



Innovation for Sustainable
Sheep and Goat
Production in Europe



A critic perspective on the current paradigm of high-quality products marketing strategy



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Long tradition of sheep sector in Spain

RAZAS GANADERAS ESPAÑOLAS OVINAS

1. Atarfeño
2. Anzotena
3. Aranesa
4. Barrochón Du Onir
5. Caraca
6. Caraca de Pelo
7. Castellana
8. Castellana cara negra
9. Carnera
10. Castellana
11. Castellana negra
12. Chamarla
13. Chamosa
14. Chuna
15. Churra Leizorera
16. Churra Terrena
17. Colmanera
18. Falaschuel
19. Gallega
20. Guna
21. Isocera
22. Ja de France
23. Lanchochuel
24. Lacha cara negra
25. Lacha cara rubia
26. Mareña
27. Malpueca
28. Manchega
29. Manchega negra
30. Maronesa
31. Merina
32. Merina negra
33. Merina de Cazorla
34. Merina Placido
35. Moribana
36. Navarra
37. Opatle
38. Ovejuna de Teruel
39. Palanca
40. Rasa Aragonesa
41. Ripollera
42. Rasa Mallorquina
43. Rasa Bilibiana
44. Rubia de El Molin
45. Saei and
46. Segurana
47. Talavera
48. Xella
49. Escorta

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Long tradition of sheep sector in Spain



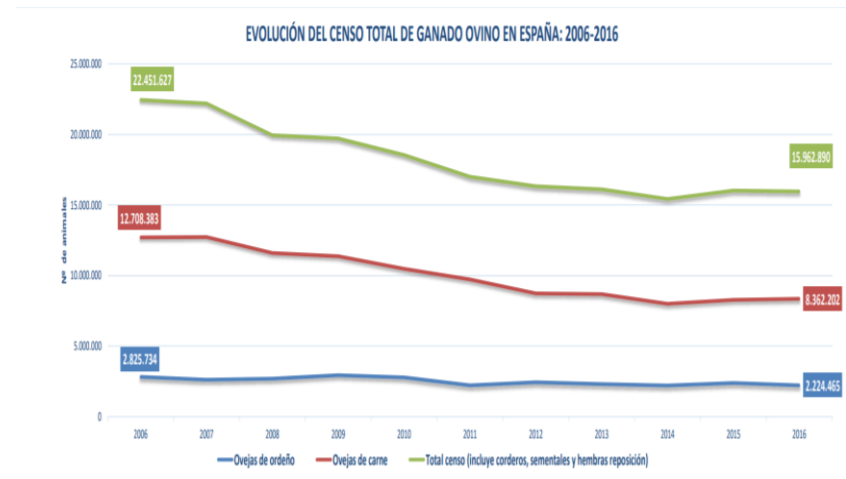
Quesos de España

#alimentosdespaña

Region	Queso de Cádiz	Queso de Grazalema	Queso de los Pedroches	Queso Montes de Málaga	Queso de Benazque	Queso de Teruel	Queso Tronchón							
Andalucía	Queso de Oscos	Queso la Peral	Queso ahumado de Pira	Añejo 'l Pitu	Cabrales	Gamonedo	Queso Casin	Queso de Vidiago	Queso Nata de Cantabria	Quesucos de Liébana	Queso Pasiego	Picón Bejes-Tresviso		
Principado de Asturias	Queso Manchego	Queso de Dropesa	Queso Castellano	Queso Arribes de Salamanca	Queso de Burgos	Queso del Tílar	Queso de Valdeón	Queso Zamorano	Queso La Adrada	Queso de Villalón	Mató	Queso de l' Alt Urgell i la Cerdanya	Queso de Tupi	Queso Garrotxa
Castilla la Mancha	Castilla León	Cataluña												
Castilla la Mancha	Queso de la Vera	Queso de Acachucho	Quesilla	Queso de la Serena	Queso Iboreo	Torta del Casar	Queso Zahinos	Queso de Gata Hurdas	Arzúa-Lilloa	Cebreiro	Queso Tetilla	San Simón Da Costa	Requisito	
Extremadura	Galicia													
Extremadura	Mahón-Menorca	Queso Mallorquín	Queso de la Gomera	Queso de Lanzarote	Queso Flor de Gula	Queso Majorero	Queso Palmero	Queso de Tenerife	Queso Herreño	Queso Camerano	Queso de Campo Real			

