

Geographical Indication

A Testimony



UNITED NATIONS
UNCTAD

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**STARLING FARM KAMPOT
PEPPER**

Starling Farm Kampot Pepper

Contents

1. Background
2. Effect of GI
3. Challenges
4. Economic Benefits
5. Has GI Been a Success?

Background of Kompot pepper

- ◆ Kampot pepper was the first Cambodia goods to obtain the WTO GI status since 2010 while Cambodia GI law came into force on 20 January 2014.
- ◆ Kampot pepper is registered as Collective Trademark in EU

1. Background- Starling Farm Kampot

- ◆ Starling Farm is located in the center of the GI territory for Kampot Pepper
- ◆ It was a family owned, to grow pepper for the commodity market
- ◆ Started in 2002
- ◆ Land cleared and first planting in 2003, ½ hectare 2,700 vines
- ◆ First commercial harvest 2010 (obtained GI status for Kampot Pepper)
- ◆ Price increases led to continued expansion
- ◆ Today, it has 4 hectares, 35,000 vines

Located at the heart of GI Territory



With unique soil and weather conditions, there are 6 districts of Kampot province for growing pepper (Kampong Trach, Dang Tung, Chuk, Chamnak Chang Er and part of Kep)

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2. 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 standards of living
- ◆ 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 supplementary sources, including tourism

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



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3. 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

4. Direct Economic Benefits

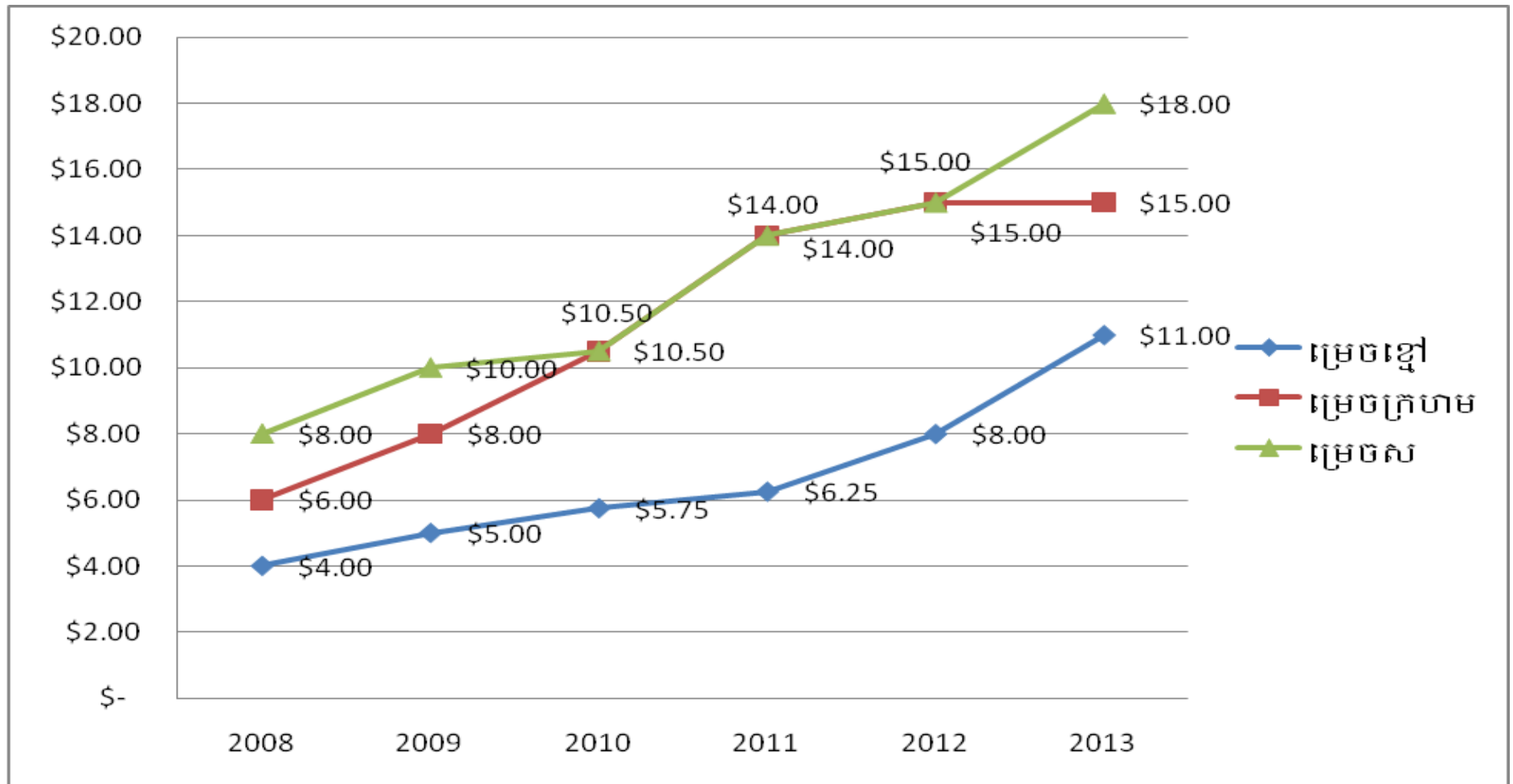
Pre GI (2010)

- ❖ SF Employees - 15
- ❖ Average take home pay - \$35
- ❖ Land Price - \$1,500 per hectare
- ❖ Pepper per KG - \$5 (farmgate)
- ❖ Production – about 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 – about 25 tons
- ❖ Vines under cultivation - ~ 150,000
- ❖ Tourism – major draw to the area

Prices of Black, Red and White pepper (2008-2013)



[Back](#)

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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
- ◆ They opened a small pepper shop and selling cold drinks due to demand
- ◆ In 2012 they opened a restaurant and cafe
- ◆ In 2014 they have opened a Plantation stay resort
- ◆ This has been directly due to Kampot Pepper having GI

5. Has GI Been a Success ?

- ◆ Definitely **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, GI is for all LDCs)
- ◆ Land prices have soared as new farms are developed
- ◆ Living standards have improved substantially
- ◆ Employment has increased dramatically
- ◆ Tourism driven by Kampot Pepper has rapidly grown



THANK YOU

Starling Farm Kampot Pepper