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ARTIGO

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### **Terroir geographical category is an important difference between brazil and european geographical indication**

A categoria geográfica terroir é uma diferença importante entre a indicação geográfica no Brasil e na Europa.

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#### **Abstract**

The paper aims to show the geographical category called the *terroir* that is mandatory to support a GI market strategy. The *terroir* strategy can increase the value of a product in a specific origin with three main characteristics: physical/geographical, biological, and human. The *terroir* strategy applies when existing in the marketplace a historical and social self-consciousness of the importance and the research of a GI to protect the consequent identity feature. The paper examines the *terroir* and the GI relation and explains the use of IP (indication of provenience or origin) in wine GI in Brazil, an attitude very different from the European GI common practice.

**Keywords:** Terroir. Geographical Indications. Geographic Category

#### **Resumo**

*O artigo pretende mostrar a categoria geográfica denominada terroir que é obrigatória para apoiar uma estratégia de mercado de IG. A estratégia terroir pode aumentar o valor de um produto de origem específica com três características principais: físicas/geográficas, biológicas e humanas. A estratégia do terroir aplica-se quando existe no mercado uma autoconsciência histórica e social da importância e da investigação de uma IG para proteger a consequente característica de identidade. O artigo examina o terroir e a relação IG e explica o uso da IP (indicação de procedência ou origem) na IG do vinho no Brasil, uma atitude muito diferente da prática comum da IG europeia.*

**Palavras-chave:** Terroir. Indicações Geográficas. Categoria Geográfica

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## Introduction

*Terroir* is a definition used in France and the European Union in the certification, production, and marketing of products, indicating a geographical category that seeks to integrate a territorial tradition, a project, and a style of life. By understanding the *terroir* and local traditional production relationship, one can see the appreciation of local products, the strengthening of rural communities, and the encouragement of sustainability in agricultural production.

In the competitive market, with increasing awareness about the environmental and social impacts of food production, consumers are increasingly looking for products differentiated by their traditions, own identities, and tastes and with low environmental impact production.

Geographical Indication (GI) is connected to the *terroir* strategy because the legal protection aims to identify and preserve the identity, quality, and traditional products, giving them a competitive advantage and added value in the global market.

The *terroir* category is useful for understanding the territory and social and economic relations. The integrated strategy of *terroir* using a GI, especially in Europe, is not created to defend sustainability, national products, or heritage because that is a collateral return of the GI sign obtention. Thus the *terroir* strategy and the associated GI are not a simple certification of a product as a unique product of a region or, in other words, an indication of origin. It's more denominations or, from the Latin *denomino*, it is the substitution of the name of an object as the name of the cause for that of the effect, of the property for that of the substance.

Thus the substitution of the name of an object for another related (a GI) indicates different product qualities. For example, a specific grape is the name of the fruit according to the colors of the grapes, explicitly characterizing the various grape varieties. That could be the characteristics of one region and could ask for origin protection. But wine is not a grape but a product of a process that ferments grapes. Moreover, the wine process includes the geographical location and the human history of the production. That's called denomination.

Therefore, the objective of the work is to explain the use of this category and take advantage of this concept for a strategy that can help sell traditional products. Brazil has today (August 2024) 118 Geographic Indications divided between 90 national Indications of Origin (IPs), and 28 Denominations of Origin (DOs). We argue that the difference between IP and DO could be explained by the *terroir* category used by producers. The paper then explains why there are in Brazil ten Wine IPs and only two wines DO in Brazil. It is more used IP protection than DO. Another IP use in Brazil is to defend raw materials and biodiversity more than heritage. But it seems it does not fit well when talking about wine. It seems that someone misunderstood GI protection of wine.

The cultural heritage and the traditional production process can help to sell a product, but the GI governance system and the local producers must use it as a marketing strategy with the consciousness of the heritage. Thus marketing strategy depends on the idea of the *terroir* and is something to be shared in the social space (public administrators, producers, clients, people). It is not the other way around or the GI obtention sustains the *terroir* strategy. Thus a weak heritage or producers use GI to protect a biological variety and not the place, and the producers, cannot reach sustainable development, and create a "cultural heritage". The *terroir* is a condition born before the GI sign, and that last is only a market strategy support.

## Methodology

The methodological approach of the current work is based on bibliographical research, using various sources of information, theses, and dissertations, the open Google Scholar database was used, as well as the closed databases made available by agreement with the CAPES journal portal.

The article aims to present the pillars of the *terroir* category. The relevant characteristics of *terroir* are used to build the GI sign. The *terroir* is then a geographical category naturally complementing the GI sign and its strategy.