Evolution of sheep sector in Spain

- ❖ **Meat**; 15 years of negative evolution
 - ❖ 2.7kg per capita (2006) to 1.7kg (in 2014)
- ❖ **Dairy products**; positive evolution



- ❖ Changes drivers: CAP policies, liberalization and globalization, inputs price volatility, and **consumers demand**
- ❖ Change in consumers habits:
 - ❖ Urban way of life; fast and easy
 - ❖ Healthy and environmental concerns
 - ❖ Food scandals
 - ❖ Media



The paradigm of high-quality labelled products

❖ Objectives of Origin or Breed labelling:

- ❖ Product differentiation
- ❖ Information about product features
- ❖ Avoid misappropriation of product reputation
- ❖ Competitive alternative for local productive systems

} Added value

❖ Many successful examples; Parmesan, Manchego, Angus, Jamón Ibérico

❖ Numerous studies show consumers are willing to pay

❖ But **debate** about:

- ❖ Consumer awareness on labels meaning
- ❖ Its effect on consumer attitudes, preferences and quality perception

Consumer Focus Groups

- ❖ **Objective.** Explore consumers awareness, attitudes and preferences

→ Urban consumers in Madrid

- ❖ 4 consumers FGs (2 meat, 2 dairy, 8-12 participants)
 - ❖ Balance: Age, work state, gender, consumption level
- ❖ Initial questionnaire
 - ❖ Number of type, quality label and brands of cheese
- ❖ FG Guiding questions
 - ❖ What kind of products do you purchase or happened to purchase in the past?
 - ❖ What do you like/dislike the most in products?
 - ❖ What would you make to increase the share of products that you purchase?
 - ❖ ...



Results. Dairy products preferences

- ❖ Importance weight of the most preferred dairy products and their characteristics

Most preferred product	n	Main desirable/positive characteristics						
		Organoleptic properties	Preparation/ cooking features	Health (calories)	Facilitate digestion	Environmental/ natural/ biological	Price	Others
Cheese	13	3.0	2.2	0.3	0.2	0.2	-	0.2
Goat cheese	6	3.3	1.3	0.5	-	0.2	0.5	0.2
Yoghurt	3	5.0	-	1.0	-	-	-	-
Goat yoghurt	1	1.0	-	2.0	3.0	-	-	-
Semi-cured cheese	1	6.0	-	-	-	-	-	-
Goat kefir	1	3.0	-	-	0.0	1.0	-	2.0
TOTAL	+17	3.4	1.2	0.5	0.2	0.2	0.2	0.2

*Characteristics Importance Weight = $(3 \times \text{number of times the characteristic is ranked } 1^{\text{st}} + 2 \times \text{number of times the characteristic is ranked } 2^{\text{nd}} + \text{number of times the characteristic is ranked } 3^{\text{rd}}) / \text{number of participants}$.

Results. Lamb preferences

		Main desirable/positive characteristics							
Most preferred product	n	Organoleptic properties	Preparation/ cooking features	Health (fat)	Freshness	Environmental/ natural/ biological	Geographic origin	Origin (type of store)	Other
Lamb/kid chops	10	3.9	0.6	0.2	0.3	0.5	-	-	0.4
Leg of lamb/kid	7	2.3	0.9	1.1	0.7	-	0.4	0.6	-
Shoulder of lamb	1	4.0	-	-	-	-	2.0	-	-
TOTAL	18	3.3	0.7	0.6	0.4	0.3	0.3	0.2	0.2

Consumers statements. Dairy products

“What moves me, is trying cheeses, but many times I do not know if it is sheep or cow cheese, I just try a cheese and if I like it I eat it for a while. For example I do not know if feta cheese is from sheep; I think so”

(Male, occasional consumer)

Consumers statements. Dairy products

“I go to Lidl, because there is always a cheese on offer and I buy it. Each week they put a different cheese on offer and that is the one I buy”

(Male, regular consumer)

Consumers statements. Lamb

“My mother is from Extremadura region, and there they eat ewe, not lamb, and they make stew, and start cooking for lunch at eight in the morning. They are more used to strong flavours, not like us. They make the most of all cuts”

(female, occasional consumer)

Consumers statements. Lamb preferences

“It is true that is like a mental shortcut, and we think that a product from a traditional store is more natural. It’s like I establish a hierarchy; first street markets and biological stores, then traditional shops, and finally supermarkets.”

