

Geographical Indication

A Testimony



UNITED NATIONS
UNCTAD

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**STARLING FARM KAMPOT
PEPPER**

Starling Farm - Background

- ◆ Starling Farm is located in the center of the GI territory for Kampot Pepper
- ◆ Family owned, intention was to grow pepper for the commodity market
- ◆ Started from scratch in 2002
- ◆ Land cleared and first planting in 2003, ½ hectare 2,700 vines
- ◆ First commercial harvest 2010
- ◆ Price increases led to continued expansion
- ◆ Today 4 hectares, 35,000 vines

Effect of GI

- ◆ The primary effect of getting recognized as a GI product has been on the price
 - ◆ The premium paid is more than double the commodity price at the farm gate
 - ◆ Retail pricing is substantially higher, as much as \$400 per KG in Europe
 - ◆ Direct improvement in farmer living standards
 - ◆ Increased income leads to better healthcare and education access
 - ◆ Increased employment across a number of sectors, farm, construction, tourism, retail
 - ◆ Additional sources of income from ancillary sources, eg. tourism
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Importance of Quality & Branding

- ◆ The success of Starling Farm has been largely due to controlling the output
- ◆ Every step of production has rigorous quality controls
- ◆ Ensuring the highest quality product delivers much additional value
- ◆ Highly visible branding and quality packaging
- ◆ Adds substantial value to the product, up to 3 times in price



Challenges

- ◆ Understanding and application of the Book of Specification standards
 - ◆ Lack of enforcement of the protection, local and international
 - ◆ GI certified Kampot Pepper not produced in accordance to standards
 - ◆ More than double “Kampot Pepper” is sold than is produced
 - ◆ Non GI “Kampot Pepper” is much lower quality and affects the reputation
 - ◆ Shortage of labour and materials due to increase in production
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Direct Economic Benefits

Pre GI (2010)

- ❖ SF Employees - 15
- ❖ Average take home pay - \$35
- ❖ Land Price - \$1,500 per hectare
- ❖ Pepper per KG - \$5 (farmgate)
- ❖ Production – circa 3 tons
- ❖ Vines under cultivation - ~10,000
- ❖ Tourism - Zero

Today, 4 Years Later

- ❖ SF Employees – 55 (90 at harvest)
- ❖ Average take home pay - \$100
- ❖ Land Price - \$15,000 per hectare
- ❖ Pepper per KG - \$18 (farmgate)
- ❖ Production – circa 25 tons
- ❖ Vines under cultivation - ~ 150,000
- ❖ Tourism – major draw to the area

Additional Income Source

- ◆ The success of GI has created additional income sources
 - ◆ Tourism is the primary benefit
 - ◆ Many farms now have daily tourist traffic, prior to GI there was no interest
 - ◆ At Starling Farm tourists started coming in 2011
 - ◆ We opened a small pepper shop and selling cold drinks due to demand
 - ◆ In 2012 we opened a restaurant and cafe
 - ◆ In 2014 we have opened a Plantation stay resort
 - ◆ This has been directly due to Kampot Pepper having GI
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Has GI Been a Success ?

- ◆ Emphatically **YES**
 - ◆ Having GI more than doubles the price at the farm gate
 - ◆ Moving up the value chain to retail delivers much more benefit
 - ◆ GI has been a major boost to the region
 - ◆ Land prices have soared as new farms are developed
 - ◆ Living standards have improved substantially
 - ◆ Employment has increased dramatically
 - ◆ Tourism driven by Kampot Pepper has grown exponentially
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THANK YOU
