

Case Study Summary: Template

Brief description of product (specification) and area

The total mineralization of the water is 0.247g/l. It is characterized as weakly mineralized, hydrocarbonate, sulphate-sodium, fluoride and silicon, without any sanitary, chemical and microbiological signs of contamination. Concerning microelements the water is in the requiring limits according to the Bulgarian State Standards and compared with previous analyses it shows no considerable changes in the chemical content. The water corresponds to the Bulgarian State Standard 14947-80. It has exceptional stability of composition during all the seasons of the year. The bottled mineral water from Hissar preserves its physical and chemical composition up to 12 months.

It has a high pH level- 9. It has not got colour or smell. It is with pleasant taste. Hissar mineral water can be used both as table water and for prevention of: gastro-intestinal tract diseases; nephrolithiasis and nephro-urological diseases; cholelithiasis; locomotory system diseases; gynecological diseases; dental diseases and prevention of dental caries; chronic intoxication with heavy metals and pharmaceutical substances.

Characteristics of the product:

- Smell - without smell;
- Taste - without specifics;
- Appearance - colourless, clear;
- No matter whether the water is exposed to oxygen or not - it preserves its characteristics;

Background/history/motivation

Location / Background

The mineral water is from the spring of the town of Hissar and its surroundings and more specifically the districts of Momina bania, Verigovo and Mirimir.

History of the product

The first settlers of the small valley where the town is situated were Thracians from the Besi tribe. Eventually, the area was reached by Macedonians, but it was not until Roman times when Hissar developed into a large town and resort, called Dioclecianopolis, after the Roman emperor Diocletian /284 - 305 AD/. Dioclecianopolis was the third largest town in the province of Thrace, after Philipopolis /Plovdiv/ and Beroe /Stara Zagora/.

Applying treatment with mineral water in Dioclecianopolis was closely related to the worship of health protecting gods: Aesculapius,

Hygeia, Telesphor and the three nymphs. It is quite probable that a nymphaeum /nymph sanctuary/ existed in the town. This supposition is supported by the numerous records found here. Medical service was performed by priest-doctors, who occupied important governmental positions.

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| | <p>The first chemical test on the mineral water in Bulgaria was made in Hissar in 1882. On the grounds of this The Bulgarian Government published a Exploitation rules for mineral baths in Hissar. The start of the medical bath treatment in Bulgaria was made at the time.</p> <p>Motivation</p> <p>The Hissar water as been used for more than 2000 years. Thanks so the harmony among the chemical elements, it is easily absorbed by the human body and can be consumed without any limits. The Hissar water is slightly mineralized /276 mg/l /, with excellent table and healing properties and durability over one year.</p> |
| <p>Status of protection (PDO or PGI), other labels/trademarks</p> | <p>Protected Designation of origin under the Bulgarian Law on Marks and Geographical Indications.</p> <p>Requirements of the indication of Trade Marks and Geographical Indications on the labels:</p> <p><i>Misleading statements on etiquettes</i></p> <p>Other Trade marks that are using on one or another way the statement “the water is suitable for daily usage” are “Pirin”, (Tia To Toi Ltd.), “Hisar” (Malakovi Ltd), “Velingrad” (Akvareks-B AD), “Voditza” (Voditza bottling Ltd) and “Hisar” (TMK Bottling Company Hisar”).</p> <p><i>Other misleading statements on etiquettes</i></p> <p>“Hisaria” (Spring 7, “Augusta-91” AD), on the label is specified “Calorie free”.</p> <p>“Hisar” (Spring 7, TMK Bottling Company Hisar), on the label is specified “Energy 0”.</p> <p><i>Concerning the difference between the name of the trade mark and the name of the water field</i></p> <p>In the order it is stated:</p> <p>“In the case when the trade name/ trade mark of the natural, mineral water differs from the name of the water field and the location of the bottling operation, that place or the name of the water field have to be listed on the label or on the packaging with letters one and a half times higher and wider than the largest letter used in the trade name/ trade mark.”</p> <p>The only water that had a name different then its water field and complied with the above-described is EVA/Prepodobna Stoyna, Razsadnika 236, “Meriam 90” AD/. The water form Transka Bankya also was different from the trade mark, under which it is sold – “ThornSpring”, but this is noted on the bottle and not on the label.</p> <p>Companies:</p> <ol style="list-style-type: none"> 1. <u>TMC "Bottling Company Hisar"</u> <p>Certificate for using Geographical Indication – Nom.178-01/13.06.1994, granted by Patent office of the Republic of Bulgaria</p> <ol style="list-style-type: none"> 2. <u>"Augusta-91 " AD</u> 3. <u>"Malakovi" LTD</u> 4. <u>"Hisar – Millenium" LTD</u> |