Following the discussion we show a possible explanation through the *terroir* category of the low advance of DO in Brazil and the existence of majority IP signs, joined to other causes like the sign regulation rules, the territorial governance of traditional production, social and territorial development projects, international concurrency, etc.

## Discussion

*Terroir* is a French term traditionally associated more with viticulture (wine production) in France and other agricultural products. It is used in broader contexts related to agriculture and food production in Europe. The concept of *terroir* encompasses the unique combination of natural factors—such as soil, climate, topography, and biodiversity—along with human practices that impart distinctive qualities and characteristics to agricultural products. (WILSON 1998, BARHAM 2003, BELLETTI, G., & MARESCOTTI, 2011, BOWEN, S., & ZAPATA, A. V. 2009, BONFANTE, A., & BRILLANTE, L. 2022)

The *terroir* geographical category explains why environmental factors interact to produce a specific "taste of place." It is then natural to defend biodiversity, don't need to say it like in Brazil. This idea suggests that the flavor and qualities of agricultural products are inherently linked to the region where they are produced because of their history and society. *Terroir* involves not just the physical environment but also the traditions, techniques, historical and cultural aspects that influence production along with territorial shared development.

D'abord utilisé au sens de « pays » et de territoire, le terroir désigne aujourd'hui la combinaison entre milieu local et savoir-faire qui donnent ses spécificités à une production, en général alimentaire. Le terroir représente la plus petite portion de territoire, « la plus petite unité taxonomique, homogène à tous les points de vue, et cartographiable à grande échelle ». Le finage (du latin finis, limite, clôture) correspond à l'étendue d'un territoire villageois « sur lequel un groupe rural, une communauté de paysans, s'est installé, pour le défricher et le cultiver, et sur lequel il exerce des droits agraires<sup>1</sup> ». Très souvent le finage regroupe plusieurs terroirs permettant une diversification des ressources. En Europe, les limites des finages médiévaux se sont souvent transformées en limites de communes. (ROUVELLAC, 2013a)

(Translated by the author) saying: *Terroir* is defined in the agrarian lexicon of the Rural Geography Commission as a territory that presents certain characteristics that distinguish it from the agronomic point of view of its neighbors. *Terroir* and finage have long constituted two of the central words of rural geography and the notion of *terroir* is heavily loaded with history and symbols. Initially used in the sense of 'country' and territory, *terroir* today designates the combination of the local environment and the know-how that gives its specificities to a production, generally food. *Terroir* represents the smallest portion of territory, 'the smallest taxonomic unit, homogeneous from all points of view and mappable on a large scale'. The finance (from the Latin finis, limit,

enclosure) corresponds to the extension of a village territory 'in which a rural group, a community of peasants, has settled, to deforest and cultivate it, and over which it exercises agrarian rights'. Finage often brings together several *terroirs* allowing the diversification of resources. In Europe, the limits of medieval finance were often transformed into municipal limits." (ROUVELLAC, 2013b)

According to International Organisation of Vine and Wine<sup>2</sup> OIV (Resolution OIV/VITI 333/2010), "*terroir* is a concept that refers to an area in which collective knowledge of the interactions between the identifiable physical and biological environment and applied viticultural and enological practices develops, providing distinctive characteristics for the products originating from this area. *Terroir* includes specific soil, topography, climate, landscape characteristics, and biodiversity features". In other words is an interaction of three main components: the physical environment, the biological material variety and soil biodiversity, and the cultural (tradition), social-economical, and human activities. It is important to separate the place or the physical environment from the raw material because a different combination of these two could generate a different *terroir* even with the same products. According to OIV (Resolution OIV/VITI 333/2010) the reproduction of *terroir* in another place is not possible also because the *terroir* encompasses other non-physical components (culture, history, and society) that cannot be easily transferred.

Thus the *terroir* is a geographic territories category. The Brazilian geographer Milton Santos explains that territories are forms, but the "used territory" are objects and actions, synonymous with human space, inhabited space, and these objects come from human actions, which are increasingly standardized. In the territory, horizontalities are neighboring places brought together by a territorial continuity, while verticalities are points distant from each other, linked by all social forms and processes, including globalization (SANTOS, 2005).

This clarifies the need to explain geography with social actions (economic and social relationships) together with a project that unites continuities: the neighborhoods and relationships of family farming, with other forms and processes, such as the global market and the brand protection or local products for trade.

In this sense, Santos, who studied in France when he fled the Brazilian dictatorship, helps to clarify the concept of *terroir* as an *object and an action* used jointly to qualify a typical territory of a Geographical indication and its explanatory potential. In this sense, an analysis of the term can be found in the publications of geographer Vidal de La Blache, highlighting geographical regional studies as a fundamental category to understand it.

