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Is there a future for geographical indication labeling in the United States?

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Is the United States on the same playing field as Italy, France, and Spain when it comes to specialty food? If you argue no, then what is keeping it from getting there? We believe the answer may be geographical indications. The demand for specialty food products has risen in the United States by 10.7% since 2017 (Wiley 2020), meaning consumers are becoming more interested in unique, high-value food products. One way to distinguish high-value, unique food products is through geographical indications. Geographical indications are part of a broad category of geographically differentiated products, alongside local food products and country of origin labels. While the United States does not have specified regulations for geographical indications for food and agricultural products, many other countries, namely members of the European Union, do.

The European Union has been certifying food products using geographical indications since 1996, allowing them to differentiate products by their place of origin, processing, and preparation techniques. They do this by labeling food products with a protected designation of origin (PDO) label and a protected geographical indication (PGI) label. A PDO label describes food and agricultural products whose quality or characteristics are due completely or in part to a specific geographic location and are produced, processed, and prepared in a specific geographical location. Protected geographical indication (PGI) regulated products are food or agricultural products whose quality, reputation, or other characteristics are closely linked to a specific geographic area. In addition, at least one of the stages of production, processing, or preparation must take place in the defined geographical area (European Commission n.d.).

Geographical indications add another level of complexity to geographical differentiation, compared to that of country of origin labeling or region of origin labeling. Not only do geographical indications connect a product to an origin, but they also certify authenticity and guarantee specific production, processing or preparation techniques that often lead to a higher quality. This allows specialty products to be certified and connected to a specific region of production, based on their unique processing and preparation. Discussions in the intellectual property space state that geographical indications may be a good conduit for local foods in the United States because they open the market to a variety of producers, allowing any producer from a given area to participate in such labeling scheme if the specifications for the products are met (Giovannucci, Barham and Pirog 2010). Additionally, geographical indications help to create specific minimum quality standards for the region identified (Menapace and Moschini 2012). In addition, we see through an assembly of research, that geographical indication labeling has been successful in identifying an increased willingness to pay for many products in Canada and Europe (Menapace et al. 2011; Deselnicu et al. 2013; Aprile, Caputo and Nayga 2012). However, the current body of literature does not explain the economic opportunity for a quality driven geographical indication labeling scheme, like that of the European Union, in the U.S.

To fill these gaps in the literature, this study explores U.S. consumers overall awareness of geographical indication type labeling and preferences toward such a labeling scheme. Because this type of labeling is not prominent in the United States, this study will serve as a baseline for the future marketing or awareness that may be needed for such a labeling scheme to occur. More specifically, we conducted an online survey of 1,500 US consumers asking a number of

questions including 1) preferences related to general food purchases, 2) prior knowledge (objective and subjective) about PDO and PGI labels and products, 3) ethnocentric scales to elicit consumers ethnocentric behavior, and 4) sociodemographic questions to understand the sample. In order to understand consumers prior knowledge for PDO and PGI labeling, we asked questions including their familiarity with current products with such labels (i.e. mozzarella cheese and champagne), used heat maps to gauge consumers interest in the PDO label, asked consumers to identify which US products they thought would be good candidates for such labeling, in addition to other like questions. Data will be analyzed using various statistical techniques and regression models with the main goal of exploring and characterizing the market potential of PDO labels on US products.

This study seeks to provide a better understanding for the potential of geographical indication type labeling in the United States, specifically PDO and PGI labeling. Given our preliminary data, this study will provide valuable insights to producers, processors, food marketers, and policymakers on US consumers' current understanding of geographical indications and their interest in such a labeling scheme. By understanding consumers preferences for location type labeling schemes, we open the door for further research for the potential of geographical indication type labeling in the United States.

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