Certificate for using Geographical Indication –
Nom.178-04/15.04.2005, granted by Patent office of the Republic of Bulgaria

Certificate for quality-
Nom. 61/19.06.2002, granted by Ministry of health

Certificate for quality-
Nom. 62/10.01.2002, granted by Ministry of health

5. “Mavar – 2000“ LTD

Certificate for using Geographical Indication –
Nom.178-05/17.06.2005, granted by Patent office of the Republic of Bulgaria

Certificate for approval –
ISO 9001:2000, EN ISO 9001:2000, BS EN ISO 9001:2000, granted by Lloyd's register Quality Assurance :

Certificate for quality-
Nom. 28/19.06.2000, granted by Ministry of health

Meaning of the certificates

Certificate ISO 9001:2000 demonstrates that the bottling company has introduced a series of standards for quality methods of manufacturing and to guarantee the presence of a third party to inspect the adherence to these standards. It is recommended to buy water marked with ISO 9001:2000 because of the guaranteed quality of the end product.

Certificate ISO 14001 informs that the manufacturer of the bottled water has complied with the established ecological standards related to the preservation of the environment. This certificate means that the manufacturer follows the law, has reduced to a minimum the effect of manufacturing on the environment, water, soil, and emission of harmful gasses, and is working consistently towards the improvement of manufacturing in that regard.

The certificate from “Frezenius” shows equilibrium in the composition of the spring well and is a certificate of international recognition of mineral water. This certificate is not connected to the quality of the bottled water but with its well and mineral composition.

The spring “Choban Cheshma” is the only spring in the whole Hissar Region which has both certificates: ISO 9001:2000 and “Frezenius”.

Environment: Overall assessment

The mineral water is from the spring of the town of Hissar and its surroundings and more specifically the districts of Momina bania, Verigovo and Miromir. Municipality of Hisar is placed in the region of “Gornotrakiiskata nizina”, on the south side of a mountain Sredna Gora. The whole area of Hisar Municipality is about 549 square meters, and 206 square meters of them are wooded country and about 13 square meters are settlements. The rest of this area is covered mainly by agricultural land. Average altitude of the region is 300 meters above sealevel. The relief of the region is formed of the south slopes of Sredna gora.

