Overview of Portuguese agriculture

In Portugal, 70% of the territory consists of agricultural land, contributing to 6% of GDP and representing 15% of exports and 18% of imports of the country. Also 11% of the workload is related to agriculture and forestry. There is a big structural diversity in agriculture: on the one hand, small farms which are fundamental to the social inclusion of populations and the local development and, on the other hand, a set of medium and large farms that are important for competitiveness and the equilibrium of the trade balance. The advanced age of the agricultural producers is the most evident structural weakness - 63 years of age on average and only 2% are less than 35 years old. Additionally, 74% of the producers have completed primary education or less. The economic dynamics of the sector has registered important technical and cultural changes, resulting in an increase in agricultural productivity (3% of annual average between 2007 and 2013) and a growth of exports. Thus, the priorities for the implementation of direct payments aim at sectoral and territorial balance and stability, taking into account the breadth of supporting measures, a balance between small and large ownership and between extensive and intensive farming systems.

Source: Gabinete de Planeamento e Políticas, Ministério da Agricultura e do Mar

Financial envelope Portugal 2014-2020

<table>
<thead>
<tr>
<th>Direct payments: € 4 438 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Development: € 4 058 million</td>
</tr>
</tbody>
</table>

New architecture of the CAP

The new architecture of the CAP (Common Agriculture Policy) in Portugal covers the compulsory schemes (Basic Payment, Green Payment and Young Farmers’ Scheme) and the coupled support. Portugal didn’t choose either support for Areas of Natural Constraints or the Redistributive Payment on the first pillar.

The coupled support is limited to a list of agricultural activities in difficulties for economic, social and/or environmental reasons. Portugal requested the European Commission the use of more than 13% of the national envelope of the direct payments (fixing the proportion of coupled payments at 20%).

The Young Farmers scheme, which can represent up to 2% of the direct payments, allows support of up to 5 years of start-up to farmers 40 years of age or younger.

Portugal opted for the Small Farmers scheme that replaces all the direct payments, with annual payment of €500 regardless of farm size.

Source: Gabinete de Planeamento e Políticas, Ministério da Agricultura e do Mar

www.newcapmountain.eu

Co-financed by the Directorate General for Agriculture and Rural Development of the European Union
The role of quality food products in Portugal

In Portugal there has been an important evolution in the certification of quality food products from regions with natural handicaps, among which stand out mountain areas. The certification of products under EU schemes such as the Protected Designation of Origin (PDO), Protected Geographical Indication (PGI), and Traditional Speciality Guaranteed (TSG) in products of plant and animal origin, has allowed farmers in less-favoured areas to give continuity to traditional productions that are commercially valued through these instruments.

Some of the most successful products within these certifications schemes are beef, sheep meat, goat meat and pig meat of breeds indigenous to these regions, as well as different types of cheese, sausages, honeys, olive oils and fruits and, more recently, vegetables, cereals and pastry products. In Portugal there are about 120 products already certified, although those that are marketed as certified represent less than 60% of the total.

Several difficulties associated with the sales channels of products coming from areas with handicaps alert to the importance of prioritising new marketing approaches in order to ensure income to producers and, at the same time, to boost the economy of these regions. Particularly in mountain areas, the low accessibility increase transport costs and as a consequence hinders the marketing of products.

The fact that we are dealing with products that often have small production volumes influences the transportation costs as well as the interest of the intermediaries outside the region in buying these products.

The possibilities associated with short circuit commercialisation, i.e. within or near the region where they are produced, seem to be the most appropriate. Such possibilities must be associated with other enhanced activities performed in the mountain areas, in particular those related to tourism.

Although rural development measures of the CAP have been promoting tourism in these regions through several programs, there is field-based evidence that not always the articulation between the actors/projects funded in each region show the proper interaction.

It is important to take this into account in the implementation of the new measures of the Rural Development Program (PRODER) and especially in the follow-up of the funded projects. To this end, the creation of the designation “Mountain Product” can play an important role in encouraging the consumption of local products.

Through the designation “Mountain Product” it will be possible to promote entire territories, since these products represent all its material and immaterial heritage: landscapes, constructions, customs and traditions.

Source: DGADR—Direção Geral de Agricultura e Desenvolvimento Rural
Rural Development measures that promote mountains in Portugal
Among the most interesting Rural Development measures we stress the measure Maintenance of agricultural activity in marginal areas that aims to contribute to the continued use of agricultural land in areas with natural handicaps (steep terrain, altitude, soil, climate and other specific constraints), which result in significant disadvantages to the agricultural activity. Thus, the maintenance of the rural landscape and the conservation of sustainable agricultural systems are being promoted.

