

# Literature review WP 1

## Portugal

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## Review report

### 1. IDENTIFICATION OF THE MOST RELEVANT RESULTS

#### **Fragata, A. ; Condado, M. (1996)**

While the *Terra Fria* chestnut has had PDO designation since 1994, it was not certificated until 2000 due to the almost complete lack of interest shown by producers. This article examines the relationships between the main economic agents in the *fillière*, and evaluates their respective behaviour with regard to those factors considered essential to establishment of some future consensus on "chestnut quality". The following criteria are proposed as contributing significantly to such a consensus: (i) differential payment to producers for chestnuts of varying variety and size; (ii) more widespread use of 'damp' chestnut conditioning in substitution for treatment with ethyl bromide; and (iii) reformulation of the current geographical limits of the PDO, to include the whole of *Trás-os-Montes*, rather than the micro-region of *Terra Fria*, as a means of achieving a scale consistent with the commercialisation of chestnuts as an origin-labelled product (PDO or PGI).

#### **Fragata, A. ; Martins A. P. L. ; Vasconcelos, M. M. (2000)**

Pressurised by increased demand from large retail distributors, factory units already equipped for mass production have responded by attempting to increase their production of *Nisa* cheese, which has had been a PDO since 1995. There was insufficient time, however, for the larger cheese dairies to adapt their existing techniques to the industrial principles of minimal manual labour and non-stop production. As a result, the assessment panel began to refuse certain cheeses the right to label their products "PDO *Queijo de Nisa*". The specific industrial dairy studied by the researchers was unable to adapt from a technological point of view because it failed to understand the essence of traditional technology. This led to the hiring of more manual labour and the use of hasty *ad hoc* practices to overcome the immediate difficulties. The same problem was overcome with other Portuguese PDO cheese, *Queijo de Azeitão*, by imposing only slight modifications to and adaptations in the prevailing technology.

#### **Marreiros, C. I. G. (1999).**

Almost a decade has passed since the application of EEC Regulations 2081/92 and 2082/92 on the establishment of PDOs and PGIs. The author analyses the impact made by such protected products in key agricultural *fillières* in Portugal's *Alentejo* region. She encountered two distinct typical situations: (i) in one case, exemplified by meat production, legislation and incentives have both provided a positive stimulus, permitted producers to earn more – mainly through increases in the price of their meat and/or growth in the quantities marketed; (ii) in the other situation, origin-labelled status and protection has not had a significant effect either on production levels, or on farm organisation; in fact the effect of origin-labelled protection has been virtually zero, as evidenced in the cases of *Évora* cheese, *Alentejo* honey and North *Alentejo* olive oil.

#### **Simões, O. (1998)**

Using an approach based on "regulation theory", the dynamics of the wine sector, its role in Portuguese society and its involvement in international trade is analysed throughout the twenty century. Port Wine has benefited from origin-based protection against unlawful use of its name since as early as 1756. However the defence of the Port denomination today depends on the mutual acceptance of a set of common rules to be observed by the countries that produce liquor wines.

There are two views over how to address this problem: (i) the view of European winemakers that protection be provided on the basis of a specific geographical region from which the wine originates, by definition un-reproducible elsewhere; and (ii) the American, Australian and South African position, in which wines are classified according to the criterion of production technique, unconnected with geographical provenance and therefore reproducible anywhere. The latter perspective would allow Californian *Port-Type Dessert Wines* and South African "Ports", "Sherries" and other fortified wines to compete directly with Port under a common designation.

### 2. MAIN RESULTS

1. Competition from new producing countries of wine has drawn the international market into a debate in which two positions confront one another: one, more neo-liberal and hence pro-liberalisation and averse to any forms of protectionism, the other, associated with the EU, seeks to maintain the regulatory link between (geographically defined) reputation and product quality, seen as the principal guarantee of optimum commercial benefits (Simões, 1998).
2. The results of the '*Queijo de Nisa* PDO' cheese dairy analysed by the research team showed that the principles of modern industry - "advanced equipment and reduced manual labour" - could not be transferred to the production of a

traditional cheese in a simplistic manner. As a basis for a new agreement about the regulation of *Queijo de Nisa*, the larger units should adopt a different approach to the technological management of the product, and look into the possibility of establishing a flexible production model, intermediate between the artisanal and industrial models (Fragata *et al.*, 2000).

3. Almost a decade after the application of EEC Regulations 2081/92 and 2082/92 on the establishment of PDOs and PGIs, two basic situations can be observed in producer take-up and outcomes: a clear improvement to the *filière's* dynamic and performance, as in the case of meat, and absence or insignificance of impact, as in the case of olive oil (Marreiros, 1999).
4. In a key Portuguese chestnut producing zone, the various economic actors in the *filière* – producers, commercial intermediaries, *warehousing* and wholesale companies, exporters and food manufacturers – not only have entirely heterogeneous ways of appreciating and evaluating the quality of the fruit they deal in, but also demonstrate a complete disinterest in the PDO designation. Thus, the specifications of the chestnut PDO are currently entirely marginal to the functioning of both the domestic and overseas market for chestnuts (Fragata and Condado, 1996).
5. There is also friction between the Terra Fria chestnut PDO and the functioning of the principal industrial unit in the region, which not only has immense local influence, but also is well integrated into the *filière* with strong connections with the international market. This enterprise calibrates chestnuts on the basis of size and, given its local importance, tends to impose a specific and common form of marketing on most local producers, which runs counter to the successful development of the PDO (Fragata and Condado, 1996).

