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Quality food products sector development in the NMS: The supply and demand aspect from Slovenia

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After the accession to the European union in May 2004, Slovenia has intensified activities related to the promotion of quality food products. Already during the late nineties the system of national identifications of different categories was established. With the pre-accession policy harmonization, however, Slovenia has fully adopted the concept the European system of signs and marks of quality and origin of food and agricultural products (Reg. EEC 2081/92).

It is believed that also in Slovenia consumers are paying a growing attention to the qualities of agri-food products, due to greater concern about food safety related aspects and also the need of re-discovering the true values of food, agriculture and heritage. At the same time quality labels are considered as an important promotion tool for producers in order to increase their added value and market power. At the policy maker level quality labels represent a mean to stimulate rural economy, remunerate locked-in economic resources in rural Slovenia.

There are already a number of food products that have been awarded the national “precursor” of the European quality labels and there are even more possible candidates to be considered.

It is therefore believed that there are potentials for development and prosperity of the segment, however up until now there is very limited market presence of this products.

Slovenia lacks detailed studies which could give better acquaintance with the potentials of quality labelled agricultural and food products. There are some studies, however mainly related to technological aspects of the products.

This study therefore tries to mitigate above revealed deficiencies and to present a better insight into both sides of the market for quality identifies food products in Slovenia.

We have gained fundamental information regarding the consumers’ knowledge, attitude and perceptions of quality identified foods and the factors influencing the formation of such perceptions and attitudes. Methods applied are mainly qualitative (focus groups with consumers and in-depth interviews with producers).

Participants in the focus groups expressed that the main benefits of the specialty food certification are:

- assured premium product with superior organoleptic characteristics;
- guarantee for traditional production methods and product authenticity and
- assured food safety and animal welfare.

On the other side interviews with the quality signs holders in Slovenia (associations and food producers) showed that only limited growth in the market share after the certification has been experienced. Limited effects might be attributed to insignificant promotional activities at the national level. In general, producers indicated that the main barrier to success is lack of promotion by the government. Most of the certified product report a price premium, however not always sufficient to compensate for additional production costs. Generally, the premium depends on the marketing channel, where it seems that the direct

selling assures the highest price premium. Created additional value added is usually absorbed at the retail-distributor level. Most of the producer associations report about weak group dynamics issues and governance problems. Where the organisation is involved in broader activities than only managing the quality scheme it seems that the effectiveness of the body is better and members are more satisfied with the organisation.

The key future challenge for the Slovenian quality food sector is to improve market orientation of the producers and to strengthen the coordination, both at the individual organisation level, but also at the intra-organisational level. Certain synergy might be expected also from the cooperation with different actors at the regional level especially promotion of tourism sector.

The study was clearly exploratory in manner, however results gave opportunities for more efficient formulation of public policies (Rural development plan 2007-2013), but also to support marketing activities of producers.

It is also among the few studies related to quality identified foods in new EU member states, and therefore gives a first evaluation of the concept of EU quality marks acceptability for post - transition food consumer.

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