# Sustainability of Local Agri-food Products in the Border Area of Northern Portugal and Castilla-Léon

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*Abstract*— **Even in relatively peripheral areas, such as the Portuguese-Spanish border regions, agriculture and food systems have changed greatly in the last decades. Traditional agricultural systems have been declining and some products are no longer appreciated, or even tend to become quantitatively insignificant. Not only are producers ageing but their knowledge and know-how along with the local genetic heritage and biodiversity associated with farming are at risk of disappearing. Local products and markets have been progressively integrated into the larger framework of the global food market. Distributors, restaurant owners and consumers in general rely more and more on exogenous food products, despite the undeniable quality of the existing products and the emerging new urban demand for these products at a larger scale. Recent studies show that there is still room for small-scale production and localized food systems, although a considerable effort needs to be made if they are to be strengthened or re-established.**

**This paper presents a comparative study of both the potential and limitations of traditional local products in the border area of Northern Portugal and the Spanish Province of Salamanca, in Castilla-Léon. It analyzes the types of products, production processes, qualification strategies, as well as the markets and commercialization approaches. The study is based on official published documents and interviews with local producers. Results show that the Portuguese regions are better positioned in terms of number of producers of traditional products, especially the organic products. On the whole, the major difficulties seem to lie in adequately qualifying, promoting and commercializing the products. Besides, co-operation among local agri-food entrepreneurs (in each zone and across the border) is quite feeble and does pose a challenge for the future. In general, localized systems tend to be quite weak, due to the decrease in population and the poor co-ordination among actors and the organization of local supply chains.**

*Keywords*— **Local agri-food products, peripheral areas, Portugal, Spain.**

## I. INTRODUCTION

Even in relatively peripheral areas, such as the Portuguese-Spanish border regions, agriculture and food systems have changed greatly in the last decades. Traditional agricultural systems have been declining and some products are no longer appreciated, or even tend to become quantitatively and economically marginal. Producers are ageing and their knowledge and know-how along with the local genetic heritage and biodiversity associated with farming are at risk of disappearing. Local products and markets have been progressively integrated into the larger framework of the global food market. Distributors, restaurant owners and consumers in general rely more and more on exogenous food products, despite the undeniable quality of the existing products and an emerging new urban demand for these products at a larger scale.

The present paper addresses this subject and is part of a wider study within a project promoted by the INTERREG Programme[1] which includes boarder areas from northern Portugal and from Castile region in Spain. The main goals of this project were (1) identifying and characterizing the organic and traditional agri-food products in the territories studied, and (2) defining major trends and challenges regarding their consolidation as resources for local sustainable development.

In this paper we wish to look at the situation on the basis of the above mentioned Project from a new perspective, comparing the dynamics which have been

[1] The paper was based in the study entitled “Directório Transfronteiriço de Produtores Biológicos e Artesanais”, developed in the frame of the Project Interreg III (A- CT BIN – SAL 2 /SP3 p56 /03) [1].

observed in both sides of the border; namely we will look into types of products, production processes, qualification strategies, as well as markets and commercialization approaches.

The study was based on document analysis (studies, technical reports, statistics) and interviews with local producers and/or food processors (PDO, PGI and organic products), as well as with producers of traditional arts and crafts. A total of 192 interviews was completed, 33 in the Province of Salamanca, 58 in Douro superior and 101 in Beira Interior Norte. These producers/processors were identified from official lists (supplied by the Ministry of Agriculture and the Regional Government Services), as well as in the course of field visits, and through contacts established in local/regional fairs and food-related events.

The interview schedule included five major topics: (1) general characterization of the farm/business (location, type of firm, size, type of production technology); (2) production, certification and labelling; (3) target markets, commercialization channels, and promotion approaches; (4) co-operation and competition with other local agents; and (5) cross-border co-operation efforts and initiatives.

Both the identification and the characteristics of the respondents were determined by the available sources and, in some cases, by the existence or lack thereof of official records regarding mainly traditional handicrafts. Particular attention was given to the data presented; however, given the difficulties in gathering those data, it is possible that some flaws and omissions may have occurred which, on the whole, do not influence the conclusions in any way. The number of Portuguese artisans registered is very low and we had to resort to local agents in order to identify them. In Salamanca only agri-food producers were surveyed.

