antichi macchinari per la lavorazione dei pinoli. La pineta di Migliarino fa parte del più ampio Parco regionale di Migliarino, San Rossore e Massaciuccoli: un immenso polmone verde da visitare fra Livorno e [Viareggio]viareggio\_lu], a ridosso delle frequentate spiagge di Marina di Pisa (11 km da Pisa). Il nome del Parco segnala le altre importanti attrazioni di questa zona protetta, fra cui Il Lago di Massaciuccoli con l'interessante sito archeologioo che vi si affaccia: una villa romana nella quale osservare tracce della zona termale e reperti conservati presso un Museo Antiquarium, dove é esposto anche un prezioso mosaico pavimentale.



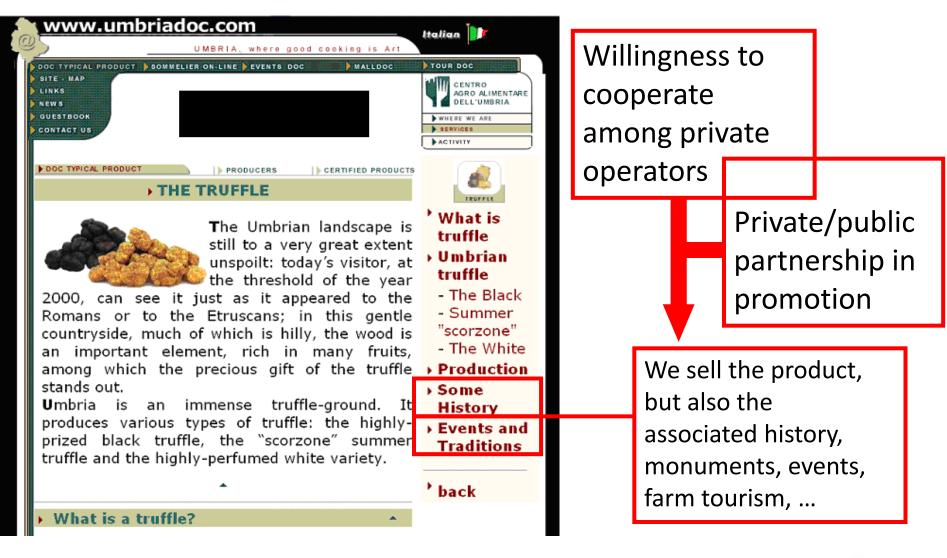


# 3. NWFP and rural development: territorial marketing





## Networking, integration









Vino nuovo e raggi di sole. Le settimane escursionistiche **"Torggelen"** in allegra compagnia.

Il bel tempo d'autunno, e sole caldo e le antiche usanze risvegliano l'energia vitale e la voglia di vivere.

Degustate il vino nuovo, accompagnato da caldarroste, noci, salsiccia fatta in casa e costolette di maiale.

<< indietro





Villages

Climate & lifestyle

Highlights What to see What to do

Where to stay

Törggelen holydays: few days- one week holidays (normally for aged persons) based on

roasted fresh chestnut +

walnut +

new red wine tasting +

speck and the meat organized in South Tyrol

- Autumn - 'Törggele' time



Autumn walks with friends and calling in at mountain farmhouses or inns for refreshment - called Törggelen'- is a favourite traditional activity in South Tyrol. The Nuien' (new wine made from grapes which a couple of weeks before were still in the vineyard) plays an important part, along with traditional dishes including 'Speck' (cured, cold smoked bacon), home made sausages with Sauerkraut or red cabbage, roast chestnuts followed by home made pastries, and much more. Törggelen' is a delight for all lovers of genuine food and drink, especially when enjoyed outside in the warm autumn sunshine from October to mid November.

