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Organisation of the beef cattle sector in the Autonomous Community of the Basque Country (Spain)

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SUMMARY – The beef cattle sector has experienced significant changes in the Autonomous Community of the Basque Country (BC) since Spain joined the EU in 1986. Although its level of organisation is still lower in comparison to more traditional activities (dairy sheep and cattle), an important number of structures have been set up to work in favour of its development. On the base, there are Local Breeders Associations at the province level (Alava, Bizkaia and Gipuzkoa) for each of the main breeds raised, and the corresponding Management Centres (cooperatives that provide services to farmers and farmers associations), all of them keeping close links to the local administrations (Diputaciones Forales or County Councils). At the BC level, promoted from the Basque Government, there are agents providing services in R+D (Neiker); high-quality computer services (IKT); training and education (Itsasmendikoi); development and marketing of high-quality products (Kalitatea Foundation); genetics (Aberekin); food safety (Elika) and marketing (Gurokela).

Keywords: Beef, sector, development, structures, organisation.

RÉSUMÉ – "Organisation du secteur de la viande bovine dans la communauté Autonome du Pays Basque (Espagne)" Le secteur bovin viande a connu une importante évolution au Pays Basque (PB) depuis l'entrée de l'Espagne dans l'UE en 1986. Bien que le niveau d'organisation soit encore faible en comparaison avec d'autres secteurs plus traditionnels (ovin et bovin laitiers), il y a aussi un nombre significatif d'agents qui travaillent à son développement. À la base se trouvent les Associations Territoriales de Producteurs, une par province et race (Pirenaica, Limousin, Blonde d'Aquitaine, Charolais, Betizu, Terreña et Monchina), les Centres de Gestion (coopératives qui fournissent des services d'appui technique aux producteurs individuels et aux associations), et les Administrations Locales (Diputaciones Forales). Au niveau du PB, il y a aussi un certain nombre d'entreprises créées avec la collaboration du Gouvernement Basque qui travaillent en R+D (Neiker), des services informatiques de haute qualité (IKT), la formation technique (Itsasmendikoi), la qualité du produit (Fundación Kalitatea), l'amélioration génétique (Aberekin), la sécurité alimentaire (Elika) et la commercialisation (Gurokela).

Mots-clés : Bovin, allaitant, développement, organisation, structures.

Introduction

The Autonomous Community of the Basque Country (BC) is located at the western end of the Pyrenees on the Bay of Biscay. There is an estimated population of just over 2.1 million for a total surface of 7,261 km², which means a high population density (300 inhabitants/km²) mainly located on the valleys due to an abrupt and mountainous orography.

In 1981, when the Basque Government assumed competences in Agriculture and Livestock, the local primary sector consisted of a huge number of small-sized low-specialized family farms, deficient infrastructures, lack of organisations, and there was a significant incidence of pathological processes (tuberculosis, brucellosis, leucosis, etc.). Whereas the impending Spanish entry in the EU (which finally took place in 1986) offered an uncertain future for many farms, the fast development of industry and services meant a high demand of labour and interesting salaries, making more difficult the consolidation of a solid agriculture. However, the sector was considered of strategic importance and it began a process to establish the organizational basis (Urarte *et al.*, 1999) that could allow later adopting effective police measures in animal health, quality products, etc., aiming towards a more competitive and sustainable agriculture.

Nearly 25 years later, there are around 20,000 farms exclusively for agricultural purposes and

19,000 livestock or dual purpose (livestock + agriculture) farms. They are responsible for the management of 82% of the territory and create around 21,500 full-time jobs, 2.1% of total labour (Eustat, 2005). In 2003 the primary sector supplied 514 million €, livestock contributing with 39%, agriculture with 45%, and forestry with 14%. Although the total figure just means around 1% of the Basque Gross Domestic Product, there is a complex set of agents providing a wide range of services to a decreasing but much more specialized number of farmers in nearly every sector.

