Training Workshop on “Forest Products Marketing – from principles to practice”
Novi Sad
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Marketing for non-wood forest products

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Paper organization

- The driving forces
- The outcome
- Marketing strategies:
  - Specialized products
  - Complementary products

Lessons learned
Driving forces

NWFPs development in Southern Europe area:

**three driving forces:**

1. The decreased profitability of timber production in mountain areas
2. High population density: high urban demand for “natural food” and “green products”
3. Regional development policies
1. The reduced profit of timber production

Average real prices (standing tree) of conifer industrial roundwood in the Southern Alpine Region (1955-2005)

-82% standing prices (from 276 to 52 Euro/mc)
-68% spruce roundwood on the road side (from 282 to 90 Euro/mc)
-62.6% larch roundwood on the road side (from 306 to 114 Euro/mc)

Source: Pettenella & Ciotti (an analysis of 1330 sales in Comelico - Veneto Region)

+400% in the forest sector (from 1.97 to 9.87 Euro/h)

+232% in the wood working SME (craftsman) (from 3.82 to 12.69 Euro/h)

+227% in the wood working industrial sector (from 4.16 to 13.61 Euro/h)
Value (at market prices) of 1 cm of wood =

- from **141** to a **5.3** hours of a forest worker
- from **66.4** to **3.8** hours of a wood working SME
- from **72.3** to **4.1** hours in the wood working industry
2. An increased demand for ‘natural’ food and ‘green’ products

Some examples of “specialty” food products and drinks:

- **Berries** (fresh, frozen) for yogurt, ice-cream and juices
- **Chestnut and marrons** (fresh, dried, flour) for cakes and jams
- **Mushrooms** (dried, fresh) and **truffles** cooked with meat, rice, … or used for sauces
- **Aromatic and medicinal herbs**
- …

“Mediterranean diet”

Italian/Spanish/French traditional quality cooking

Organic products, natural cosmetics, cosmeto-food, aromo therapy, …
“… leather processed with natural products and without the use of synthetic chemicals …”
3. Rural development policies

- **EU Common Agriculture Policy reform**: diversification of rural activities and new sources of income (non-food production)
- **Other policies**: management of rural landscape, tourism development, culture heritage protection, …
International trade increased significantly for natural cork, mosses and lichens for bouquets, truffles, mushrooms, chestnuts, bamboo, palm hearts and maple syrup. Interestingly, these NWFPs originate mainly from, and are traded among developed countries. Also, these commodities are processed locally into semi-finished products with raising unit prices. Of particular interest is the fast increasing value of trade in "specialty" food products (…) Specialty foods are among the fastest growing segment in the food catering business and several edible NWFP are ideally fit for niche marketing, such as pine nuts, bamboo shoots or wild edible mushrooms. The reduction (and/or elimination) of import tariffs, increasingly globally applicable (food) quality standards and changing consumer (food) preferences are creating global markets for products which previously were only locally available” (Vantomme, FAO, 2005)
<table>
<thead>
<tr>
<th>Commodity description</th>
<th>1992</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mosses and lichens for bouquets, ornamental purposes</td>
<td>9 352</td>
<td>25 476</td>
</tr>
<tr>
<td>Truffles, fresh or chilled</td>
<td>4 201</td>
<td>23 656</td>
</tr>
<tr>
<td>Mushrooms other than <em>Agaricus</em>, fresh or chilled</td>
<td>n.a.</td>
<td>364 412</td>
</tr>
<tr>
<td>Mushrooms (excl. 071331/33) &amp; truffles, dried</td>
<td>n.a.</td>
<td>219 458</td>
</tr>
<tr>
<td>Truffles, prepared or preserved, not in vinegar</td>
<td>3 049</td>
<td>11 012</td>
</tr>
<tr>
<td>Brazil nuts, fresh or dried</td>
<td>44 344</td>
<td>59 848</td>
</tr>
<tr>
<td>Chestnuts, fresh or dried</td>
<td>109 958</td>
<td>184 663</td>
</tr>
<tr>
<td>Acorns and horse-chestnuts for animal feed</td>
<td>1 216</td>
<td>7 380*</td>
</tr>
<tr>
<td>Shea nuts (karite nuts)</td>
<td>5 155</td>
<td>5 136*</td>
</tr>
<tr>
<td>Liquorice roots</td>
<td>33 455</td>
<td>24 310</td>
</tr>
<tr>
<td>Ginseng roots</td>
<td>389 345</td>
<td>221 435</td>
</tr>
<tr>
<td>Plants &amp; parts, pharmacy, perfume, insecticide use nes</td>
<td>689 926</td>
<td>777 980</td>
</tr>
<tr>
<td>Locust beans, locust seeds</td>
<td>22 395</td>
<td>40 239</td>
</tr>
<tr>
<td>Lac</td>
<td>25 286</td>
<td>25 653</td>
</tr>
<tr>
<td>Gum Arabic</td>
<td>101 312</td>
<td>105 510</td>
</tr>
<tr>
<td>Natural gum, resin, gum-resin, balsam, not gum arabic</td>
<td>92 755</td>
<td>96 535</td>
</tr>
<tr>
<td>Balata, gutta-percha, guayule, chicle and similar gums</td>
<td>26 726</td>
<td>13 605</td>
</tr>
<tr>
<td>Pyrethrum, roots containing rotenone, extracts</td>
<td>27 865</td>
<td>26 173*</td>
</tr>
<tr>
<td>Bamboos used primarily for plaiting</td>
<td>37 562</td>
<td>50 054</td>
</tr>
<tr>
<td>Rattan used primarily for plaiting</td>
<td>118 987</td>
<td>51 327</td>
</tr>
<tr>
<td>Kapok</td>
<td>11 920</td>
<td>2 826*</td>
</tr>
<tr>
<td>Maple sugar and maple syrup</td>
<td>43 632</td>
<td>116 202</td>
</tr>
<tr>
<td>Palm hearts, otherwise prepared or preserved</td>
<td>16 082</td>
<td>67 514</td>
</tr>
<tr>
<td>Quebracho tanning extract</td>
<td>51 938</td>
<td>45 173</td>
</tr>
<tr>
<td>Wattle tanning extract</td>
<td>63 877</td>
<td>34 168</td>
</tr>
<tr>
<td>Oak or chestnut extract</td>
<td>8 653</td>
<td>917*</td>
</tr>
<tr>
<td>Natural cork, raw or simply prepared</td>
<td>7 874</td>
<td>110 702</td>
</tr>
<tr>
<td>Abaca fibre, raw (<em>Musa textilis</em>)</td>
<td>15 221</td>
<td>20 374</td>
</tr>
</tbody>
</table>