This paper is structured in five sections. After a brief introduction in section one, section two deals with the conceptual ideas which inspired the research. In section three a brief social and economic characterization of the border territory is presented. Section four proceeds to discuss some of the Project results. Finally, section five presents a set of conclusions as well as some recommendations to help find a revitalization strategy for local products.

## II. CONCEPTUAL REFERENCES

Presently there is a dialectic tension in world agriculture and food systems regarding what may be considered global and local and which manifests itself at different levels, depending on the continent, the country or the region.  If on the one hand the global agri-food system is dominated by an agro-industrial complex, by large scale distribution and fast food chains, on the other hand there is a growing movement, albeit with different backgrounds, focuses and trajectories, in favour of local products, origin-related quality, food traditions and, in a broader context, of more sustainable patterns of food production and distribution [2] [3] [4] [5] [6] [7].

Local agri-food products that were once neglected are now seen as an alternative response to the global, industrial and massive distribution agri-food systems, and regarded as an essential tool in the development strategy for depressed or marginalized rural territories. Those responsible for rural development consider local or traditional agri-food products to be an important weapon against depopulation, and those in charge of developing tourism see them as instrumental in structuring and preserving the landscape [8]. Moreover, the demand for “quality” as well as for something “local” has been increasing, leading to the creation of real opportunities to revitalize rural economies.

This phenomenon has been described as the “re-discovery of small-scale traditional agri-food products” [8] [9]; and was influenced by a complex set of circumstances, including [10] [11]: (1) the crisis of the productivist model of agricultural development; (2) the difficulty of agriculture in competing with other types of farming in some marginal areas; (3) the integration of traditional agri-food products in the EU rural development and food quality policies; and (4) a growing consumer mistrust regarding mass production, particularly as regards quality and safety.

Authors like Lyson [12] claim there is accumulated evidence that, in regions that have been hit hard by global competition, agriculture and food systems are being relocalized, and defend that the balance between local self sufficiency and global dependency should be reestablished in favour of the former. Marsden et al. also point towards the same direction [4]; they are of the opinion that in a variety of cases studies the "emergence of a re-embedded set of alternative supply chains and networks is highly spatially diverse and is unfolding at different speeds across Europe"; and Scheffer et al. [13] point out the wide range of activities based upon local relationships between producers and consumers (e.g. community supported agriculture schemes and farmers' markets) and the diversification of agricultural activities towards food processing on the farm and subsidiary services like tourism.

Lyson [12] presents seven characteristics associated with the already mentioned re-localization: (1) production is oriented towards local markets and meets the needs of local consumers rather than national or international markets; (2) agriculture is viewed as an integral part of rural communities, not merely as a means to produce commodities; (3) producers are more concerned with high quality and value added products than with quantity and least cost production practices; (4) production at farm-level is often more labour and land intensive and less capital intensive and land extensive; (5) producers often rely on indigenous site-specific knowledge rather than on a uniform set of "best management practices"; (6) producers forge direct market links to consumers rather than indirect links through middlemen; and (7) agriculture takes up social, economic and geographical spaces not occupied by industrial agriculture..

From a conceptual perspective, movements and initiatives which favour local sphere in agri-food production and consumption are inspired by a variety of authors, among them Kloppenburg et al. [14], who established the concept of "foodshed"; Feenstra [15], who proposed the concept of "local food system"; Murdoch et al. [16], who talked about "alternative supply chains"; or Muchnik [17], who developed the broader concept and perspective of "localized agri-food system". According to Muchnik, a localized agri-food system is a "type of organization of agri-food activities, in which territorial dynamics plays a decisive role in terms of the coordination between stakeholders and the development of production activities".

All these perspectives stress out the importance of spatial dimension and of new territorial food governance mechanisms. In fact, as Marsden et al. [4] point out, focusing on local and regional issues "is the beginning of a process of rebuilding more agro-ecological systems which begin to integrate space and nature into production processes", and the "promotion of the food sector at the regional level (i.e. farms, firms, retail, outlets, etc.) will entail the successful promotion of regionalized 'associations', 'networks' and supply chains. In this sense, as the same authors argue "… regional spaces become defined as active collective 'learning' spaces within which ecological, social and economic sustainability can be given priority and alternative agro-food strategies can take hold" [4].