Development structures in beef cattle

Whereas dairy cattle and Latxa dairy sheep have traditionally played leading roles in livestock rearing, other activities such as beef cattle, goats, horses, etc. have been relegated to a secondary status. During the last decade the production of beef cattle has experienced a significant growth: whereas in 1990 there were 29,758 suckling cows, in 2005 they were 59,166. Nowadays, beef meat accounts for 24% of livestock gross production. Most animals are crossbreds, mainly with Holstein, but there are increasing populations of purebreds Pirenaica, Limousin and Blonde d'Aquitaine. The fact that beef cattle rearing can be a complement to other economical activities, either agricultural (dairy, cereal, etc.) or out of the farm (industry), has arisen increasing interest among farmers and the sector has behaved in a quite dynamic way. Next, a description of the main actors working in favour of this activity will be presented (Fig. 1).

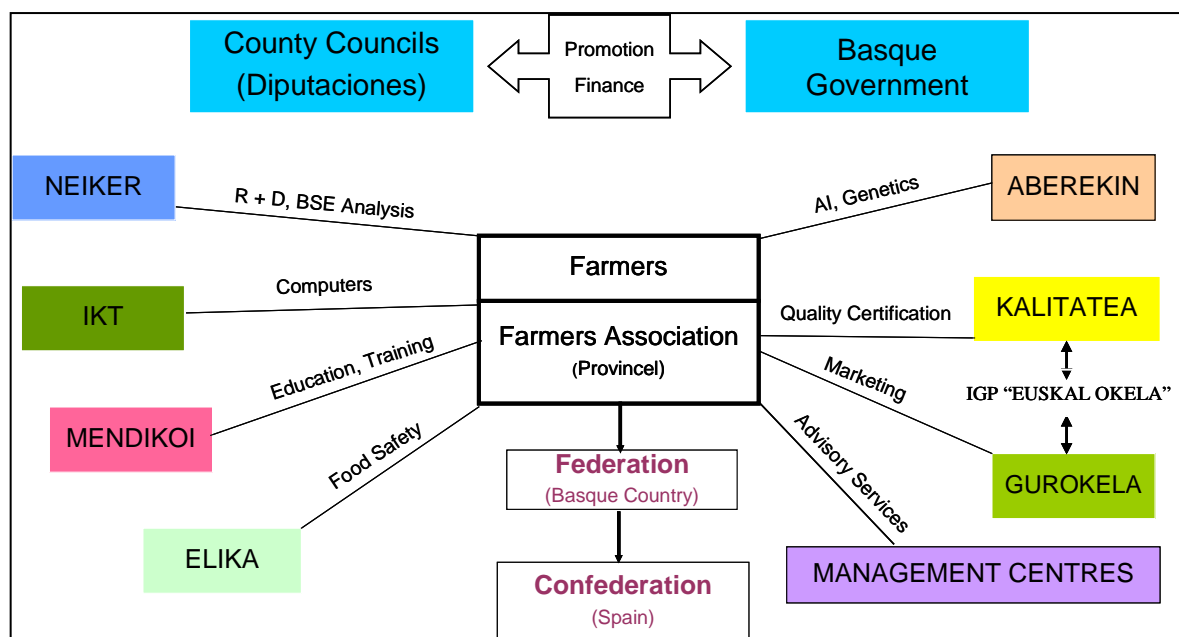


Fig. 1. Organisation of the beef cattle sector and development structures existing in the Autonomous Community of the Basque Country.