**Mediterranean NWFPs**

13,000 endemic plant species, 250 arborescent species (150 endemic)

**Global import values of key NWFPs for 1992 and 2002 (in USD 1000)**

Source: Comtrade data (www.unsd.org/comtrade)
### Average values of benefits from Mediterranean forest areas (Euro/ha/year)

<table>
<thead>
<tr>
<th></th>
<th>Wood</th>
<th>NWFP</th>
<th>Grazing</th>
<th>Recreation</th>
<th>Hunting</th>
<th>Total</th>
<th>TEV</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Southern</td>
<td>12</td>
<td>4</td>
<td>32</td>
<td>n.a.</td>
<td>-</td>
<td>46</td>
<td>67</td>
</tr>
<tr>
<td>- Eastern</td>
<td>22</td>
<td>5</td>
<td>10</td>
<td>1</td>
<td>1</td>
<td>40</td>
<td>48</td>
</tr>
<tr>
<td>- Northern</td>
<td>67</td>
<td>16</td>
<td>10</td>
<td>32</td>
<td>3</td>
<td>125</td>
<td>176</td>
</tr>
<tr>
<td>Total Mediter.</td>
<td>47</td>
<td>12</td>
<td>13</td>
<td>21</td>
<td>2</td>
<td>95</td>
<td>133</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th>%</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Southern</td>
<td>49.5</td>
<td>12.6</td>
<td>13.7</td>
<td>22.1</td>
<td>2.1</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>- Northern</td>
<td>35.3</td>
<td>9.0</td>
<td>9.8</td>
<td>15.8</td>
<td>1.5</td>
<td>71.4</td>
<td>100</td>
</tr>
</tbody>
</table>

Merlo and Croitoru, 2005, p.62
A revealing indicator: the rising concern of forest owners in protecting their property rights

Nuts, mushrooms and truffles in many Mediterranean countries are not any more public goods, like 15-20 years ago
<table>
<thead>
<tr>
<th>COMUNE</th>
<th>ZONA</th>
<th>TESSERINO</th>
<th>CRESCITA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albaretto (I.G.P.)</td>
<td>Comune di Montepulciano, Gruppo Tombolo e Boschetto</td>
<td>Verde</td>
<td></td>
</tr>
<tr>
<td>Sestola</td>
<td>Zona di San Vincenzo e Valdella (zona di Monte Maltempo)</td>
<td>Rosso</td>
<td></td>
</tr>
<tr>
<td>Borghi Val di Taro (I.G.P.)</td>
<td>Comune di Basilea, Fornello (zona di Monte Melanella)</td>
<td>Blu</td>
<td></td>
</tr>
</tbody>
</table>

**EC Mark of origin**

**Production areas**

**Type of permit**

**Growing rate**
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;

* 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 Albareto 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
- Comunalie di Albareto n.700
- Comunalie di Boschetto e Tombeto n.120
- Comunalie di Groppo n.100
- Comunalie 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.