### 3. SELECTION OF SCIENTIFIC AND RECENT (SINCE 1980) PAPERS, PUBLICATIONS, MEMORIES AND STUDIES IN THE COUNTRY (INCLUDING INTERNATIONAL AND NATIONAL MEETINGS HELD IN ENGLISH)

#### 3.1. Books (1999 - 1996)

Marreiros, C. I., G., (1999).

**O marketing e as denominações de origem e indicações geográficas. O caso da Região Alentejo.**

APDEA, Lisboa, 204 p..

Fragata, A. 1996).

**Pêra passa de Viseu: um fruto a renascer?**

Animar, Série Produtos Locais 1, 26 p.

Fragata, A. ; Condado, M. (1996).

**A castanha da Terra Fria como caso de construção social da qualidade.**

Animar, Série Produtos Locais 2, 36 p.

#### 3.2. Congress Proceedings, Journal Article, Reports (2000 - 1994)

##### 2000

Fragata, A. ; Martins, A. P. L. ; Vasconcelos, M. M.

**Artisanal and industrial models of the PDO cheese "Queijo de Nisa" (North of Alentejo, Portugal).**

*In: "The socio-economics of origin labelled products in agrifood supply chains: spatial, institutional and co-ordination aspects", 67<sup>th</sup> EAAE Seminar, Editors Bertil Sylvander, Dominique Barjolle, Filippo Arfini, Paris, INRA, 287-293.*

Santos, J. C.-R.

**Cachena, uma raça de bovinos. Primeira abordagem ao sistema de criação.**

*O Minho, A Terra e o Homem*, 44: 35-44.

##### 1999

Alface, M. J. S. ; Oliveira, S. C. F.

**Caracterização da Indústria de Fabricação do Queijo de Évora.**

Comissão de Coordenação da Região Alentejo, Évora, 114 p.

**1998**

Judas, A.

**O Queijo de Évora certificado: Estudo da viabilidade de uma unidade de produção.**

Comissão de Coordenação da Região Alentejo, Évora, 122 p.

**1995**

Pinto, A. C. E.

**Inventário da salsicharia e outros transformados de porco no Centro e Baixo Alentejo. Distribuição geográfica e caracterização produtiva das diversas variedades de enchidos,**

Comissão de Coordenação da Região Alentejo, Évora, 264 p.

**1994**

Cêa, A. C. ; Matoso, A. J. ; Brito, M. P.

**Produtos regionais certificados: Uma nova oportunidade.**

*O Minho, A Terra e o Homem*, 23: 9-12 e 28: 22-28.

**3.3. Thesis (1998)**

Simões, O. M. A.

**A Economia do Vinho no Séc. XX: Crises e Regulação.**

Tese de Doutoramento, Instituto Superior de Agronomia, Lisboa, 417 p.

## Discussion report

- There are two views on Port Wine regulation, namely that held by the signatories of the 1958 Lisbon Agreement, and that supported by those who did not sign, the "new producer countries", in particular USA, Chile, South Africa, Argentina, Australia. It is essentially the OIV (*Office Internationale de la Vigne et du Vin*) and the WTO that manage this ongoing conflict and mediate between the parties. Do the results of the most recent discussions suggest convergence to the European positions?
- In the case of products well integrated on national and/or international markets with large scale, it is important to know and to develop the basis of compromise between "industrial" specifications and the definition both the criteria of attachment to the area and the environmental mode of production and processing.  
For instance for the chestnut quality, the policy should promote the large regions with sufficient area for satisfy the product demand?
- Following the lead taken by famous wines with individual mark and controlled appellation (case of *Esporão* wine from the *Alentejo* region), and stimulated by the substantial market demand for their products, a large firm with a strong quality strategy is buying up small and medium industrial units in prestige olive oil and cheese-producing areas (*Évora, Azeitão, Nisa*). Should this trend continue, what are the implications for the regulation and qualification policies (marks and/or OLP?) and the production and consumption of PDOs from small and medium firms?
- The mountainous zones, in general, have a degree of productive diversity combined with low levels of production. On the other hand, OLPs (PDOs and PGIs) have not significantly contributed to the development of such areas.  
On the issue of "Territorial qualification" in mountainous zones: How is constructed the local area as a resource? What interactions/conflicts occur between territorial (local) and global (*filiales*) levels? How to include environmental aspects and landscape development in the qualification of OLP in fragile *territoires*?
- Very frequently, a large proportion of producers and products are excluded from certification processes.  
What are the reasons? Are certification criteria too strict and the processes too cumbersome, bureaucratic and time-consuming? Are, then, the direct and indirect costs too high? In the case of micro-producers, could the regulation to be undertaken by local producer associations themselves? What is the experience of other countries in this regard?

### FUTURE RESEARCH

- There is a lack of research on traditional rural/local knowledge and know-how. For example, how were (and are) the product characteristics arrived at (negotiated) by those most actively involved in their manufacture and commercialisation? To what extent to Specification Books reflect this knowledge and know-how? What are the key differences between the official specifications and the production practices of OLPs? Are the manufacturing units that are currently licensed to produce OLPs (e.g. cheese, sausages) able to produce such local items to the standards implicit in local knowledge and know-how? What influence do consumer tastes and preferences have over the definition of the products' characteristics?
- Either unknown to one another, organisations and/or companies often undertake promotional, marketing and commercialisation exercises simultaneously related to products of the same type (cheese, meat, sausages, etc.), thereby wasting resources and weakening the OLPs' profile and presence in the market. Would it not be advantageous to co-ordinate these actions more and devise common campaigns? What are the obstacles to such an initiative? What is the experience of other countries in this regard?
- In some cases, certification/regulation is applied to OLPs that are produced under conditions of biological/organic agriculture, as in the case, for example, of certain olive oils. What are the potential advantages and drawbacks of such initiatives?