Based on case study research, Hultine et al. [18] identified key elements for successful "community-based local food systems", including: (1) the existence of catalyst farmers, willing to contribute with their creativity and expertise; (2) good communication between stakeholders, including local governments, leaders and institutions; (3) long time horizon to achieve success, allowing the construction of trust relationships with the community and the involvement of consumers and other actors; and (4) a democratic and collaborative leadership, providing a strong sense of direction and stability.

In short, this is a research area which is presently regarded as crucial within the framework of an ample discussion about overall evolution trajectories of agricultural production systems, the role of agro-industries and distribution systems, consumption patterns, food quality and safety, nutrition and health, as well as both devitalisation and revitalization of rural areas, energy consumption, nature and biodiversity preservation and public policies of agricultural and rural development. Actually, as Marsden et al. [4] have pointed out, "the gradual reform of rural and agricultural policy structures, and the development of new forms of market orientation (the gradual and uneven deregulation of protectionist policies, for instance), put a stronger emphasis upon creating more effective local and regional production and value-added supply chains which may be able to create positive 'defences' for rural regions against the prevailing trends of globalization and further industrialization of markets".

## III. TERRITORY UNDER STUDY

As indicate above, the territory under study includes three main areas: Douro Superior (DS); Beira Interior Norte (BIN) and Província de Salamanca (PS). It is situated on the border between Portugal and Spain, and it occupies an area of approximately 18.3 thousand $km^2$, of which the largest area (67%) belongs to the Province of Salamanca and the remaining 32.5% to Portugal (22% Beira Interior Norte and 10.5% to Douro Superior, respectivelly). The PS consists of eight agrarian "Comarcas" and 362 "Ayuntamentos". BIN includes nine "Concelhos"[2] and 239 "Freguesias". DS, the smallest area, has only four "Concelhos"[3] and 68 "Freguesias".

In the whole, in 2001 this border region had a population of half a million inhabitants. PS and BIN had similar population densities (28 inhabitants/km2) whereas DS had the lowest (18 inhabitants/Km2). These figures are very low when compared to the average figures found for Spain (80) and Portugal (112). In the period which elapsed between the 1991 and the 2001 census there was a population decrease of 3.4% in PS, 2.7% in BIN and 9% in DS, respectively. In this territory the population tends to concentrate mainly in the heads of the municipality and in towns.

Table 1 Population, parashes/municipalities, area and population density

| | Population 1991 | Population 2001 | Freguesias/ Municipalities (no) (2003) | Area (km2) | Population Density (inhabitants/ km2) |
|---|---|---|---|---|---|
| PS | 357.801 | 345.609 | 362 | 12350 | 28,0 |
| BIN | 118.513 | 115.325 | 239 | 4063 | 28,4 |
| DS | 36.956 | 33.832 | 68 | 1934 | 17,5 |
| Total | 513.270 | 494.157 | 669 | 18347 | 27,0 |

**Source**: [19].

This is mostly a rural territory, facing several structural problems such as depopulation, high rates of unqualified population, low weight of the younger population as opposed to a growing number of residents over 65. These accounts for higher dependence levels and the weakening of the economic tissue which, in turn, make it more difficult to promote sustainable development.

The entrepreneurial structure is fragmented, and displays low levels of co-operation, with apparent weaknesses in the organization, technology and commercial domains. It also seems to experience some difficulties in creating value added by means of a higher level of transformation. There are, however, some exceptions, as in the case of wine and olive oil related firms which, despite their small or medium size, have conquered their space and are well placed in the global market.

The economic structure has been subject to considerable changes in the last decades. Agriculture, once playing an important role in the employment structure, has been lagging behind some other sectors, although retaining still some of its former importance. In 2001, the employed active population distribution per activity sector showed the high share of the tertiary sector in the active employed population (PS - 67%, BIN - 56% and DS - 49%, respectively), followed by the secondary sector (PS - 24%; BIN - 32% and DS - 20%, respectively) and finally the primary sector (SAL - 9%; BIN - 12%; and DS - 30%, respectively).