Beef cattle breeders' associations

The base of the sector is formed by the 5967 farmers (Eustat, 2005) nowadays existing in the BC (2952 having more than 4 heads), but specially those ones taking part of the beef cattle breeders' associations formally set up. In this sense, three organizational levels can be observed: (i) Province (Alava, Bizkaia or Gipuzkoa): breeders' associations; (ii) Autonomous Community of the BC: Federations; or (iii) State (Spain): Confederations. At the province level, there are 15 Farmers' Associations around the main pure breeds: Pirenaica, Limousin, Blonde, Charolais, Betizu, Terreña and Monchina. They encompass 559 farmers (Table 1), and are responsible for data collection, management of recording programmes, data processing and management of Herd Books. On average, the local administration provides 65% of the cost of the different programmes carried out, the rest being supported by farmers.

Table 1. Total number of farms and census registered in the breeders associations (2004)

	Pirenaica	Limousin	Blonde	Charolais	Terreña and Betizu
No. of farms	231	219	68	28	13
No. of females					
Cows (> 24 months)	3957	3456	812	397	221
Heifers (12-24 months)	2042	1416	330	252	503
Calves (< 12 months)	1373	1185	307	147	102
Males					
Bulls (> 16 months)	1272	1169	323	153	90
Young (< 16 months)	355	304	76	55	71

The most important one in terms of number of animals inscribed, years of experience in conservation and genetic improvement is the Association of Pirenaica, the only autochthonous cattle breed reared in commercial flocks with productive purposes, whose Genealogic Book begun in 1988. The genetic programme is carried out together between BC and Navarre upon the following characters: live weight at birth and at 210 days-old. Genetic evaluations are done with a BLUP methodology including an animal model with repeatability and mother effect, in the Faculty of Veterinary, University of Zaragoza.

The Association of Limousin was sorted following the same scheme and methodology of Pirenaica's. The Basque Association takes part of the national breeding programme and evaluations are carried out simultaneously for the whole Spanish population by INIA (Spanish National Institute of Agricultural Research and Technology). Since 1987 there is a National Genealogic Book managed by farmers under the control of the Ministerio de Agricultura, Pesca y Alimentación. The Blonde d'Aquitaine breed (Federation sorted in 1996) has recently been recognised and the national confederation is trying to set the bases for a national breeding programme following the criteria applied in France for beef cattle.

As for autochthonous breeds, to attempt to increase the scarce populations of Terreña, Betizu and specially Monchina, they receive economical support within the package of the existing environmental measures. Although Euskal Abereak is the association that works in favour of their conservation in general terms (sheep, cattle, poultry, etc.), specific associations have been formed to work more specifically with Terreña and Betizu breeds not only with conservation purposes, but taking into account productive objectives as well, so as in the future they could be economically profitable.

Provincial Breeders' Associations formed at the province level for a particular breed are joined together in a Federation for the entire BC. The role of the Federation is to coordinate the Recording Programmes in the three territories, put the data together and elaborate the database in the suitable format that will later be sent to the following level. National Confederations are responsible for collecting these databases from the different Autonomous Communities existing in Spain in a way that genetic evaluations can be carried out together.

Management Centres

Instead of setting different structures per activity or sector, the Management Centres (Centros de Gestión) are co-operative societies of agricultural and livestock services (Jauregi, 2004; Ruiz and Ugarte, 2004). They are small enterprises that have the resources (staff, instalments, computers, facilities, etc.) required to provide individual farmers, agricultural cooperatives or Farmers' Associations with efficient services within a particular province. They have normally been formed as cooperatives, with the different types of farmers' associations acting as members. This sort of organisation allows optimising the utilisation of resources, minimising costs, a better specialization of professionals, and in consequence, an efficient activity. They provide technical (nutrition, reproduction, grasslands, accountability, etc.) and economical advisory. Management Centres have played a determinant role in the development of the agricultural sector in the BC as they have been

responsible for carrying out directly a wide range of programmes, maintaining at the same time a direct relationship with both farmers and the Administration. As a consequence, they have gathered an important volume of data and expertise since they were first established (Lurgintza in 1960; Lorra in 1986; Sergal in 1994, and Abelur in 2005), and they really have a very deep knowledge of every agricultural activity.