On the left you will find informations on mountain restaurants offering snacks and new wine, mountain refuges and cable cars.

http://www.wanderhoteleuropa.com/it/wandern/angeboo05.html

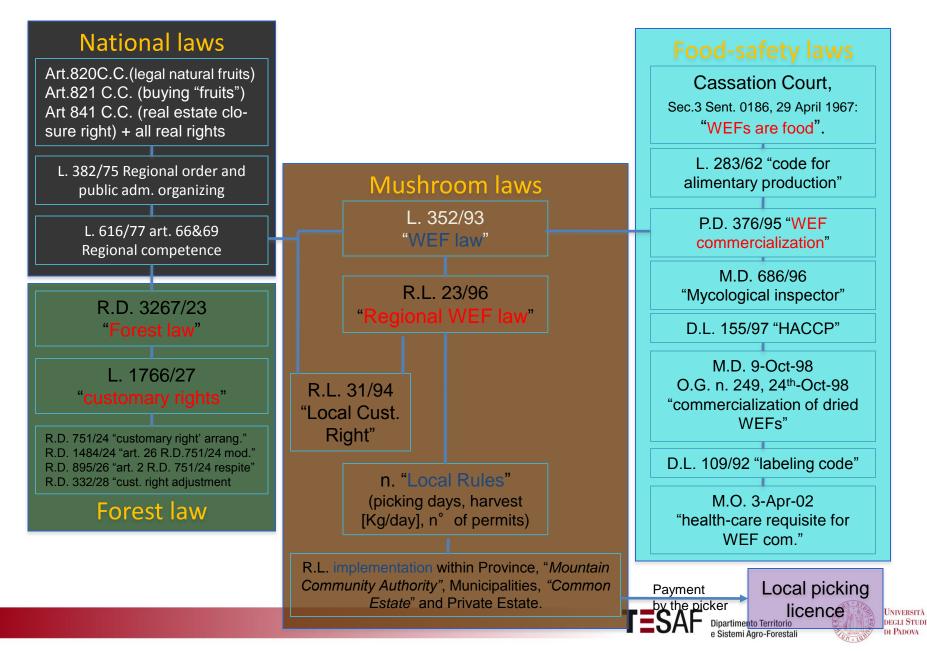
## Important steps

- Analysis (and reform) of the property rights regulation system
- Network analysis: value chain  $\rightarrow$
- The instruments to link actors:
  - Genus loci identification (imago product = brand of the territory)
  - Set of products & programs