The following table presents a summary picture of the main weaknesses as well as strong points of the territory under survey [20] [21].

Table 2 Weaknesses, Strong Points and Actions to Develop the Territory

| Weaknesses | Strong Points | Actions |
|---|---|---|
| - Depopulation and population aging;<br>- Scarcity of Jobs;<br>- Low qualifications;<br>- Lack of basic services, mainly infra-structures;<br>- Weak entrepreneurial tissue and absence of investment and innovation;<br>- Weak social capital; | - Natural heritage: flora, fauna, agrarian systems, landscape and other focus of interest; Natural Parks: Douro Internacional, Arribas do Douro, Serra da Estrela, Serra da Malcata, Serra de Gata and Gredos;<br>- Natural Parks: Douro Internacional, | - Developing territorial-based integrated projects;<br>- Improving accessibilities, namely road networks;<br>- Promoting employment through endogenous resources;<br>- Developing natural and |

[2] Almeida, Celorico da Beira, Figueira de Castelo Rodrigo, Guarda, Manteigas, Meda, Pinhel, Sabugal and Trancoso.

[3] Mogadouro, Vila Nova de Foz Côa, Moncorvo and Freixo de Espada à Cinta.

| | | |
|---|---|---|
| - Low inter-institutional cooperation level;<br>- Little power of the civil society;<br>- Limited access to basic services;<br>- Difficult intra- and inter- territory accessibility;<br>- Lack of transversal projects;<br>- Scattered supply and difficult marketing of agricultural products;<br>- Weak articulation/ /communication between tourism and agriculture. | Arribas do Douro, Serra da Estrela, Serra da Malcata, Serra de Gata and Gredos;<br>- Archaeological and cultural Heritage (Douro World Heritage, Vale do Côa Archaeological Park);<br>- Quality agri-food products, game and fishing;<br>- Geological, water, and energy resources. | cultural heritage potential;<br>- Promoting entrepreneurship and private investment;<br>- Enhancing the energy sector;<br>- Developing agriculture, the agri-food sector and tourism as guidelines for development;<br>- Providing social and healthcare for the elderly;<br>- Improving social capital, adapting qualification supply to the territory's development needs. |

**Sources**: [20] [21].

The dynamics, potentials and limitations of traditional local products are analyzed within the context of this territory, looking particularly into types of products, production processes, qualification strategies, as well as markets and commercialization approaches.

## IV. RESULTS

Results are presented in four sub-sections. The first sub-section refers to some general data regarding the characterization of the units surveyed. The second introduces the organic producers and the third presents a study of the craftsmen. Finally, in the fourth sub-section, results regarding the products' certification commercialization and promotion are displayed[4].

[4] In this point we assume as definitions of Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Organic Agriculture those presented in the EU Regulations. Handicraft activities are defined according to the Portuguese Decreto-Lei nº 110/2002 (article 4º), as economic activities with recognized social and cultural value related with the production, restoration or repair of goods of artistic value or utility, with traditional or contemporary roots, or the supply of services with the same nature.

### *A. Characterization of the units surveyed*

After analyzing the information that has been gathered, these are the elements that characterize the units surveyed, namely as regards their organizational form, size and main production technologies.

*Organizational form and size of the units surveyed*

"Individual producers" are the dominating organizational form (74%) in the border territory, followed, though less significantly, by commercial partnerships (14%). Co-operatives represent 5% and appear, mostly, on the Portuguese side of the border. Among the remaining units (7%) there is a municipal firm which sells products from its territory. As far as this indicator is concerned, there are no visible differences between border territories from both countries.

