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## Portugal

### Organic Products

### The Organic Product Sector at a Glance

### 2000

Approved by:

**Office of Agriculture Affairs**

**U.S. Embassy**

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#### **Report Highlights:**

**Organic farming has been expanding in Portugal due EU incentives and rising demand. Among leading organic crops, production arable crops is forecast to reach 46,000 Mt in 2001, fruit 18,000 Mt, vegetables 13,000 Mt, and olive oil 11,000 Mt. There are no trade statistics for organic products. However, products are imported, primarily from other EU countries. Reportedly, some of this is U.S. origin.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Lisbon [PO1], PO

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## **Executive Summary**

Encouraged by EU incentives and market developments, Portuguese organic farming underwent a significant expansion during the 90's. The Portuguese Ministry of Agriculture reports there are currently 564 registered organic product farmers in Portugal. The production forecasts for the most significant organic products in 2000 are: Arable crops, 46,000 Mt; fruit, 18,000 Mt; vegetables, 13,000 Mt; and olive oil, 11,000 Mt.

Consumption of organic products has been rising, largely due to the role of large-scale distribution networks, which reportedly account for roughly 50% of total organic product retail sales. Lack of consumer awareness of the properties of organic products, poorer visual characteristics of some of the products compared to their non-organic equivalents, and significantly higher prices, have prevented a more significant demand growth. Nonetheless, the growing interest for "healthy" products is expected to lead to higher demand for organic products, and as the organic market matures, better marketing practices will contribute to stimulate demand.

There is no trade data for organic products, as the European tariff schedule does not differentiate organic from non-organic products. Imports are of EU origin. There are no direct imports from the U.S., while some imports are said to take place through Spain or France.

1 USD = 192 Pte.

## Production

Rising steadily since the mid-90's, organic farming has become increasingly important due to both expanding demand and the incentives provided by EU organic farming regulations and "agri-environmental" subsidies (see Production Policy). The Ministry of Agriculture reports there are currently 564 registered organic product farmers, predominantly located in the less developed interior regions. The "Alentejo" has 247 operators, "Trás-os-Montes" 130, and "Beira Interior" 105.

Organic production has also been diversifying. Fruit, olive oil, horticultural, wine and dry fruit production are the leading organic products ranked by value of output. Due to payments provided by EU environmental programs, olive groves presently account for the bulk of organic farming area. It is believed that areas under "organic" olive grove areas may be revised in the short-term as the first five-year period of commitment to EU environmental practices is coming to an end, and some of the producers may change their options (see Production Policy).

The output estimate for 1999 and forecasts for 2000 and 2001 for key "organic" products are provided in Table below.

**PORTUGAL: Organic Product Outputs**

<b>Year:</b>	<b>CY-1999</b>	<b>CY-2000</b>	<b>CY-2001</b>
<b>Units: Metric Tons</b>			
Olive Oil	6,653.95	8,650.14	11,245.18
Table Grapes	448.08	582.50	757.25
Wine	5,204.99	6,766.49	8,796.44
Table Grapes	1,626.56	2,114.53	2,748.89
Arable Crops	27,109.29	35,242.08	45,814.70
Fruit	10,393.50	13,511.55	17,565.02
Horticulturals	7,860.53	10,218.69	13,284.29
Dry Fruit	3,178.50	4,132.05	5,371.67
Aromatic Herbs	408.20	530.66	689.86

SOURCE: ORGANIC PRODUCER ASSOCIATION AGROBIO

## Production Areas

Organic farming areas during the period between 1993 and 1998 are given in Table below.

**Mainland Portugal's Organic Product Areas**

	Olive	Pasture	Grape	Arable Crops	Fruit	Hortic.	Dry Fruit	Uncult.	Aromatic Herbs	Total
<b>1993</b>	1,544	-	103	74	227	79	-	-	9	2,799
<b>1994</b>	3,781	763	603	647	1,200	163	-	-	23	7,183
<b>1995</b>	5,247	766	713	1,052	1,772	212	-	-	23	10,192
<b>1996</b>	4,107	1,173	558	1,443	1,503	149	-	-	109	9,182
<b>1997</b>	5,024	1,313	594	1,412	397	91	1,094	898	335	12,193
<b>1998</b>	13,787	2,348	783	5,348	533	136	1,630	866	314	29,622

SOURCE: ORGANIC PRODUCER ASSOCIATION AGROBIO

## Production Policy

Organic farming is regulated by EU regulations, which have been transposed into national regulations. Accordingly, production of organic vegetable products came into force in 1991. Regulation of livestock products will come into force in August 2000. The first independent organic product certification organization SOCERT was recognized in 1995 by the Portuguese Ministry of Agriculture for mainland Portugal, and by the Agricultural office of the Madeira regional Government for the Madeira island. SOCERT was recognized by the Azorean regional Government in 1997.