Quantitativo: non oltre 3 Kg.
Marketing strategies

**Mass market:** Danish Christmas trees, Irish foliage, Albanian aromatic herbs, Finnish frozen or Croatian fresh mushrooms:

= relatively **low prices**

→ in many rural areas this is not a winning strategy
Mass P&S Differentiation

+ -

complementarity

+ -

Main product development strategies

Complementarity P&S

Mass P&S

Specialised P&S

Differentiation
2 alternative strategies

- Specialized products: e.g. high AV niches products

- Complementary products & services: synergies with other products/services (tourism, recreation), i.e. with other economic operators
Specialized niches products
a case study: chestnut
Chestnut

- 209 000 ha for chestnut production
- 89 000 agricultural enterprises
- 76 000 ha orchards
- Varieties “Marrone” and “Chestnut”
- Regions: Campania 51%, Calabria 12%, Latium 11%, Piedmont 9%, Tuscany 7%
# Chestnut – Marketing Characteristics

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>- good nutrient values</td>
<td>- Difficulties in obtaining a nut clean and of homogeneous size</td>
</tr>
<tr>
<td>- different final uses</td>
<td>- Production variability</td>
</tr>
<tr>
<td>- high added value products through processing</td>
<td>- Fresh nuts quality maintenance problems</td>
</tr>
<tr>
<td>- easy storage (refrigeration)</td>
<td>- Fungal infection and insect attach to fresh fruits, weevil damage during storage and later</td>
</tr>
<tr>
<td>- various by-products (honey, mushrooms)</td>
<td>- high harvesting costs and highly concentrated labour requirements</td>
</tr>
</tbody>
</table>
### Distribution of consumption of chestnuts (Bellini, 2003)

<table>
<thead>
<tr>
<th>Category</th>
<th>Chestnut</th>
<th>Marrons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peeled, for animal feeding and other uses</td>
<td>5 %</td>
<td>&lt; 5 %</td>
</tr>
<tr>
<td>Self consumption</td>
<td>5 %</td>
<td>10 - 15 %</td>
</tr>
<tr>
<td>Internal markets (fresh consumption)</td>
<td>40 %</td>
<td>20 - 30 %</td>
</tr>
<tr>
<td>Processing industry</td>
<td>10 %</td>
<td>35 - 40 %</td>
</tr>
<tr>
<td>Dried</td>
<td>10 %</td>
<td></td>
</tr>
<tr>
<td>Export</td>
<td>30 %</td>
<td>15 - 20 %</td>
</tr>
</tbody>
</table>
Chestnut – Policy & Research

- Large incentives for restoration of chestnut orchards (financial support by Regional authorities)

- Access:
  - Private orchards: public access is forbidden
  - Gathering of wild chestnuts is allowed

- Research:
  - diseases, cultivation, graft and crown care
  - recovering of old chestnut orchards and transformation of chestnut coppice
  - harvest techniques
Chestnut – Marketing

marron from Castel del Rio, marron from Mugello, chestnut from Monte Amiata, chestnut from Montella

- 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 and IFOAM)

Marron from Mugello-Fano in Garfagnana
Chestnut – Marketing

- Networking and promotion, e.g. local associations for chestnut marketing (www.marrone.net): → fairs, exhibitions, museums, …
Museo del Castagno

It is not easy to express in words the feelings that arise when visiting a place from the past.

What touches the soul is the magical experience of life rhythms that exist no more, of customs and traditions that have accompanied the life of man for a millennium.

Defining this place as a "museum" is impossible, so many are the feelings it stirs up.

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MUSEO DEL CASTAGNO: Località Colognora, Val di Raggio 55080 (Lucca)

Info@museo-del-castagno.it

WebMaster: LucyMay
Network of local municipalities (the Italian Associazione Nazionale Città del Castagno)
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.
- “Adopt your own chestnut tree”: chestnuts picking and organised picnics under the chestnut tree.
- e-business:
  - B2B: fresh chestnuts, semi-finished products, …
  - B2C: jams, dried nuts,…
Chestnuts from Monte Amiata by Pasqui

Travelling through the Monte Amiata you can’t help but be aware of the beautiful woods covering the slopes of the mountain. Ancient woods, thick, silent, where a walk triggers the imagination and pausing for a picnic on the bed of undergrowth has the effect of making you feel lost to the world, at least for a while.