"Le terroir est défini dans le lexique agraire de la commission de géographie rurale comme « un territoire présentant certains caractères qui le distinguant au point de vue agronomique des voisins ». Terroir et finage ont longtemps constitués deux des mots pivots de la géographie rurale et la notion de terroir est fortement chargée d'histoire et de symbole (SANTOS 2005 apud VIDAL de LA BLACHE 1968).

(Translated by the author): *Terroir* is defined in the agrarian lexicon of the Rural Geography Commission as "a territory presenting certain characteristics which distinguish it from the agronomic point of view of its neighbors". *Terroir* and finage have long constituted two of the pivotal words of rural geography and the notion of terroir is strongly charged with history and symbolism.

<sup>2</sup> The International Organisation of Vine and Wine is an intergovernmental organisation founded on an international treaty regulated by an international rules of procedure and Headquarters Agreement.

*terroir* today in Europe joins enology and gastronomy that refers to the unique interaction between the geographic environment, soil, climate, and local cultural practices that influence the characteristics of an agricultural product, such as wine, coffee, and cheese, among others. In the Brazilian context, the concept of *terroir* has been applied mainly to the production of wine, coffee, and regional foods (FERRI e NODARI 2023, OLIVEIRA, LISBON and SILVA 2023, SCHMIDT, MACCHIONE FOWLER DE ÁVILA MONTEIRO 21014)

### **The relation between *terroir* and GI**

Geographical Indications (GIs) are collective tools for valuing traditional products linked to certain territories. Defined by law, they have two main functions: adding value to the product and protecting the producing region. Geographical Indications protect typical local production locally and globally (BRASIL 1996). GIs are granted by the National Institute of Industrial Property (BRAZIL 1996), they guarantee their quality and promote regional development by increasing local governance and supporting Family Farming (NIERDELE, 2014).

The relationship between the territory, the Geographical Indication (GI), and the social environment can be characterized using the concept of *terroir* because there are different ways of understanding social, environmental, and economic relations. For example, GI in some countries, such as the USA and China (AVENI, 2019) can also be seen as a typical collective mark

But *terroir* is a French word used mainly with a geography meaning as it encompasses the specific characteristics of a given location, including soil, climate, topography, population, and agricultural practices, among other factors, which influence the distinctive characteristics of a product. It is, therefore, a concept that includes protection from counterfeits.

Thus the concept of *terroir* is intrinsically linked to GIs. GIs rely on *terroir* to justify why a product from a particular region should be protected and marketed under a specific name. The unique environmental conditions and cultural practices associated with *terroir* make a product distinctive, and the GI system is designed to protect this distinctiveness.

Geographical Indication (GI) is thus a legal designation that identifies a product as originating from a specific place, where a given quality, reputation, or other characteristic of the product is essentially attributable to its geographic origin. GIs are used to protect the names of products, ensuring that only products genuinely originating from that location can be sold under that name. This includes traditional inputs and processes.

The GI is a sign or a collective mark of the production, the good, derived from a traditional production in a place or a region. This good has a history of sales and affectionate clients. Therefore, the relationship between *terroir* and Geographical Indications (GI) exists because in history it refers to the traditional and specific characteristics of a given place that influence the unique qualities of an agricultural product, such as wine, coffee, and cheese, among others. These characteristics include soil, climate, topography, agricultural practices, and other local factors. Geographical Indications (GI) are mechanisms that aim to protect and value products originating from a certain geographic region, whose characteristics and quality are typical of a *terroir*.

A recognized GI assures consumers that the product has specific characteristics associated with its geographical origin and its *terroir*. Although there is general harmonization in the Geographical Indications system within the European Union, each country has its own traditions and specific systems of protection and certification.

EU legislation aims to protect products with specific characteristics associated with a particular geographical origin, such as wine, cheese, traditional foods, and agricultural products. France, with its Appellation d'Origine Contrôlée (AOC) system, is notably recognized for its emphasis on protected designation of origin and *terroir*, but other countries also have their approaches tailored to their specific traditions and products. EU legislation aims to protect products with specific characteristics associated with a particular geographical origin, such as wine, cheese, traditional foods, and agricultural products.

### **The Reign of *Terroir***

This paragraph resumes a little the discussion between *terroir* its use and its relation with intellectual protection because Geographical Indication protection encompasses different points of view and interest and there is an international discussion about the significance of origin, protection of collective marks, and intellectual property (AVENI 2019).

