

THE ROLE OF GEOGRAPHICAL LABELLING  
IN THE SPANISH SUSTAINABLE  
LIVESTOCK PRODUCTION

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## SCENARIO

Liberalisation

Decoupling of payments

Market support decreasing



## VULNERABILITY OF FRAGILE PRODUCTION SYSTEMS IN LESS FAVOURED AREAS



Decrease of profitability

Abandonment of activity

Exit of farmers

Withdrawal of traditional practices



Agro-environmental  
payments

Increase added value  
"Origing labelled" products

# "ORIGIN LABELLED" PRODUCTS

*Collective brands* public or private:

- Protected geographical indications

  - PDO (Protected designation of origin)

  - PGI (Protected geographical indication)

- Unprotected geographical indication

  - Promoted by collective firms  
(cooperatives...)

## EFFECTS OF "ORIGIN PRODUCTS"

### Economic

- Higher prices
- Increase added value
- Induced effects in local economies
- Ease of integrated rural development strategy
- Encouragement of production structures (small scale farms)
- Introduce firms in quality assurance schemes

## EFFECTS OF "ORIGIN PRODUCTS"

### Environmental

Maintenance of traditional production systems  
Sustainable use of local resources  
Less intensive use of outside inputs

Prevention of abandonment and intensification

Preservation of landscapes

Conservation of autochthonous breeds and native species

### Social

Impact in local cohesion and territorial identity

Creation of social and cultural capital

Collective action: coordination and cooperation strategies

Bottom-up strategy of endogenous sustainable development

# SPANISH BEEF PRODUCTION SYSTEMS

## Mountain extensive farm

Suckler herds  
Production of calves for rearing  
Outdoor grazing  
Some of them fatten their own stocks  
Sever structural problems (size, marketing, access to market...)

## "Dehesas" extensive farms

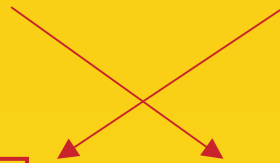
Suckler herds  
Production of calves for rearing  
"Dehesas" seasonal grazing  
Transhumance  
Second activity behind iberian pigs  
Very few finish the beef  
Structural characteristics less severe

## Semi-intensive fattening farms

The buy calves or fatten their own stocks  
Outdoor grazing at least shorts period of time

## Intensive finishing farms

They buy calves  
Stock is housed indoors  
Intensive feeding with fodder and forage  
Big size (up 10,000 places)



## CATTLE EXTENSIVE PRODUCTION SYSTEMS

*Positive contribution to sustainability of less favoured areas and nature conservation:*

- Integrated in mountain and "dehesas" ecosystems
- Associated with environmental friendly land management
- Contribution to enhancement of biodiversity and creation of micro-habitats
- Importance of conservation of traditional practices for conservation nature
- Supporting the maintenance of population in less favoured areas

## CATTLE EXTENSIVE PRODUCTION SYSTEMS

*Economic vulnerability threatens survival of these systems:*

Mountain areas:

➤ Exit of activity, abandonment of pastures and depopulation

"Dehesas":

➤ Decline of traditional practices, exit of smaller farms and increase of size of herds with overstocking and overgrazing



## GEOGRAPHICAL LABELLING IN BEEF PRODUCTION: CHARACTERISTICS

- Valuable instrument to increase added value
- Potential to respond to consumers' quality demands and capture demand for social and environmental values
- Contribution to the maintenance of extensive systems guarantying the environmental functions provision
- Required practices in PGIs coincide with traditional production methods:
  - Management and use of pastures
  - Requirement that calves remain outside at least 4/5 months
  - The calves must born, rear and fatten in production areas
- Contributing to increase the employment: fattening is labour intensive activity
- Introduction of additional guarantees of food safety

# EFFECTS OF BEEF GEOGRAPHICAL LABELLING IN RURAL DEVELOPMENT

## ***ECONOMIC***

- Higher incomes and prices
- Employment in rural and marginal areas
- Control of quality and standardization of production systems
- Induced effects on related economics activities

## ***SOCIAL***

- Reduction of rural exodus
- Promotion of collective action
- Support of coordination and cooperation strategies
- Strengthening regional and territorial identity

# EFFECTS OF BEEF GEOGRAPHICAL LABELLING IN RURAL DEVELOPMENT

## *ENVIRONMENTAL*

- Control of erosion
- Contribution to fire control
- Conservation of autochthonous breeds
- Preservation of landscapes
- Maintenance traditional production practices
- Avoiding of intensification

*Research on geographical labelling on beef extensive production systems:*

- To characterise the process of integrating farms into differentiation mechanisms
- To establish factors explain farmers' decision to participate
- To analyse the differences in perceived prices between PGI and regular beef.