Through this measure, mountain areas receive a payment to compensate for the natural handicaps with a value higher than that of other less-favoured areas.

The measure that aims to protect Agriculture and Natural Resources, valuing more sustainable methods of production, and the measure that funds the maintenance of the traditional agricultural systems will also promote other activities directly associated with the maintenance of the rural landscapes and its enjoyment, mainly those related to tourism.

Source: Gabinete de Planeamento e Políticas, Ministério da Agricultura e do Mar

<table>
<thead>
<tr>
<th>Eligible Area</th>
<th>Mountain Areas</th>
<th>Other less-favoured areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA ≤ 3 ha</td>
<td>260</td>
<td>130</td>
</tr>
<tr>
<td>3 ha &lt; EA ≤ 10 ha</td>
<td>190</td>
<td>95</td>
</tr>
<tr>
<td>10 ha &lt; EA ≤ 30 ha</td>
<td>60</td>
<td>25</td>
</tr>
<tr>
<td>30 ha &lt; EA ≤ 150 ha</td>
<td>20</td>
<td>10</td>
</tr>
</tbody>
</table>

Sustainable agriculture is important for consumers

Moreover, the Measure – Leader, like in “PRODER 2007-13”, promotes the implementation of small agricultural investments, the processing and marketing of products; the diversification of non-agricultural activities, renovation of villages, marketing circuits of short chains and local markets, as well as the promotion of quality products.

For the reasons already pointed out about the importance of coordinating projects and actors within mountain areas, the measures under the Leader related to Coordination between the LAG’s and the Functioning and Animation are also important.
From North to South of Portugal mainland and Islands, projects are multiplying promoting the Development of Rural Areas within the LEADER approach in the Rural Development Programme (PRODER). This model takes into account the diversity of rural areas, favours the definition and implementation of local rural development strategies and strengthens the role of the Local Development Associations, within the local partnerships – the Local Action Groups (LAGs).

An innovative territorial approach based on integrated and participative strategies, fits, directs and supports the interventions performed by the local actors.

PRODER has supported through tourist accommodation and catering; social, environmental, sports and cultural activities centres; centres of study and research; spas, museums, libraries; industrial units, shops and workshops; thematic tourist routes; exhibitions and editions and, simultaneously, numerous microenterprises in several areas of activity.

The LEADER projects are examples of the action of the Local Development Associations contributing to the strategic objectives defined for the territories, promoting the dynamics of the rural areas. Some examples of investments made in this field can be seen below.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Eligible Investment</th>
<th>Public Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associação de Desenvolvimento do Alto Tâmega</td>
<td>€ 24 894, 44</td>
<td>€ 9 957, 78</td>
</tr>
<tr>
<td>Cozinha de Fumeiro Regional Project</td>
<td>Alheira, salpição, chouriça de abóbora and linguiça. These are the main smoked sausages produced in this Cozinha de Fumeiro located in Lama de Arcos, Chaves, Portugal. The smoking, drying and salting of the meat and the meat products is made using traditional methods. The project aimed at the renovation of space and purchase of equipment essential to the activity. Jams and jellies are other of the specialties produced by the company, adding value to the raw materials in the region.</td>
<td></td>
</tr>
<tr>
<td>Associação para o Desenvolvimento Local de Ilhas dos Açores</td>
<td>€ 115 170, 43</td>
<td>€ 57 585, 22</td>
</tr>
<tr>
<td>Cantinho das Buganvilhas Project</td>
<td>In the Vila das Velas, São Jorge Island, only 200 m from the sea, the Cantinho das Buganvilhas offers its guests a privileged view on the islands of Pico and Faial. The tourism unit provides a wide range of tours to enjoy the most of the beauty, the culture and traditions of the island. The project comprises the adaptation of one of the resort spaces for gym and the acquisition of the proper equipment.</td>
<td></td>
</tr>
</tbody>
</table>

Source: MINHATERRA—Federação de Associações de Desenvolvimento Local

https://www.facebook.com/pages/Uma-nova-PAC-Montanhas-de-oportunidades/1504150816467719
https://twitter.com/europedi2014

The contents of this factsheet are the sole responsibility of Euromontana and they do not reflect the views of the European Union

www.newcapmountain.eu