



# Overview of the implementation of the CAP



## 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**

**Direct payments: € 4 438 million**

**Rural Development: € 4 058 million**

## New architecture of the CAP

Coupled Support [20%]	Support to farmers in Less Favoured Areas	Small Farmers Scheme
Young Farmers [2%]		
Green Payment [30%]		
Redistributive Payment		
Basic Payment [48%, of which 2% national reserve]		

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



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[www.newcapmountain.eu](http://www.newcapmountain.eu)

# Situation of mountain supply chains

## 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.

Source: DGADR—Direção Geral de Agricultura e Desenvolvimento Rural

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.



Farmers in less-favoured areas give continuity to traditional productions



The certification of quality food products is very important in mountain areas



Tourism is also an important activity in mountain areas

# Most interesting rural development measures

## 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



Sustainable agriculture is important for consumers

### Support Levels (euros/ha of eligible area(EA))

Eligible Area	Mountain Areas	Other less-favoured areas
EA = 3 ha	260	130
3 ha < EA = 10 ha	190	95
10 ha < EA = 30 ha	60	25
30 ha < EA = 150 ha	20	10

Also the measures linked with the **Protection and rehabilitation of forest stands** may prove to be fundamental in the profitability of the mountain areas as well as in the preservation of the landscape.

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.

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.

A new CAP  
Mountains of opportunities

# LEADER and other local initiatives

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.

A new CAP  
Mountains of opportunities



The mountains attract visitors

*Associação de Desenvolvimento Douro Superior*

#### **Dourototal Project**

Eligible Investment (€ 32 656, 65)

Public Spending (€13 062, 66)

Recreation activities directed to tourists and visitors of the region, favouring the contact with nature and the contemplation of the heritage of the Douro and Côa valleys: boat trips in the Douro river; canoe trips in the Douro and Côa rivers; guided tours to the rock engravings of the Côa Valley and to the museum; hiking, 4x4 motorbikes and mountain biking tours; meals with regional products.

*Associação de Desenvolvimento da Região do Alto Tâmega*

#### **Cozinha de Fumeiro Regional Project**

Eligible Investment (€ 24 894, 44)

Public Spending (€ 9 957, 78)

*Alheira, salpicão, chouriça de abóbora and linguça.* 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.

*Associação para o Desenvolvimento Local de ilhas dos Açores*

#### **Cantinho das Buganvílias Project**

Eligible Investment (€ 115 170, 43)

Public Spending (€ 57 585, 22)

In the Vila das Velas, São Jorge Island, only 200 m from the sea, the Cantinho das Buganvílias 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.

Source: MINHATERRA—Federação de Associações de Desenvolvimento Local



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