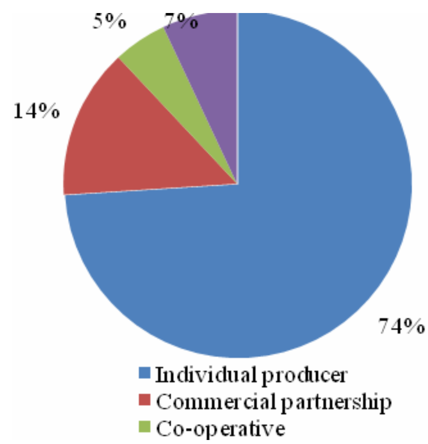


Fig. 1 Organizational form of the organic and artisanal producers surveyed

The units surveyed are, for the most part, micro firms, of which about 82% have not more than three employees. With more than ten 10 employees there were only three units. Yet, these results are not surprising since it is common knowledge that such firms are typical from similar rural territories with a low population density. The variables mentioned are common to the whole of the territory surveyed and do not account for any differentiating factor between the two countries.

*Production technologies*

The information gathered here was part of a Project based on artisanal units, including the agri-food sector and handicraft, regardless of the certification process (PDO, PGI, organic production or none). Nevertheless, it was a concern to find out semi-artisanal and industrial units which may have been identified.

As one can see in Figure 2, artisanal units are predominant (71%), followed by industrial units (19%), with a significantly lower percentage. Industrial firms include oil-presses, bakeries and small sausage producing units. As a rule these units incorporate modern industrial technology complying with all the legal requirements of health, sanitation and food safety.

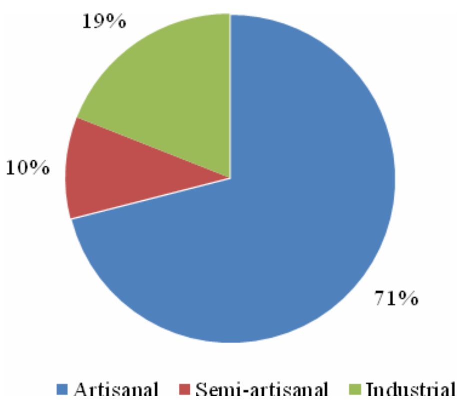


Fig. 2 Incorporation of technology into the productive process

*B. Organic Producers*

The organic producers which have been identified in the border territory under survey (31) are mostly on the Portuguese side (26), especially in BIN (18). In PS, only five have been identified, which is relatively little considering that it is a vast area, occupying about two thirds of the territory in question. Organic agriculture in PS refers mainly to pastures, meadows and fodder (1,673.90 ha), very small areas of vineyard (9.53 ha), olive groves (8.36 ha), cereals and legumes (6,61 ha), and fruits and horticultural products (2.35 ha).

It is possible to find organic olive oil in many units in BIN (12). Five of them, three in Portugal and two in Spain, produce wine. As regards organic products of animal origin there are four producers on the Spanish side – two meat producers (an average of 81 livestock per farm) and two cheese producers – and three on the Portuguese side – two meat producers and one cheese producer. Given the importance of sheep cheese production in the BIN region, surprisingly this option seems to be not very attractive. On the Portuguese side we have also identified two organic almond producers. Almond growing is a Mediterranean culture with some importance at regional and national level.

In recent years there has been some increase in the number of organic producers, namely olive oil, olive and almond producers and, in Spain, also meat producers due to the fact that the organic production system is somehow akin to traditional agricultural systems. In short, in view of the size of the territory (especially regarding the Salamanca region), prevailing production systems and natural conditions favourable to producing organic products, it becomes clear that the sector is very likely to experience a considerable growth, provided that producers are organized and there is a market to support it. On the Portuguese side of the border, there is a strong interest for organic products. However, production volume per producer is still relatively low.

*C. Artisanal producers*

Producers in this category produce agri-food products, confectionery and delicacies, as well as handicraft.

Cheese, regional confectionery and sausages are the products Spanish units commercialize most of these products. On the Portuguese side there is a big difference between products from DS and from BIN, as a result of the territory's different traditions and features. In DS, olive oil, preserved olives and almond-based regional sweets are among the most popular (seven cases), along with the chestnuts, meat and fruit jams. In BIN, dairy products (especially cheese labeled Queijo da Serra PDO), sausages and honey are the most representative. Olive oil and olives, chestnuts, meat, and fruit jams can also be found in this region but less significantly. In BIN, 46 units producing and selling handicraft were identified: textiles, embroidery, lacework (13); basket weaving (8); stone and clay sculpting (6); ceramics (3); cutlery

(3); and varied handicraft (13), like painting and bijouterie. In DS, there are seven producers who are currently engaged in the textile industry, embroidery and lacework (4), and other activities like candle making and the manufacture of harness and saddlery (3).