## CASE STUDIES FROM SPANISH EXTENSIVE SYSTEMS



# CASE STUDIES SELECTED



	NAVARRA	S. GUADARRAMA	V. PEDROCHES
<i>Climate</i>	Atlantic	Continental	Medtierranean
<i>Farm size</i>	Small	Medium	Medium-large
<i>Extensification</i>	Medium	Medium-high	High
<i>Productive orientation</i>	Cattle	Cattle	Cattle and pig



## GEOGRAPHICAL LABELLING IN THE CASE STUDY AREAS



- Initiative of regional government
- 705 farms (57%)



- Initiative of regional government
- 120 farms (11 %)



- Geographical collective brand promoted by cooperative COVAP
- 210 members



REQUIREMENTS	PGI "Ternera de Navarra"	Collective Brand	PGI "Carne de la Sierra de Guadarrama"
Age of calves	Yes	Yes	Yes
Weight to slaughter	Yes	Yes	Yes
Natural feed	Yes	Yes	Yes
Origin of calves	Yes	No	Yes
Payment condition	No	Yes	No
Need of investments	No	No	No
Exclusivity agreement	No	Yes	No





- Close to urban populated centres
- Livestock farming is considered strategic sector
- Atomisation and low profitability
- Traditional "associative spirit" among farmers
- Regional government promote PGI through the rural agricultural offices
- Farmers integration varies along the potential area



- Close to urban populated centres
- Livestock farming is considered strategic sector
- Atomisation and low profitability
- Not an "associative spirit" among farmers
- Regional government promote GPI through the rural agricultural offices
- Farmers integration varies along the potential area
- Marketing is an individual activity. Standing an step below in the process to insert in marketing channels



- COVAP is a leader co-operative (beef, pork, and dairy sectors)
- Experience and commercial prestige
- Public support is reduced to the authorisation to use a label officially recognised
- Promotion and commercialisation fall on the co-operative.
- Member of the co-operative are breeding farmers supplying calves to be fed at co-operative feedlots.
- Price negotiations are one of the key factors.

# QUALITY COMPARATIVE ANALYSES

229 questionnaires to farmers

*Navarra:*

73 questionnaires: 58 participating and 15 not

*Guadarrama*

102 questionnaires: 55 participating 47 not

*Pedroches Valley:*

54 questionnaires: 29 participating and 29 not

# MAIN RESULTS OF COMPARATIVE ANALYSES

## *TERNERA DE NAVARRA*

- Two kind of farm staying out: feeding farms and smaller farms
- Younger farmers and with higher education
- Breeding & feeding farms
- Part-time farmers