(male, occasional consumer)

Results. Farmers-consumers miscomm.

- ❖ FG finding in line with industry analysis (Ikerfel 2013a, 2013b, and 2015):
 - Spain has a **strong tradition on cheese production and consumption...**
...but a **limited cheese culture**
 - **Lack of knowledge** on lamb production and cooking recipes
 - Current **urban cooking habits**: fast, easy and healthy...
...fit with **cheese** consumption but **hamper lamb** consumption



Results. Labels and brands

- ❖ DOP, IGP and ETP helped to differentiate products and fill a market niche
- ❖ However...

...most consumers do not know what those labels mean

...and mix them up with commercial brands



Labels have become brands...

...its success might be linked to the capacity of managing as commercial brands

Results. Buying criteria and marketing

- ❖ Welfare, health and environment... but price is the main criterion
- ❖ Consumers think local markets and traditional stores products are fresher and more social and environmentally friendly...
...most products are sold in super and hypermarkets

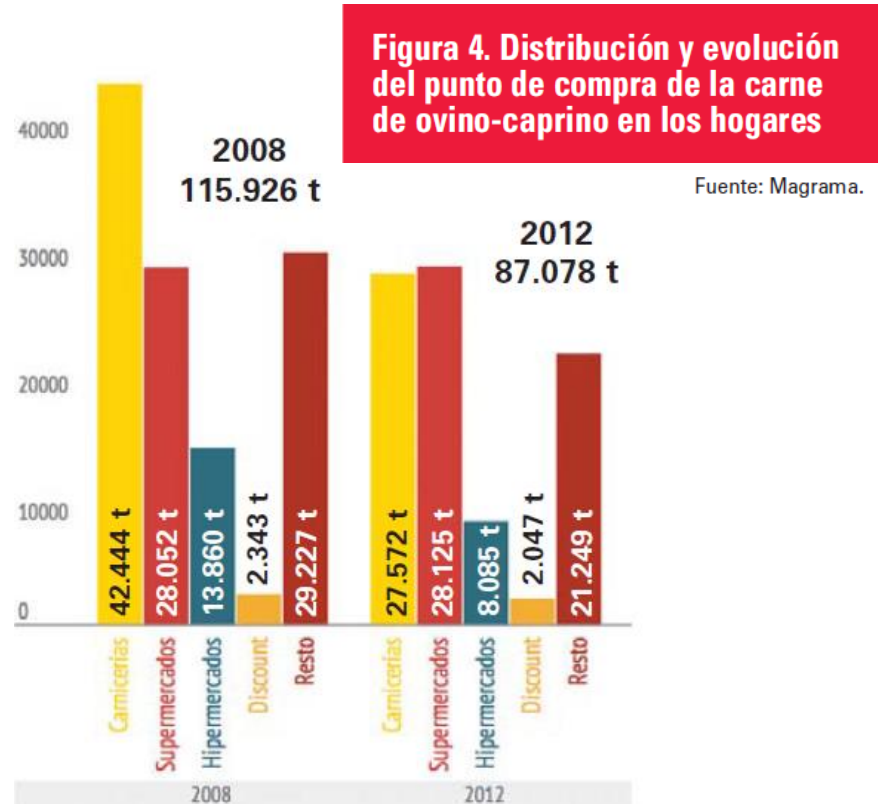


Increasing availability at supermarkets and large stores, new cuts and presentation show a remarkable potential

It poses challenges related to farmer organization and industry integration

Some thoughts. Buying criteria and marketing

Large stores had 90% of dairy products market share
(Mercasa, 2014)



The development of **niche market** is important, especially for product of **outstanding quality**

The **future** of sheep and goat sectors will **rely on sales on large stores** where **price** is a decisive criterion



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THANKS FOR YOUR ATTENTION!