The introduction of so-called EU "agro-environmental" subsidies in 1995 has reportedly played an important role in encouraging organic farming. Agri-environmental subsidies, granted on a five-year period for crops cultivated under compliance with EU set production parameters, currently apply to arable crops, horticulture crops, fruit and olive production. Forage production will also become eligible in 2000. The end of the first 5-year period of application of agri-environmental measures could cause a reduction in number of organic farmers, as it is believed that removing the subsidies may make organic farming, with its higher production costs, no longer profitable.

In addition to "organic products", products produced under the EU "origin denomination" and "protected geographic indication" regime - which one could easily identify as quasi-similar to the "organic product" concept - have also been expanding under the encouragement of market trends and several promotional activities. A different legal framework exists for these products, which seeks to preserve product's authenticity in edible and certain technical parameters, but is generally less demanding in "agro-environmental" terms than organic farming norms. As a consequence, overlap of organic and "origin denomination" products is limited. Another factor is the fact that the EU regulation for livestock products is not yet in effect, which automatically prevents most of the typical traditional "origin denomination" products like cheese and processed meat products from being included among organic products. Traditional "origin denomination" products presently account for a small share of total agricultural production, but are expected to expand significantly.

## Consumption

Domestic organic food consumption has been rising in response to growing health concerns. Lack of consumer awareness of the properties of organic products, the higher prices of these products and their poorer appearance compared to their non-organic equivalents have been key constraints on demand. In the particularly sensitive area of prices, it has been identified that a maximum 10 to 15% price gap relative to conventional products is tolerated by the consumers who, beyond that, feel organic products to be uncompetitive.

## Trade

Organic product imports are small and tend to consist of "dry" products such as grains, pulses, juices, crackers and jams. There are no trade statistics on organic products, as they are not segregated by the EU tariff schedule from "non-organic" ones.

Organic products are reportedly only imported from the EU. There are reportedly some imports of organic products from the U.S., through importers in other EU countries.

## Marketing

The development of the organic foods market in Portugal and the current difficulties of local producers being price competitive provides opportunities for foreign exporters. Organic grains, pulses, juices, crackers and jams are considered to have the largest potential.

## Marketing Channels

In general terms, locally produced organic products are sold at retail by (1) leading supermarket and hypermarket chains; (2) dietetic product shops and (c) consumer cooperatives. Due to the fragmented character of the production, the bulk of the output is sold domestically, and only small quantities are exported. Marketing channels for organic products include (a) Direct on-farm, (b) Producer Groups, (c) Consumer cooperatives, (d) hyper & super-markets, (e) traditional retailers, (f) dietetic shops and (g) Municipal markets.

An outline of marketing channels by sector is provided below:

- Fruit & Horticultural

A small share of organic products is exported by only one producer association located in the Algarve which exports horticultural products into the U.K.. Internal distribution of organic products is done by the producers themselves in the case of consumer cooperatives, and by two distribution firms headquartered near Lisbon ("Urze" & "Provida" - see Short Sector Directory at the end). Door-to-door sales are made by the producers and by one only company located in the Algarve. Sales points for organic fruit & horticultural are mostly concentrated in Lisbon.

- Olive Oil & Wine

Marketing of olive oil and wine is done by the producers and by producer cooperatives. Sale of these products is made directly to the retailers or end-consumers. There are no middlemen.

- Grains, pulses, juices, crackers, jams, etc

Most of the products sold at retail are presently imported by national companies, mostly related to the area of dietetic products. Only one company and one cooperative dedicate themselves to the importation of organic products exclusively.