#### **Property rights analysis, an example: WM regulations in Italy**

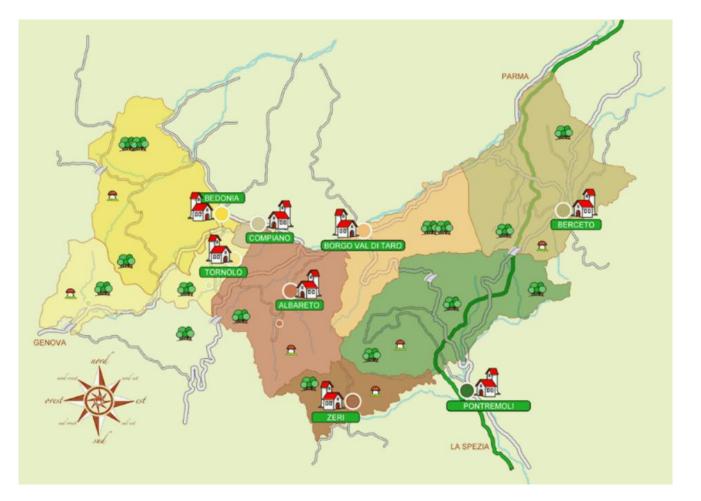


### Fungo di Borgotaro-Borgotaro mushrooms

#### A territory with the PGI

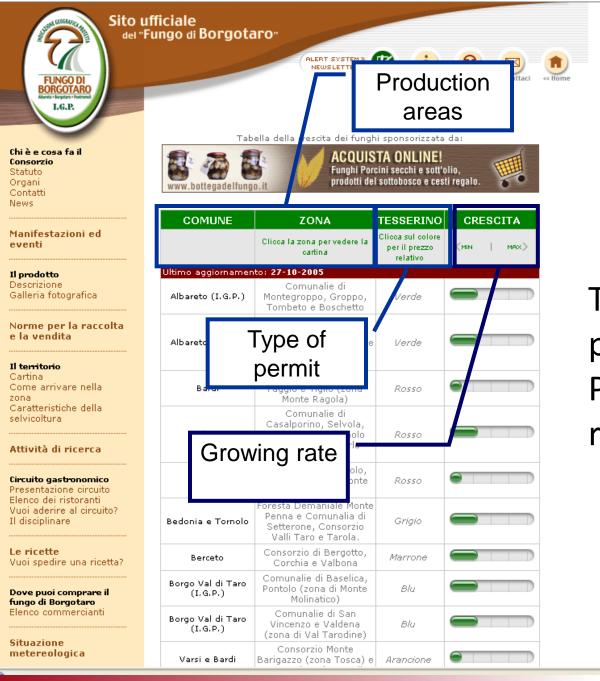


Borgotaro boletus →a product with PGI









The effects of a proper system of Property Rights regulations





Sito ufficiale del "Fungo di Borgotaro"

#### Tabella della cre Chi è e cosa fa il 1 Consorzio Statu Orga Daily permit: 15 Euro Cont News (for 3 kg max) Mani

eventi

FUNGO DI BORGOTARO

I.G.P.

<b>Il prodotto</b> Descrizione Galleria fotografica	Ultimo aggic Albareto (I.G.P.)	Mor egror
		Tombeto
Norme per la raccolta e la vendita Il territorio	Albareto (I.G.P.)	Comunalie Gotra Consorzio I Consor Sch
Cartina Come arrivare nella zona	Bardi	Comunalie Faggio e Monte
Caratteristiche della selvicoltura Attività di ricerca	Bedonia	Com Casalpori Casamur (zona Mor Mont
<b>Circuito gastronomico</b> Presentazione circuito Elenco dei ristoranti Vuoi aderire al circuito? Il disciplinare	Bedonia	Comunali Liveglia (z Ra
	Bedonia e Tornolo	Foresta Dei Penna e ( Setteroni Valli Tar
<b>Le ricette</b> Vuoi spedire una ricetta?	Berceto	Consorzio Corchia
Dove puoi comprare il fungo di Borgotaro	Borgo Val di Taro (I.G.P.)	Comunalie Pontolo (z Moli
Elenco commercianti	Borgo Val di Taro (I.G.P.)	Comun Vincenzo (zona di V
Situazione metereologica	Varsi e Bardi	Consor Barigazzo (

#### ALERT SYSTEM» 👧 ; 🔗 🤛

#### » TESSERINO VERDE

Z

Comunalie di Gotra, Buzzò, Albareto, Boschetto, Groppo, Tombeto e Montegroppo in Comune di Albareto.

Verranno rilasciati tesserini di colore verde con le seguenti caratteristiche:

\* giornaliero (valido per il giorno indicato nel tesserino) :

costo: Euro 15,00 per i non residenti in Comune di Albareto; Euro 6,00 per i residenti nel Comune di Albareto nonché per i proprietari, ed affittuari con contratto almeno annuale, di seconde case nelle frazioni delle Comunalie

Clicca la zor \* semestrale (valido comunque non oltre il 15.11.2003):

> costo: Euro 150,00 per i non residenti nei Comuni di Albareto Euro 67,00 per i residenti nel Comune di Albereto nonché per i proprietari, ed affittuari con contratto almeno annuale, di seconde case nelle frazioni delle Comunalie

Modalità di accesso: i tesserini saranno vidimati, nel punto di vendita, con il timbro della Comunalia di accesso, da personale incaricato dal Consiglio di Amministrazione.

Tale tesserino darà diritto all'accesso ad un'unica Comunalia, pur consentendo di percorrere a piedi e di esercitare la raccolta nel territorio di tutte le Comunalie facenti parte dell'area B).