That discussion is not very common in Brazil because few Brazilian academic productions discuss international and Brazilian comparative systems and definitions and don't produce comparative research or few as the Locatelli's papers. In a way, the discussion in Brazil is locked into a "politically correct" academic agreement due to a difficult governance of the intellectual property regulation and an incomplete protection system as shown in some Brazilian papers (NIEDERLE 2014, LOCATELLI, 2007, 2016)

The Rein of *Terroir* is the title of an article by an American analyst (WATSON 2016) that hardly criticizes the concept. According to that analysis, the connection between quality and origin is often exaggerated by Europeans, and the level of protection that GIs prevents accurate information to consumers. Moreover, Europe's protectionism system directly reduces both innovation and competition in their market.

Other papers also discussed the matter (HAZEL 2017) arguing that strong GI's form privileges remain a substantial impediment to global free trade and acceptance of European GI point of view. But Watson (2016) argues that there is some confusion protecting names and places and the international regulation conflicts between mark positions defended by the EU and GI definition of Europeans.

Watson accuses Europe of adding to Article 22 of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) a statement "the name of a region, a specific place or, in exceptional cases, a country, used to describe an agricultural product or a foodstuff . . . the quality or characteristics of which are essentially or exclusively due to a particular geographical environment with its inherent natural and human factors." However, according to Aveni (2019), the Trips agreement changed the Lisbon original agreement and support a mark-oriented version, and thus favorable to the USA point of view, of GI.

The second essential European feature that generate confusion is the inclusion of mandatory product standards or producers must not only be located in the delimited region, they must also conform to prescribed production practices and quality standards to use the GI label. This is a mandatory rule for the traditional protocol of

production. So the paper of Watson praises avoiding “protectionism” from Europe and canceling the *terroir* effect of a right trade.

According to Meloni and Swinnen's (2018) historical study, a common element in the introduction of wine GIs, was changes in trade conflicts between historical producers and new producers being the “historical producers” successful in lobbying the government. These conflicts included both discussions on quantity aspects and quality concerns, the last arising a Spence, Stiglitz, Akerlof market problem asymmetric information.

The EU has the most extensive GI regime in the world, that's why the European Union (EU) negotiates free trade agreements (FTAs) in which it seeks to protect GIs for wines in return for greater access to its markets. It is obvious USA don't agree to be second in that market.

According to Delfosse (2011), the relation of the *terroir* to the geographical place is complex and not only marketing or protectionism. New processes of the heritage of local products at work through festivals, display of art, and gastronomy, show the national urban-rural relationship. The work of rural is as well as urban actors, of urban and rural territorial policies. Heritage goes beyond image and marketing is a sense of sharing values. By helping to qualify spaces through products, heritage appears as an added value of identity. Thus the *terroir* included selling, lobbying, and social and historical relations.

GIs are likely to remain a hotly disputed issue in trade negotiations and a mix of economic and political determinants of food regulations are likely defined with two-hand agreements between the European Union and other blocks. The discussion about *terroir* and other forms to examine the typicality of a product due to origin and traditions seems difficult to be extinguished soon. The extension from wine to other agricultural and art craft products means the concept is useful. The “terror” is used to protect GI as in Europe the collective mark-oriented position has efficacy in the market because the quality claimed of a GI with *terroir* confirmed has a claimed superior quality.

That question is based on physical, biological, and human factors allied to historical and social relations mix. Thus defending a raw material or, for instance, the quality of a grape is not a *terroir* based strategy as well to defend only a mark.

That means a strategy based on origin indication (IP) like in Brazil is not applying a *terroir* oriented strategy and will conflict in the future with European regulations or negotiations or agreements, because Brazilian IP is not a DO and it is different from a wine GI in Europe. The GI-IP wine sign of Brazilian wine must turned into a GI-DO sign to be similar to GIs European wines and to have chances to negotiate a trade fair negotiation.

### **Concluding remarks**

Joint efforts are required from producers, government institutions, the private sector, and civil society so that the population does not become trapped in the production of monocultures for export or the verticalization part in the sense given to Milton Santos of the *terroir* geographical category.

The *terroir* used on wine or other agricultural products could be used as a category to support GI and traditional art-craft goods productions and, in the Brazilian legislation, could explain why there are so many IP that defend raw material and not the heritage even if the heritage and historical production differ to European heritage and historical values.

When a process outcome is a product and is a traditional production process the indication, following the *terroir* concept, including the people involved in collecting and producing, must be defined in Brazil as a DO, following the legislation. If that characteristic is not claimed to be the immigrant from Europe heritage and the heritage cannot claim to be centenary it is a *terroir* indeed and the producers doesn't handle the wine as only a Brazilian IP but DO or both.

So the wise strategy is not to conflict with European wine, as it seems is the actual orientation, but to support a market strategy for quality of Brazilian wines with more creativity and knowledge of fundamentals of marketing and international legislation.

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