For centuries, local rural traditions and economy have revolved around these woods, making good use of their natural resources, from mushrooms to chestnuts. And chestnut trees have always been kings of these marvellous places, yielding fruit that has seduced many a palate.

Marzio and Luana Pasqui gather and prepare, with great love and care, these Chestnuts from the Monte Amiata, producing both a sweet, scented Flour and Dried Chestnuts. Try using the flour to prepare a "castagnaccio", the traditional Italian chestnut cake; it will fill your home with its perfume during baking. The Dried Chestnuts can be soaked and used as a cake-filling or for stuffing chicken and turkey. What better way to evoke the autumn woods...
Product development

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

Dried soft chestnut
Lessons learned

- **Vertical integration** to sell the high AV products
- **Direct sales** to increase forest owners' profits → investment in orchards amelioration → protection of property rights
- **Public authorities**: external support in promotion, technical assistance to forest owners
Complementary products and services

= products & services that bring added value to some other products or services, but are **not attractive** enough to succeed alone.
In many Mediterranean countries: a strong link between

NWFPs marketing policies

Tourism, recreation and landscape protection policies

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

- roasted chestnut +
- walnut
- new red wine tasting +
- speck and the meat
organized in South Tyrol

Settimane torggele

Bel tempo e vino nuovo

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

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

Degustate il vino nuovo,
accompagnato da
caldarroste, nocci cotto,
secco o misto a mango,
fatta in casa e costolette di
maiale.

Settimane "Törggelen"

08.10.05-01.11.05 da Euro 385,00

I prezzi s’intendono a settimana a
persona con trattamento di mezza
pensione.

How to get there
Villages
Climate & lifestyle
Highlights
What to see
What to do
Where to stay
Special offers

http://www.wanderhoteleuropa.com/it/wandern/angebot_05.html

Autumn - Törggele’ time

Autumn walks with friends and cycling in at mountain farmhouses or inns for refreshment - called "Törggelen" is a favourite traditional activity in South Tyrol. The "Wuerz" (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" (smoked, 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.
We sell the product, but also the associated history, monuments, events, farm tourism, …

Willingness to cooperate among private operators

Private/public partnership in promotion
A common instrument for networking: “la strada” (road – route)

Il Porcino IGP
La "cerca" della tradizione.

...Infine, il grande dominio di notte dell’Impero Romano non rimarrà in piedi che rivive “da meditazione”; anche la strada, via via abbandonata, furono riconquistate dalla foresta. Gli abitanti, presso le strade dei monti, un po’ per sfuggire alle invasioni barbariche e sentirsi più al sicuro, un po’ per l'economia di montagna, allorché la pavara, risulta più appaiata, di città...

Sono immagini medievali che si intorno all’anno Mille, la 'scuola' fondazioni di pive, castelli e barche in sasso' lavorato a mano. A cavallo dalla Cisla si susseguono verso Ovest una ricostruzione di montagna, ancora oggi importanti che risuona, è stata al centro di questi, in particolare è capace di suscitare.

Insignito e premiato

La Strada del Fungo Porcino


Lungo tale percorso incontriamo 4 musei etnografici (Serra, Pamparato, Monastero Vasco, Fontane ed, in costruzione, a Miroglio); il percorso dei Forni dell’alp si recentemente restaurati, le Grotte di Bossa e la Grotta del Calandino: 5 stazioni di sport invernali e a breve distanza il Santuario di Vicoforte ed il Castello Reale di Castotto.

Sotto il profilo castanico, la strada attraversa l’area più evocata alla produzione della piccola e de gustis Castagna bianca, adatta all’essiccazione ed alla produzione di Farine. In particolare incontriamo almeno una cinquantina di essiccati da Castagna, dei quali più di 20 recentemente ristrutturati in Valle Mongia, numero 2 Mulini in Valle Mongia ed a Torre Monovolo e numerose Aziende agricole dedite alla castanicultura.

Sono numerosi infine i Ristoranti, la Trattorie e gli Agriturismi.
NWFP = imago product

The Umbrian landscape still to a very great extent unspoilt; today's visitor, the threshold of the year 2000, can see it just as it appeared to the Romans or to the Etruscans; in this gen country, much of which is hilly, the wood an important element, rich in many frui among which the precious gift of the truffle stands out. Umbria is an immense truffle-ground, produces various types of truffle: the highly prized black truffle, the "scorno" summer truffle and the highly-perfumed white variety.
Lessons learned

- **Territorial marketing**

- **Key factors: partnership, cooperative attitude** = **social capital**

- In many contexts the real constraint is not the lack of natural capital, but that of **entrepreneurship**
Hvala!