In considerazione dell'antica consuetudine di reciprocità fra le Comunalie confinanti di S.Vincenzo-Rovinaglia in Comune di Borgotaro e Gotra, Buzzò e Albareto in Comune di Albareto è consentito agli utenti lo sconfinamento;

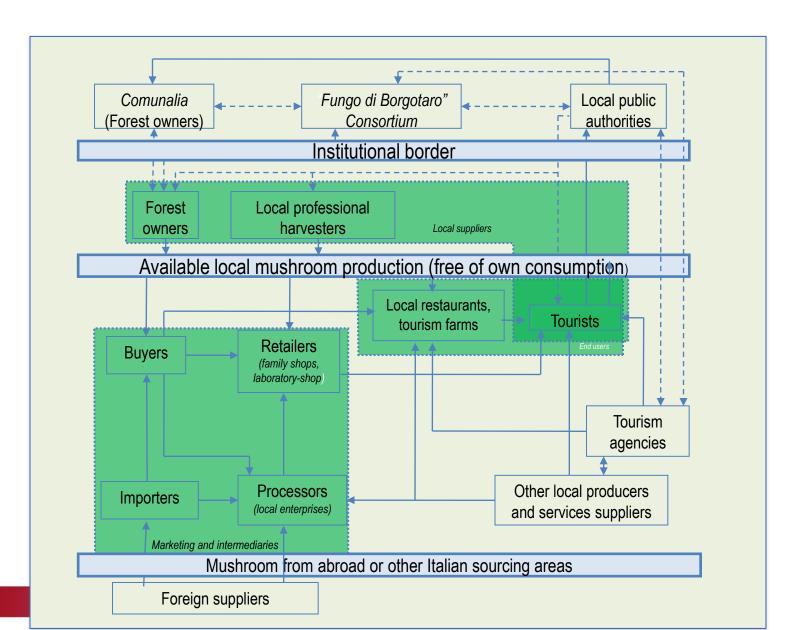
Per evitare un eccesso di carico giornaliero di cercatori con effetti negativi sulla capacità di rigenerazione dell'ecosistema, viene stabilito un numero massimo giornaliero di persone a cui consentire l'accesso come a seguito specificato:

Comunalie di Gotra e Buzzò n.100 Comunalia di Albareto n.700 Comunalie di Boschetto e Tombeto n.120 Comunalia di Groppo n.100 Comunalia di Montegroppo n.200

Giorni e orario di raccolta : martedì, sabato e domenica; la raccolta può essere effettuata a partire da un'ora prima della levata del sole, mentre l'uscita dall'area B) deve avvenire entro e non oltre le ore 15.

Quantitativi: non oltre 3 Kg.

### Network analysis: the example Borgotaro Network

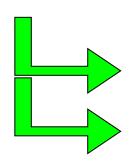




The instruments of the links: the "road concept" (trail, path, tracks...)

A **linkage** is needed between the imago product (or the main product) and the associated products and services of the same area

The "**road concept**" (i.e. trails, roads, itineraries or pathways) is a very common tool for linking various products and services across a territory

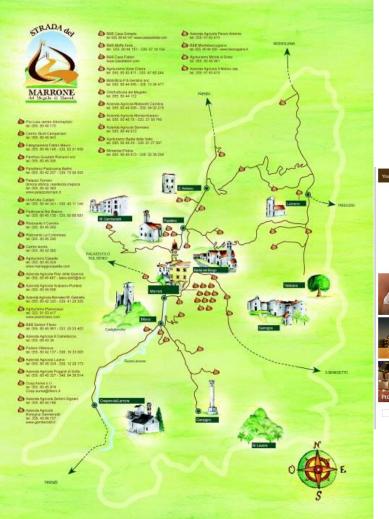


Cultural link physical, organizational link





### Road, trail, path... the tools for connecting different economic actors



- Chestnuts/Marron road
- Truffle road
- Mushroom road
- Pine Kernel road

etc



Dipartimento Territorio

e Sistemi Agro-Forestali

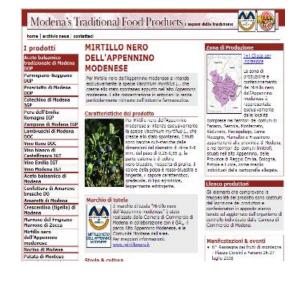
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## Elements for a territorial marketing strategy based on forest resources