It was not possible to conduct a survey of the craftsmen on the Spanish side. Nevertheless, the statistical information provided by the government of Castilla-Léon indicates that the activity in this sector is fewer than on the Portuguese side. At the time of our survey there were 94 craftsmen registered, especially in the areas of cabinet making and metals (35), vegetable fibres (15), marble and stone (11) and jewellery (11).

Although handicraft is suffering a strong decline in Portugal, due to an aging artisan population and the small size of units, everything seems to indicate there is still a large number of activities and an even larger variety of products. The small agri-food producers are confronted with several administrative requirements they have to meet, like sanitary demands, which make it difficult for them to get their registration. These requirements may sometimes prove to be quite paradoxical as the artisanal products are required to be made by hand, and at the same time they have to obey food sanitation laws that require the use of new machines and technology.

### *D. Product qualification and cross-border co-operation*

In this section we evaluate producers' behaviour toward product certification, commercialization and promotion, and cross-border co-operation on both sides of the border.

#### *Product certification*

In order to generate value added and retain it in the territory, the qualifications PDO, PGI, GTS and/or Organic Production Mode applied to agri-food products were created, thus contributing to valuing these products. From all the agri-food producers identified (140), only 19 (13.5%) have chosen to certify their products, of which 10 bear the PDO and 9 the organic label. The certified products are olive oil (14), cheese (3), and other agri-food products, including wine and preserved olives.

Comparative analysis between both sides of the border shows a predominance of certification on the Portuguese side (12) as compared to Spain (7), despite the latter being a much larger area.

In broad terms, the issue here is the relatively low number of producers, given the territory's natural conditions, especially for the production of organic products, caused, among other reasons, by the small quantities produced, the territorial dispersion of the units, organizational difficulties, and certifications relatively high costs.

#### *Type of products per unit*

For all the units surveyed, on both sides of the border, the average number of products per unit is two. As shown in Figure 3, units with only one product predominate (62%), and 95% of the units have up to three products. Bakers and confectioners show the biggest diversity of products. There are two units doing business in a great number of products and both are located on the Portuguese side. One is a dairy firm and the other a municipal firm dealing in several agricultural products produced locally. Still on the Portuguese side, there are several units selling four or more dairy and sausage products.

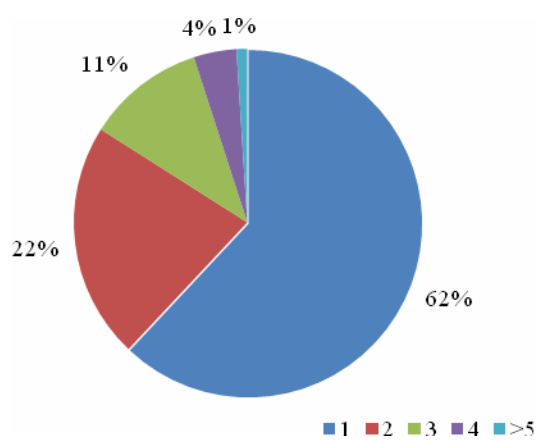


Fig. 3 Number of products per producer

23 of the 31 Spanish units of our survey trade only in one product, seven sell three products and only one unit sells four or more products.

Data clearly show higher production diversity among Portuguese units, both in type and number of products. However, on the whole, when compared with Spanish units, Portuguese ones are smaller, especially when the volume of productions is concerned. In short, Portuguese units are smaller and more diversified, whereas Spanish ones are bigger but with a smaller range of products.

*Product marketing*

Most agri-food producers are retail sellers. They favour direct sale to consumers and restaurants, in fairs and markets, by mail or through other retailers. In some cases, the sales system is associated with a certain type of commerce and a specific market, be it a quality or a specialty market, where the artisanal product can be singled out by its typical quality. Most producers do not resort to big distributors, probably for fear of big industries' competition and given the levels of protection and the demand for more attractive profit.