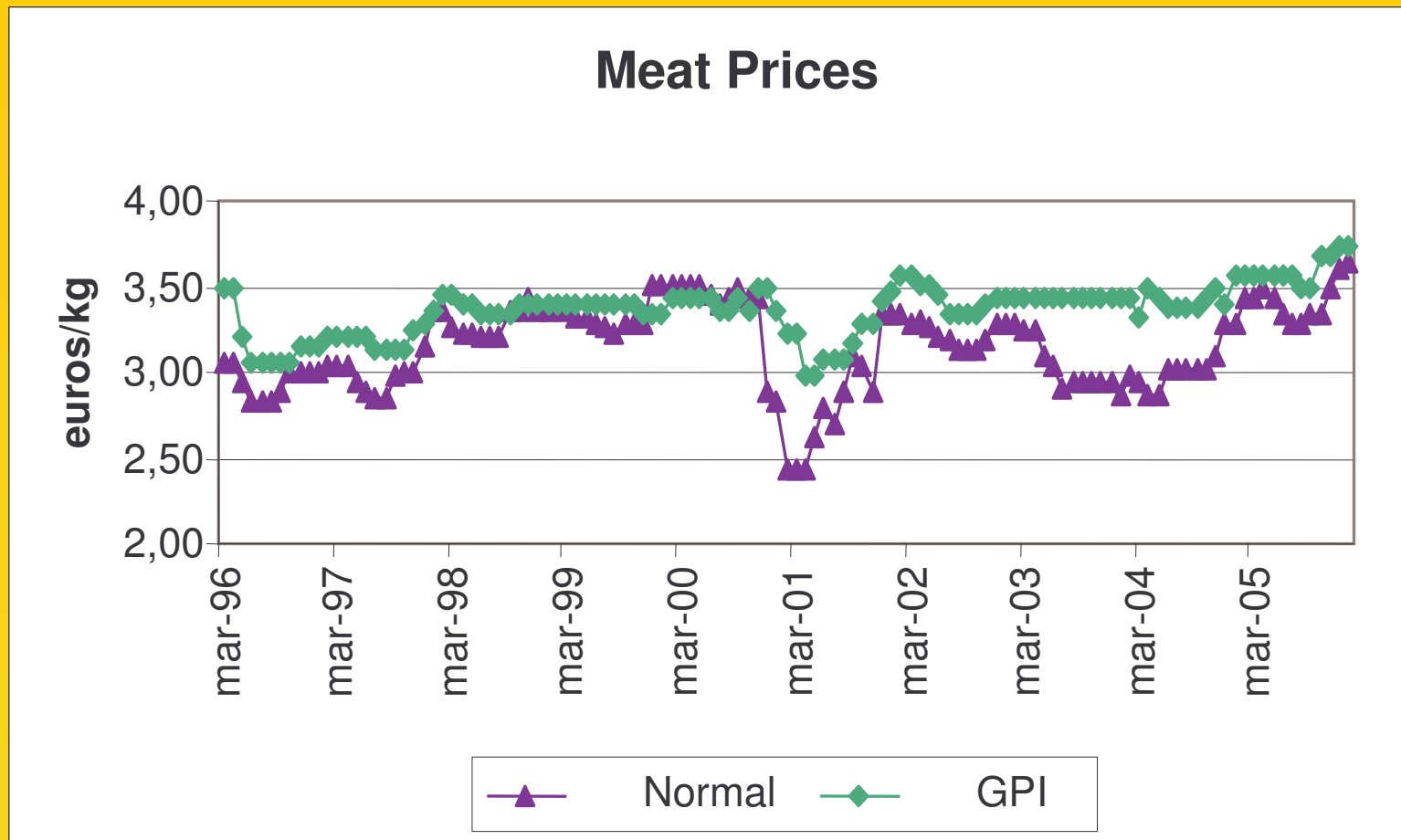
## *CARNE DE GUADARRAMA*

- Two kind of farm staying out: feeding farms and smaller farms
- Younger farmers and with higher education
- Breeding & feeding farms
- Full-time farmers

## *PREDROCHES VALLEY*

- Breeding farms
- Older and less educated farmers
- Large farms devoted to feed calves stay out the label, due to their own capacity to access markets

# MEAT PRICES: PGI "TERNERA DE NAVARRA"



## MEAT PRICES: PGI "TERNERA DE NAVARRA"

The PGI prices are not only higher but also more stable

Euros/kg (96/06)	PGI	Non-PGI
<b>Average</b>	3.37	3.15
<b>Variance</b>	0.15	0.24
<b>Variation Coefficient</b>	4.53	7.88
<b>Minimum of minimums</b>	2.94	2.40
<b>Maximum of maximums</b>	3.79	3.70

## CONCLUSIONS

- The increase of added value is possible through the valorisation of "origin" resource
- The consumers willing to pay higher and stable prices for these products
- Mechanisms to produce "origin" product are not unique and they have to adapt to specific characteristics of the territory
  - Mountain systems: farms combining breeding and fattening activities
  - "Dehesa" systems: Smaller and breeding farms
- The geographical products can contribute to the stop the exit of farms favouring the maintenance of the activity