## Short Sector Directory

### U.S. Embassy & GOP Contacts

Address	Phone Number	Fax Number	E-Mail
<b>U.S. Embassy - Office of Agricultural Affairs</b>			
Av. das Forças Armadas, 1507 LISBOA	351-21-7702360	351-21-7269721	Aglisbon@esoterica.pt
<b>Ministry of Agriculture</b>			
Direcção-Geral de Desenvolvimento Rural - Av. Defensores de Chaves, nº 6 - 1049-063 LISBOA	351-21-318 4300	351-21-353 5872	Ana.soeiro@dgdrrural.pt

### PORTUGAL: Organic Farming Producer Associations

Association	Address	Phone Number	Fax Number
AGROBIO - Associação Portuguesa de Agricultura Biológica	Calçada da Tapada, 39 r/c Dto - 1300 LISBOA	351-21-3623585 351-21-3641354	351-21-3623586
ARABBI - Associação de Agricultores Biológicos da Beira Interior	Quinta Pires Marques, Lote 242, r/c Esq. Loja B - 6000 CASTELO BRANCO	351-272-352727	351-272-325726
SALVA - Associação de Produtores em Agricultura Biológica do Sul	Quinta da Figueirinha - 8300 SILVES	351-282-442671	351-282-444226
NATURA - Associação de Produtores em Agricultura Biológica da Ilha de S. Miguel	Rua do Poço, 43, S. Vicente Ferreira - 9545 CAPELAS	351-296-919536	351-296-919136
AJAMPS - Associação de Jovens Agricultores da Madeira e Porto Santo	Caminho das Voltas - Jardim Botânico - Santa Maria Maior - 9050 FUNCHAL	351-291-222275	351-291-222275



**PORTUGAL: Private Control & Certification Organization**

Organization	Address	Phone Number	Fax Number
SOCERT - PORTUGAL - Certificação Ecológica, Lda	Rua Alexandre Herculano, 68 - 1º Esq. - 2520 PENICHE	351-262-785117	351-262-787171
<b>Web site: <a href="http://www.socert.pt">www.socert.pt</a></b>			

**PORTUGAL: Key Distributors****PORTUGAL: PORTUGUESE RETAILERS RANKED BY SALES VALUE**

Company	Address	Telephone	Fax Number
MODELO CONTINENTE	R. João de Mendonça, 529-7º - 4464-5050 MATOSINHOS	351-22-9561899	351-22-9561842
JUMBO/PÃO DE AÇÚCAR	Travessa do Teixeira Jr., nº 1 - 1300 LISBOA	351-21-3602100	351-21-3626150
PINGO DOCE	R. Actor António Silva, 16 - 7º - 1600 LISBOA	351-21-7532000	351-21-7576661
INTERMARCHÉ	ITME - Norte Sul Portugal SA - Lugar Marujo - Bugalhos - 2380 ALCANENA	351-249-880300	351-249-880475
FEIRA NOVA	R. Actor António Silva, 16 - 7º - 1600 LISBOA	351-21-7532000	351-21-7576661
CARREFOUR	Av. das Nações Unidas - Telheiras - 1600 LISBOA	351-21-7114400	351-21-7166662
SELECT	Av. Liberdade, nº 249 - 1200 LISBOA	351-21-311 9381	351-21-353 2121
PLURICOOP	Av. António Sérgio - 2900 SETÚBAL	351-265-761477	351-265-711832
NOVO MUNDO	Pedralvas, Lote 38 - LISBOA	351-21-7648226	351-21-7648260
A.C. SANTOS	Av. João XXI, nº 43 - R/C Dto. - 1000 LISBOA	351-21-846 2771	351-21-315 6614
SUPERMERCADOS ULMAR	Courelas - Edif. Azóia, nº 6 - 1º Esqº. - Pousos - 2400 LEIRIA	351-244-840496	351-244 841036
SUPERCOMPRA	Estrada do Paço do Lumiar, nº 21 - 1600 LISBOA	351-21-7163119	351-21-7162620
LE MUTANT	Estrada Paço do Lumiar, nº 21 - 1600-542 LISBOA	351-21-716 3317	351-21-715 3284
ÁGORA SUPERMERCADOS	R. Pinheiro Chagas, nº 48 - 4º - 1050 LISBOA	351-21-319 1670	351-21-319 1671