Geographically, these products are mainly meant for the local market, and also for regional or national markets (in both cases, over 50% of producers use these markets). There is also a small number of producers who place their products in international markets. Curiously enough, both big producers as well as those with only small turnovers are involved in international diffusion.

Specifically, on the Spanish side products are mostly traded in fairs and markets (33%), and a large part of the sales are conducted directly in the production units (30%). Thirdly, there are the sales to restaurants (23%). In terms of turnover, retail sales prevail, representing twice as much as bulk sales.

On the Portuguese side, trade is done directly in the units. For 23% of the units, markets and fairs are the favourite places for conducting business. There is also another type of trade that is not so frequent and involves selling to restaurants (13%) and shops (6%). Retail sales also predominate, representing twice as much as bulk sales.

In short, in PS, sales in fairs and markets stand out as opposed to BIN and DS where trade is done within the unit or at the production site. In both cases, direct and retail sales predominate and commercialization is done in short circuits and within the local sphere.

*Product promotion*

Promotional activities are an essential part of any commercialization strategy. In this respect we have considered three types of strategy: the use of electronic mail; a webpage; and the creation of one's own label.

In general, results show that the use of electronic mail has reached a considerable number of followers and has been adopted in 38% of the cases. As to the other two strategies, values are lower. Only 20% of the units have a webpage, whereas 23% are trying to consolidate their image by creating a label and the correspondent logotype. When one compares these strategies and how they are used in Portugal and Spain, one notices that they are more common in Salamanca. The use of electronic mail in PS reaches 45%, whereas in Portugal it reaches 35%. Both in Portugal and Spain producers resort less to a webpage: 27% in PS and 22% in BIN and DS, respectively. Concerning a firm label and logotype, there is a striking difference between the two countries, with a percentage of 39% users on the Spanish side against only 15% in Portugal.

It should be noted, however, that there are more producers on the Portuguese side, some of them considerably older and engaged in traditional activities, which partly accounts for the discrepancies between these countries. If, on the one hand, there is still a lot to be done as concerns the fullest use of these tools, on the other hand it cannot be ignored they are available even in the remotest parts of DS or BIN.

*Cross-border co-operation*

Most agri-food artisans have already taken part in a cross-border fair but only a relatively small number (approximately 10%) has established business relationships with either firms or producers on the other side of the border. Commercial exchanges of agri-food products tend to entail more advantages for Spanish producers as can be seen through the bulk sale figures of some Portuguese products like preserved olives, almonds and wild mushrooms. These products are acquired by Spanish operators who then proceed to transform them, thus generating value addition on that side of the border.

It is also a fact that most producers (almost 80%) wish to participate in future cross-border events and exchanges (fairs, visits, etc.). Nevertheless, this intention varies according to each producer's context and work philosophy, as well to whether they have ever attended any such type of fair.

Chances to increase or consolidate cross-border co-operation also depend on production volume limitations and products' shelf-life. Additionally, producers think it vital to be able to count on public support, namely as regards financing and management and supervision of fairs and other promotional events.

## V. MAJOR CONCLUSIONS

In the cross-border regions and as concerns productions that have been looked into so far there is an entrepreneurial tissue which is composed mainly of micro firms, using traditional production modes that incorporate little technology. These units are linked to the production of a wide set of local products, which tend to be distinct as well as rare, consisting especially of cheese, sausages, wine, olive oil and olives, honey, chestnuts, meat, fruit jams, bread, confectionery and some traditional handicraft.

Product certification is still not very popular among producers, if considered the territory's potential. This is a consequence of the small quantities that are being produced, of the units' territorial scattering, the lack of organization which may induce concentration, and also of the high costs of distribution and certification.

Data suggest that on the Spanish side the people involved have been seeking to produce high quality industrial products associated with the firm's label and on scale rather than certifying the products (collective label).

In the Portuguese case, on the contrary, collective labels like PDO or PGI have been more frequently used although there is still a long way to go before certification becomes a common practice.

The organic production system is generally used by a small number of producers, particularly so on the Spanish side, where several of these units are dedicated to extensive cattle-raising.