Development structures

In order to cover some of the needs arisen from the agricultural activity and give answers to the requirements observed, several enterprises, development agents or support structures have been set as the time passed by. Most of them make use of public funds to provide the sector with very specialized services, which sometimes are also offered to other autonomous communities by means of specific agreements. In many cases, they provide crucial tools for the development of projects.

NEIKER, the Basque Institute for Agricultural Research and Development, is a non-profit making Public Company under private law, owned by the Basque Government and attached to the Department of Agriculture, Fisheries and Food of the Basque Government (DAPA) (see Neiker, 2005). It was settled in 1998 with no lucrative purposes coming from the two public centres of R+D existing previously. Its objective is to carry out R+D projects and highly specialized services in terms of laboratory analysis and diagnosis for the local primary sector and the existing agro-food industry. As a sample, regarding beef cattle R+D projects have been carried out about genetic evaluations of sires for Aberekin; calving ease; livestock farming systems identification; characterisation of beef growth curves; grazing behaviour, habitat and diet selection in mountain pastures; animal performances; development of decision support systems for ruminants management, etc.

However, the control of Bovine Spongiform Encephalopathy (BSE) has been one of the most important activities carried out following the outburst that shocked the sector during the 90's. In 1996 the Basque Government and the County Councils (Diputaciones Forales) designed a Plan for the Prevention, Vigilance and Control of BSE. Since 1994 feeds containing animal protein by-products cannot be fed to ruminants, being foodstuff processing plants and livestock farms regularly controlled. Since 2001 every animal slaughtered ageing over 24 months-old is analysed for BSE detection test in the P3 Laboratories of Neiker-Derio, results are obtained in 24 hours and, if positive, the carcass will be removed from the food supply chain. Anyway, animals must be slaughtered in allowed instalments and specific risk materials must be removed from the carcass (Order 218/2000, 7th of November). As for labelling, since the 1st of January of 2002, it is compulsory to include two new pieces of information: (i) country where the animal was born; and (ii) country (or countries) where the animal was raised. According to the Order 235/2000, any sort of information that cannot be controlled, proved or could induce to misunderstanding or confusion within the consumer is absolutely forbidden. The objectives are: (i) that according to the current knowledge, every beef meat product goes through very strict controls, even above those legally required, before arriving to consumers; and (ii) to provide consumers with all the information to which they have a right of access.

Precisely ELIKA (see Fundación ELIKA para la Seguridad Agroalimentaria, 2005) is a foundation created in January 2001 as an initiative of the DAPA after the outburst of BSE and is engaged in the area of food safety with an integrated, preventive and quick response approach. Initially ELIKA was in charged of risks assessment and alert management in relation to the primary sector and the Basque agro-food industry, and later have been promoting the preparation of a set of Good Practice Guidelines for the primary sector to identify potential hazards.

Aberekin (1985) is an artificial insemination unit sorted by and to the service of farmers that test every year more than 50 dairy and beef bulls (see Aberekin SA, 2005). They have two units of production with capacity for 300 bulls. Together with Holstein sires, they also keep males of Pirenaica, Limousin, Blonde d'Aquitaine, Charolais, Belgian Blue, Brown-Swiss, Salers, Fleckvieh and Normande breeds. The production process of seminal doses is certified in agreement to the ISO 9001/2000 norm. The quality achieved and strict health politics applied has allowed that 42 countries are using these genetics.

IKT SA (founded in 1989) is an engineering and consultant company promoted by the DAPA and the County Councils as well as the co-operative societies of agricultural and livestock services

previously mentioned (see IKT SA, 2005). IKT SA aims to satisfy their clients and partners through a more efficient and professional management, continual adaptation to technological change and optimum use of resources. They have played a leading role in the design, implementation, coordination and maintenance of technical services, mainly in computers, for the primary sector.