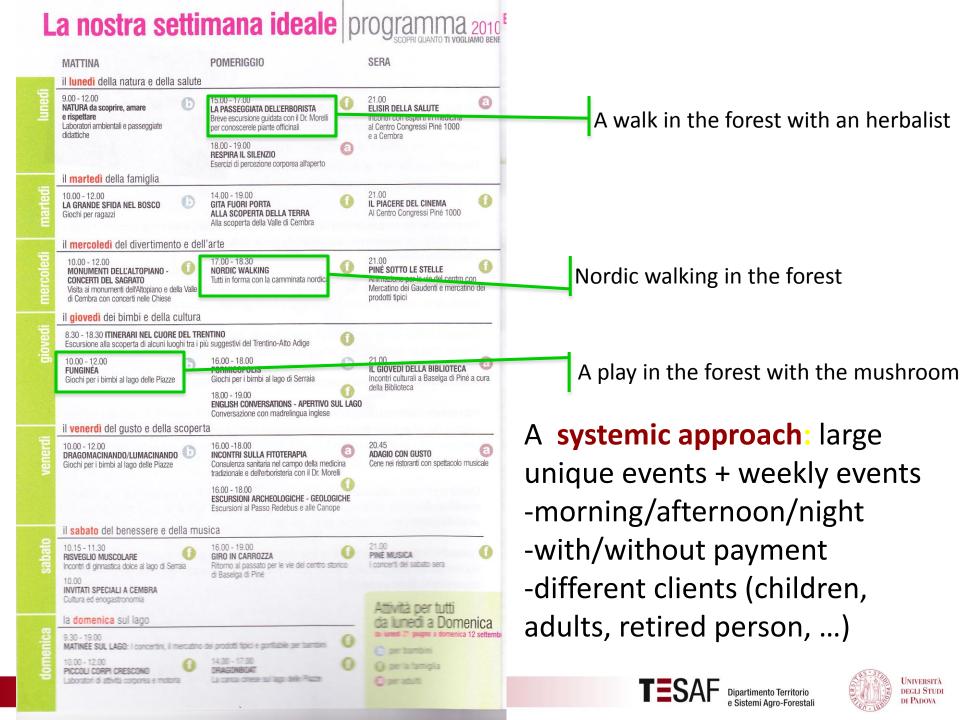
- *Genus loci* identification (competitive advantage and "brand" of the region-territory)
- NWFP as imago product to present a territory
  - Traditional local products
  - "Green" products
  - "Slow food" culture







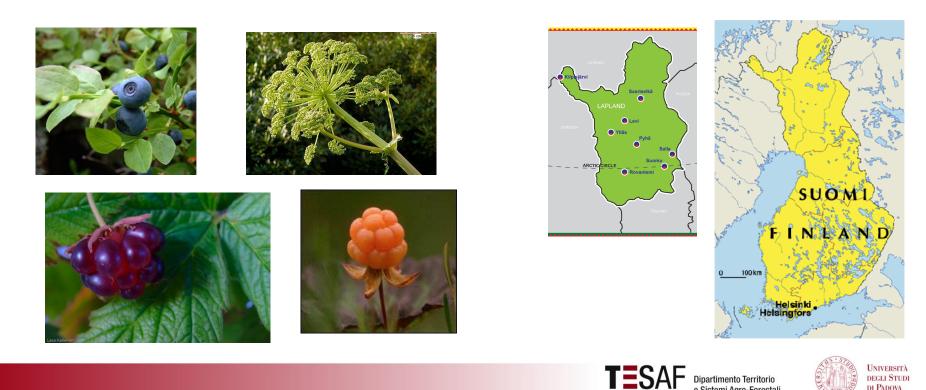




## A question for you:

Something similar in Finland?

Berries (or other nature-based) as an imago product of the Finnish/Lappish/Arctic territory?



# Kiitos!