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| <p>Environment: Most important effects (positive/negative?)</p> | <p>SOIL – <i>Unknown impact</i> - Soil hasn't been researched in details and its physical-mechanical indicators have not been determined yet;</p> <p>WATER – <i>Positive impact</i> - The fame and the development of the bottling industry and the spa centers stimulates the preservation of the underground water and the springs as an object of national treasure. In the region of the town are also a lot of lakes and rivers;</p> <p>BIODIVERSITY – <i>Positive impact</i> - The ecological conditions are conducive to multiply the game species (red deer, wild-boar, pheasant and others) that is a prerequisite for development of the hunting and recreational tourism;</p> <p>LANDSCAPE - <i>Positive impact</i> - The water pools and springs are the most important element of the landscape of the region attracting a lot of tourists.</p> <p>In the region there are 3 protected territories and one historical landmark;</p> <p>RESOURCES (Energy, material) – <i>Neutral impact</i> - The area is scanty in metalliferous, non-metalliferous and inertness materials.</p> |
| <p>Effects on regional economy: overall assessment</p> | <p><i>Positive effect on regional economy</i> - The development and the popularization of the industry create more free positions for the population of the region. Stimulates the rise of people with higher education who find realization in the bottling companies and the spa centers;</p> <p><i>Positive effect on education</i> - The possibility of finding a job in a specific area stimulates the ambition for gaining specialized education;</p> <p><i>Positive effect on health</i> - The mineral water of Hissar is one of the most famous waters with excellent healing qualities. The water is mainly indicated for treatment of diseases of the kidneys and secretory system, liver and gall bladder, the digestive system and pancreas. Particularly good treatment results are achieved with comprehensive hydrotherapy and climatic cures, physiotherapy and kinesitherapy in cases of diseases of the kidneys and secretory system, such as a kidney stone, pyelonephritis, chronic nephritis and chronic renal insufficiency;</p> <p>Social and cultural <i>positive effect</i> - The mineral waters and the spa tourism and treatment are deeply rooted in culture, traditions and social life of Hissar – one of the spa centers in Bulgaria and the Balkan Peninsula.</p> |
| <p>Economy: key data (e.g. scale of production, jobs, price premium...)</p> | <p>Scale of production:</p> <p>The production per year: For the optimal realization of the resource, given up for using by the concession and for providing for high effectiveness and for competitive, ideological project is worked out for reconstruction, modernization and extension of the production. Its special feature is: the four lines are able to produce capacity considerably exceeding the permitted debit of 0,4 l/sec. The four buffer reservoirs (cistern) accumulate 150 cubic meters of water. Therefore depending on the purchase for a short time there can be</p> |

bottled larger quantities of water.

The production capacity of the company is estimated based on a complex evaluation of the whole usage given up common annual exploitation resource – 12 600 cubic meters of water, by average annual, average seasonal and average twenty-four-hour capacity up to 0,4 l/sec. After 2003 the realization of the capacity of the springs “Choban cheshma” and “Bancheto” is 100%. The realized export is about 95% by the all production, mainly for USA. Approximately 7-8% is the part of distributional network of shops in Plovdiv region.

The existing production capacity in Hissar Region affords to bottle, 3-4 times larger quantity of water by the production quantity of self – reflux by KEI “Choban cheshma”. The gathered water in cisterns of free production capacity, affords making express big orders.

It's produced bottled mineral and soda-water.

Price premium – The average salary, in long-term time, is expected to be about 180 (one hundred and eighty) - 200 (two hundred) leva per month, which is few about the average in branch.

Production price – about 50 (fifty) – 60(sixty) stotinki for bottle.

Jobs: The work load is about 72 (seventy two) persons, who in the moment work on labour contract with the enterprise. It's expected to recover 11 new work positions more. It's paid more attention to harmless conditions to labour and high qualification of staff. Compulsory ventilation, signal-security and fire-alarm systems secure harmless and healthy conditions to labour of staff. The way of closing, packing and marking of bottles minimize the risk of sales false water.

The leading and performers staff have considerable productional and commercial experience, because more of them are ex-employees in other bottling companies. A big part of the executive staff received professional qualification in bottling companies in USA, impending specialization in “Sidel” - France, directed to exploitation and technical service to the lines for inflating bottles, which will be supplied from the same firm.

Specializations in France and USA, are forthcoming too about the questions of monitoring of springs and environment preservation.

Regional integration, for example family enterprises, establishing cooperations: there are not.

Organisation of producers' group, structure of production and marketing. What role does producers' group play?

There is no group of producers in this region. Each company has its own distribution network. The companies popularize its production on a base of specific marketing decisions, as a part of their own main marketing strategy. The differences in the price for a bottle of water are not big and there for it gives no occasion for the clients (retail shops or/and hypermarkets as a part of the distribution network) to prefer one of this companies as a supplier.

Cover on the market: The correlation between mineral water “Hisar” and the rest bottled mineral waters in Bulgarian market is about 3.4-6% of the national market share of mineral water, on the whole.