GENECO	Av. Do Brasil nº 28, Piso 1, 2754-515 CASCAIS	351-21-482 7310	351-21-486 1853
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SOURCE: DISTRIBUIÇÃO HOJE, Nº 249, DECEMBER 1999

## PORTUGAL: PORTUGUESE WHOLESALERS RANKED BY SALES VALUE

Company	Address	Telephone	Fax Number
MAKRO - AUTOSERV. GROSSISTA	Estrada da Circunvalação - 1495 ALGÉS	351-21-417 0253	351-21-417 4910
RECHEIO	Edif. Castilho - R. Castilho. Nº 5 - 1250 LISBOA	351-21-318 6600	351-21-318 6699
GRULA	Estrada Paço do Lumiar, 21 - 1600 LISBOA	351-21-716 3318	351-21-716 4611
MANUEL NUNES & FERNANDES	R. Major João Luís de Moura - Odiveelas - 2675 ODIVELAS	351-21-478 8460	351-21-478 8499
ANTÓNIO TEIXEIRA LOPES & FILHOS	Lugar da Boavista - Gondar - Bevidém - 4811-909 GUIMARÃES	351-253-539010	351-253-532 698
COOPERTORRES	Fonte Santa - 2560 TORRES VEDRAS	351-261-311 875	351-261-315 769 351-261-315-638
ALICOOP	Paço Deão - Apartado 108 - 8301 SILVES	351-282-442 584	351-282-443 578
TORRENTAL	Variante do Bom Amor - 2350 TORRES NOVAS	351-249-819 900	351-249-819 919
SOGENAVE	R. da Garagem, 10 - 2799 - 502 CARNAXIDE	351-21-416 6140	351-21-418 8120
A LUTA	R. das Fisgas - Alcoitão - Apartado 69 - 2766 ESTORIL	351-21-469 2560	351-21-469 2585
RAMAZZOTI	Av. do Forte - Edifício RAMAZOTTI - 2795	351-21-425 8200	351-21-418 6000
CARPAN	CARPAN - R. Terramente, 722 - 4470 Gueifães - Maia	351-22-9015713	351-22-901-0158
COOPLISBOA	Monte Novo - 2955 PINHÃO NOVO	351-21-238 4289	351-21-238 8048
COOPERCALDAS	R. do Moinho Saloio - 2510 ÓBIDOS	351-262-830 140	351-262-830 141
SIMÕES E SOUSA	R. Principal de S. João das Areias - 2686-959 SACAIVÉM	351-21-941 0127	351-21-941 3304

SOURCE: DISTRIBUIÇÃO HOJE, Nº 249, DECEMBER 1999

**PORTUGAL: Consumer Cooperatives**

Cooperative Denomination	Address	Phone Number	Fax Number
Biocoop - Produtos para Agricultura Biológica, CRL	Mercado do Chão de Loureiro, Calçada Marquês de Tancos, Ij 6 - 1100 LISBOA	351-21-886 0595	351-21-886 0595
Naturcoop	Bairro Fernão de Magalhães, Bloco 13 - Cave 2 - Porto	351-22-332 2117	351-22-332 2117

**Organic Product Processors**

Denomination	Address	Phone Number	Fax Number
<b>Olive into Olive Oil</b>			
Alberto Luís Miranda Carvalho Neto	Mascaranhas - Estrada Nacional - 5370 Mirandela	351-278 251 321	-
Alberto Maurício Carvalho Neto (Casa Valbom)	Valbom dos Figos - 5370 Mirandela	351-278 251-238	-
Cooperativa Agrícola de Alfândega da Fé, C.R.L.	Rua Eng <sup>o</sup> Camilo de Mendonça, 287 - 5350 Alfândega da Fé	351-279 462 417	-
Cooperativa Agrícola de Moura e Barrancos	Rua das Forças Armadas, 9 - 7860 Moura	351-285 251 484	351-285 251 631
Cooperativa dos Olivicultores do Redondo	Estrada Nacional, 254 - 7170 Redondo	351-266 909 246	351-266-909 913
Luís Manuel Machado Brito Coutinho Dias	Tapada da Tojeira - 6030 Vila Velha de Ródão.	351-272 545 314	351-272 545 314 Tojeira@clix.pt
Maria Carmo Rabaçal Aragão	Estrada Nacional n <sup>o</sup> 225 - 5350 Alfândega da Fé	351-279-462 685	351-279 463 193
Prolagar - Produção e Comercialização de Azeite, Lda	Estrada do Bairro do Falcão "Casa do Azeite" - Sítios Marecos - 2000 Vale de Santarém	351-243-760 351	351-243-760 352
Sociedade Clemente Menéres, Lda	Calçada de Monchique, 5 - 4000 Porto	351-22- 200 1265	
Solinor, Lda	Av. Do Brasil, Bloco BG - 273 - 5370 Mirandela	351-278-255695	351-278-254 718