In view of the size of the territory in question, the production systems used, and the favourable natural conditions for the production of organic products, this sector can actually grow, provided producers organize themselves and the markets support that growth.

On the Portuguese side, the production units surveyed tend to be smaller and engaged in a wider range of activities. In conclusion, Spanish units may be said to follow a strategy of specializing as well as creating economies of scale, whereas on the Portuguese side of the border the emphasis is on diversifying, departing from small sized productive units.

The origin of raw materials, together with the control of work and production processes and the absence of any elements that may in any way alter the products' properties are some of the distinctive features of traditional agri-food products which make them not only different but unique. However, if they are to be profitable they have to be targeted at specific market niches and/or well integrated in the basic local food system and available at every shop, school or social canteen, restaurant and tourism unit.

As a rule, the promotion of products is not the most adequate, even though new technologies are being used by a considerable number of the units surveyed. In most cases, the products are meant for local and regional markets and sold to the final consumer and middlemen through direct and retail sales. Part of the production is sold without being processed and, consequently, value addition is lost to other territories.

Keeping a large number of artisans together with the great diversity and quality of Portuguese agri-food products make it easy to attract tourists and to sell those products in local and regional markets. However, research in the same region shows that, even though tourists are looking more and more for local products, the supply is not prepared to respond positively to such new demand [22].

On the whole, relationships between entrepreneurs in each zone and in the cross-border zone do not reach a high level of interaction or co-operation. The study shows that in many situations producers do not know each other, despite the fact that they operate in the same area, and so hardly co-operate among themselves, making it difficult for collective action dynamics, and revitalization of both local products and food systems to work out.

Overall, results show that the Portuguese regions – Douro Superior and Beira Interior Norte – are better positioned as regards the number of producers of traditional and quality products, especially with certified organic farming products. The greatest difficulties seem to lie in the products' adequate qualification, promotion and commercialization. Besides, cross border cooperation among local agri-food entrepreneurs is quite weak and poses a challenge for the future. In general, the localized productions systems tend to be quite weak, due to the decreasing population, the poor coordination among actors, and the organization of local supply chains.

Bérard and Marchenay [23] claim that "localized agricultural products and foodstuffs stand at the crossroads of multiple converging interests that attract an ever-wider audience. The challenge lies in distinguishing between the images, expectations and hopes aroused by those products and the realities they represent today" and ask: "Do they occupy a place apart in the promotion of local territories and, if so, why?". In the case of the territories studied the place of these products is still quite incipient, considering their potential.

Future developments require strategic orientations pertaining to five major domains, namely:

– Policies and territorial animation - local development institutions and services should integrate farming and local agri-food products into their policies and action strategies, showing a real commitment to the local economy and sustainable development; their roles are critical to link stakeholders, facilitate and support networks, involve the community, organize events, and promote the territory;
– Networking and governance – regional and cross border collective action and governance mechanisms could be developed, through networks, associations, alliances, platform or committees (involving public and private institutions, farms, firms, retail agents, tourism operators, restaurant chefs, etc.) capable of stimulating synergies between stakeholders, and establishing and managing localized initiatives;
– Producers' and other agents' attitudes and initiatives – a new consciousness and new practices need to be developed that take into account the value and importance of small-scale farming and local food, as a way to promote local agriculture, preserve biodiversity and regional landscape, and respond positively to the new demands created by local products, cuisine, nature and rural tourism. In fact, as pointed out by Vandecandelaere et al. [7], "Strengthening the bonds between local actors and their territories and agricultural and food products is certainly an important step towards a sustainable rural development";
– Commercialization and marketing – product processing and commercialization need to be structured, and attention must be given to safety, quality improvements, direct sales, better use of the collective labels PDO and PGI, introduction of organic production, and involvement of young farmers, local farmers' organizations, distributors, restaurant owners and population in general. The idea of creating a "basket of territorialized products" [23] should be considered; and
– Research and professional training – a comprehensive strategy requires closer attention to innovation, particularly in the fields of processing, marketing and commercialization, and valuable progresses can only be done through continued research and professional training efforts. Local farmer organizations, together with the higher education and research institutions located in the region, have a particular responsibility in these respects and should be actively involved.

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