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| Role of subsidies – national/EU funding supporting the product or the region (e.g. LEADER) | Discussion of funding by the SAPARD Programme: CONF-BG 43/01 European Agricultural Guidance and Guarantee Fund (EAGGF): Bulgaria would like the agricultural products and the food industry goods that are included in the enclosed herewith list of products with protected Designation of origin inscribed in the Register of Patent Office of R Bulgaria to be included as a part of the Application A, B and C of the Regulation 1107/96. |
| With other sectors/issues, e.g. regional identity, social structure of the region etc. | |
| Characterisation of the case – Role of GI for the product. What is particularly interesting, what can be learned from the case? | |

Case study summary: Example: Schwäbisch-Hällisches Qualitäts-schweinefleisch (SHQ)

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| Brief description of product (specification) and area | Fresh pork produced on the basis of traditional local pig breed. Detailed production guidelines concerning breeding, livestock keeping, feeding, transport, slaughtering, quality control and marketing, several rules are related to the environment (e.g. limited livestock density). Area of production: Hohenlohe region in Baden-Württemberg. Agriculture, esp. pig keeping, plays important role in the region. |
| Background/history/motivation | Pig breed used to be dominant in the region, but became endangered with the advent of industrial/mass pork production. Initiative of one individual (today president of producers' group BESH) saved and re-established population. Primary motivation: saving pig breed and traditional high-quality pork products, coupled with ambition to make it economically viable. |
| Status of protection (PDO or PGI), other labels/trademarks | PGI since 1998; additional trademark protected under national patent law, the label indicates the PGI status. |
| Environment: Overall assessment | Pig keeping according to production guidelines is clearly beneficial compared to conventional/industrial pork production. Organic branch exists. Environmentally compatible production is declared aim of the producers' group; group is involved in environmental projects. |
| Environment: Most important effects (positive/negative?) | (+ compared to standard pork) reduced pressure on water and soil due to limited livestock density and regionalised production process (+) re-establishment of endangered breed benefits agro-biodiversity (+ compared to standard pork) reduced energy demand due to short transport distances and special pig housing facilities |
| Effects on regional economy: overall assessment | Very successful economic activity. SHQ was basis for impressive expansion and diversification of production – group today runs a number of programmes and markets a range of agricultural products |
| Economy: key data (e.g. scale of production, jobs, price premium...) | 4,000 tonnes of pork per year, total sales volume (all products) about 60 Mio Euro per year. BESH activity creates considerable value added which mostly remains within region. Production costs 12% |

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| | <p>higher than standard pork, compensated by 20-30% price premium. Fixed price premium paid to farmers. 250 staff plus indirect effects.</p> |
| <p>Organisation of producers' group, structure of production and marketing. What role does producers' group play?</p> | <p>Professional organisation, producers have to be members. Centralised structure – BESH organises and supervises slaughtering and marketing of products (minor share of direct marketing at farms). This structure enables the creation of favourable conditions for small and part-time farmers and improves their market access (E.g. own slaughterhouse). Promotes healthy agrarian structure and secures income and jobs.</p> <p>Marketing strategy emphasises relationship between production processes, product quality, regional origin and the environment. PGI itself does not play large role in marketing.</p> |
| <p>Role of subsidies – national/EU funding supporting the product or the region (e.g. LEADER)</p> | <p>General no special funding apart from usual agricultural subsidies. Support granted for investments of the group (slaughterhouse) and to individual farmers for conversion of their farms.</p> |
| <p>Synergies with other sectors/issues, e.g. regional identity, social structure of the region etc.</p> | <p>Pork production and other BESH activities contribute to shaping regional identity and strengthening residents' identification with their region. Group participates in research projects with universities, co-operates with environmental NGOs, and is committed to promoting the use of protected GIs in Baden-Württemberg.</p> |
| <p>Characterisation of the case – Role of GI for the product. What is particularly interesting, what can be learned from the case?</p> | <p>Case shows that regional products and traditional production methods can be economically viable and highly profitable. PGI appreciated as instruments for securing investment and protection against fraud.</p> <p>Key factors for success: professional marketing from the start, high level of organisation, momentum of one individual, organisation of the market and facilitation of market access for individual farmers through large and professional organisation. BESH manages to ensure that benefits provided by farmers and special quality are valued by consumers.</p> |