**Organic Product Processors**

<b>Denomination</b>	<b>Address</b>	<b>Phone Number</b>	<b>Fax Number</b>
<b>Confectionary</b>			
Sociedade Agrícola e Industrial do Algarve	Benafim - Loulé - 8376 S. Bartolomeu de Messines	351-289-472153	-
Uta Ingeborg Zabel	Quinta da Figueirinha - 8300 SILVES	351-282-442671	-
<b>Bakery Products</b>			
Carrefour Portugal - Sociedade Exploração de Centros Comerciais, S.A.	Caminho dos Mochos - 2789 Oeiras	351-21-4468256	351-21-441-0651
Carrefour, S.A.	Avenida dos Escultores - Canidelo - 4400 Vila Nova de Gaia	351-22-772 7500	351-22-772 7501
<b>Raisins</b>			
Sociedade Agrícola Quinta das Choças	Praceta Dr. Agostinho Caro Quintiliano, 2 - 7885 Amareleja	351-285-982217	351-21-301 5500
<b>Olive Oil Preparation and Packaging</b>			
Fábrica Torrejana de Azeites, S.A.	Apartado 2 - Riachos - 2350 Torres Novas	351-249-819 110	351-249-819 115
SICA -Sociedade Industria e Comércio de Azeites, Lda.	Rua S. João de deus, 25 - 7100 Estremoz	351-268-323 658	351-268-324 132
<b>Wild Berry Preparation and Packaging</b>			
Sortegel, S.A.	Apartado 183 - 5300 Bragança	351-273-969 350	351-273-969 420
<b>Aromatic Herbs Preparation and Packaging</b>			
Segredo da Planta - Produtos Naturais e Biológicos, Lda	Rua Sociedade Filarmónica União Arrentelense, 11-R/C Dto. - Arrentela - 2840 Seixal	351-21-222 6991	-
Socidestila, Lda.	Quinta da Galega - Paio Pires - 2840 Seixal	351-21-224 0521	-

**Organic Product Processors**

<b>Denomination</b>	<b>Address</b>	<b>Phone Number</b>	<b>Fax Number</b>
<b>Processing, Packaging and Marketing</b>			
Provida - Produtos Naturais	Quinta dos Linhais - Cortegaça - 2715 Pero Pinheiro - Mafra	351-21-927 0540	351-21-927 0902
Urze - Distribuição de Produtos de Agricultura Biológica, Lda	Est. C. Torroal - Caixa Postal 6501 Passil - 2870 Montijo.	351-21-231 9083	351-21-231 9084
Wholesale Nature Food	Rua Aval de Cima, 113 - 3 D - 4200 PORTO	-	-
<b>Organic grape in Wine</b>			
António Santos Marques Cruz	Quinta da Serradinha - Barreira - Apartado 558 - 2404 Leiria	351-244-831 683	-
Sociedade Agro-Vin. Quinta da Comenda (José Cardoso Rocha)	Quinta da Comenda - 3660 S. Pedro do Sul	351-232-711101	-
<b>Organic grape in Port Wine</b>			
Arlindo Costa Pinto Cruz	Casais do Douro - Ervedosa do Douro - 5130 S. João da Pesqueira	351-254-731 687	351-254-732 470
Fonseca Guimaraenses Vinhos, S.A.	Rua Barão de Forrester, 404 - 4400 Vila Nova de Gaia	351-22-371 9999	351-22-370 09
Júlio César Gonçalves Montenegro	Quinta do Lodeiro - 5130 S. João da Pesqueira	351-254-481 263	-

SOURCE: PORTUGUESE MINISTRY OF AGRICULTURE - GENERAL DIRECTORATE FOR RURAL DEVELOPMENT