Finally, ITSASMENDIKOI can be defined as the Integral Centre existing in the BC for Education, Promotion and Rural Development following the policies and strategies established by the DAPA (see Itsasmendikoi, 2005). By means of establishing narrow links with every agent involved in the primary sector, the main objectives are to collaborate in the modernisation and professionalisation of agriculture activities, the restoration of standard of living conditions of rural population in similar terms to those in urban areas, and the maintenance of cultural heritage and traditions.

Marketing and commercialisation structures

Initially, the joint purchase of foodstuffs, fertilisers, phytosanitaries, seeds, farming implements, etc., was promoted by means of cooperatives (MIBA, ANOGA, etc.) or management centres.

Then KALITATEA Foundation (see Fundación Kalitatea, 2005) was set up in 1998 by the Agricultural Department of the Basque Government as a non profit making organisation, aiming to encourage, promote and develop quality food products. It is basically a control and certification agency. Nowadays there are 17 products with the "Eusko Label" of quality, controlled by a particular Technical Regulation and periodically controlled: 5 vegetables, 4 wines, 3 meat products, 2 fish products, 2 dairy products and honey.

As for beef meat, Euskal Okela is the beef certified with the *Eusko Label - Kalitatea* mark, which complies with all requirements regarding origin, health and quality defined in the technical regulations that control this product. It comes exclusively from animals born and raised on farms in the Basque Country, controlled at all stages of their development and selected according to their quality in authorised abattoirs of the Basque Country. It is sold exclusively in authorised butcheries, easily recognisable by a particular symbol. Every time consumers purchase Euskal Okela meat, butchers provide them with an adhesive label printed on special scales, indicating all the details of the operation and with the logo. Therefore, the Kalitatea Foundation guarantees the origin of animals, above-average quality, additional health guarantees and product authenticity.

A similar label (GIOKELA) was created in Gipuzkoa by a group of farmers that certifies that animals are raised and slaughtered in the Basque Country, but not necessarily being born there.

Except in dairy cattle, where KAIKU Coop. has been crucial for the development of the sector, nearly nothing has been done in relation to joint commercialisation in the remaining livestock sectors. Several explanations can help to explain this fact. First, the Basque market of foodstuffs is deficient in nearly absolutely every product. Then, in addition to a high population density, the prestige of particular products and transformers, valuation of know-how practice, celebration of weekly rural markets, and the chances for a mutual knowledge producer-consumer, etc., account for a high fidelity in the purchase of some products (cheese, vegetables, etc.)

But selling meat products has usually become much more complex. To try to offer a solution to the sector, the DAPA has recently (2004) promoted the creation of Gurokela SL by 254 farmers, who represented 15,000 cattle, 30% of the Basque census, 15% of total meat production and 30% of the "Euskal Okela" total sales volume. Gurokela aims to improve the competitiveness of local farms by means of better production strategies and commercialisation of high quality products. To do so, they will try concentrating the existing offer, reducing operating costs at slaughtering and quartering, and selling within the Eusko Label Regulation, but also trying to adapt better to the new purchase tendencies (formats, habits, etc.). Gurokela considers that these strategies will bring a better situation for negotiation and higher margins. They are opened for members, and would welcome local administrations, banks and distribution agents, regarding farmers keeps at least 51% of the capital.

However, Gurokela has shocked the local sector, already in a weak situation due to the predominant existing structures (scattered sector, small sized farms, decreasing margins, etc.), and has caused unrest within certain farmers and butchers. Specially, some recent measures (such as the

privatization of the management of the slaughterhouse of Bilbao, closing those of Durango and Vitoria, etc.) have been very controversial. Farmers' Unions had already showed their mistrust in this initiative and consider that such concentration will decrease the chances for commercialisation specially for small producers and will damage their sustainability in the medium term.

In conclusion, although it is commonly agreed that the beef cattle sector shows a great deal of constraints in the BC, at the same time there seems to be the tools and actors required to face them and even to afford making profit from the opportunities that can be envisaged for the future.

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