



Sustainable Precision Agriculture
Research and Knowledge for Learning
how to be an agri-Entrepreneur

PORTUGAL

SOCIEDADE AGRÍCOLA
DA HERDADE DO PIGEIRO

BUSINESS MODEL CANVAS
in the field of SUSTAINABLE
PRECISION AGRICULTURE

STUDY CASES COLLECTION



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INFO COMPANY

SOCIEDADE AGRÍCOLA DA HERDADE DO PIGEIRO, LDA.

Address: Tv. da Misericórdia, 7250-150 Alandroal

Founding date: 1980

Extension: 6500 ha

Crops: Cereals, vineyard, olive groves, tomato, cattle, sheep and goats.

Number of employees: 65 permanents and 15 temporary

Contact

Name: Afonso Bulhão Martins

Telephone: mob

Email: pigeiro@mail.telepac.pt

WebSite:

Social:

Date of the interview: 1 February 2019

Name of the interviewed person (specifying his/her role in the company): Afonso Bulhão Martins, Agronomist Engineer

Name of the interviewer: Manuela Correia

INFO PA introduced

What kind of PA innovation was introduced in the company? (see WP1 Questionnaire for farmers Part I – I.2)

Soil moisture sensors.

When?

From 2015.

Why? What was the motivation / problem to solve?

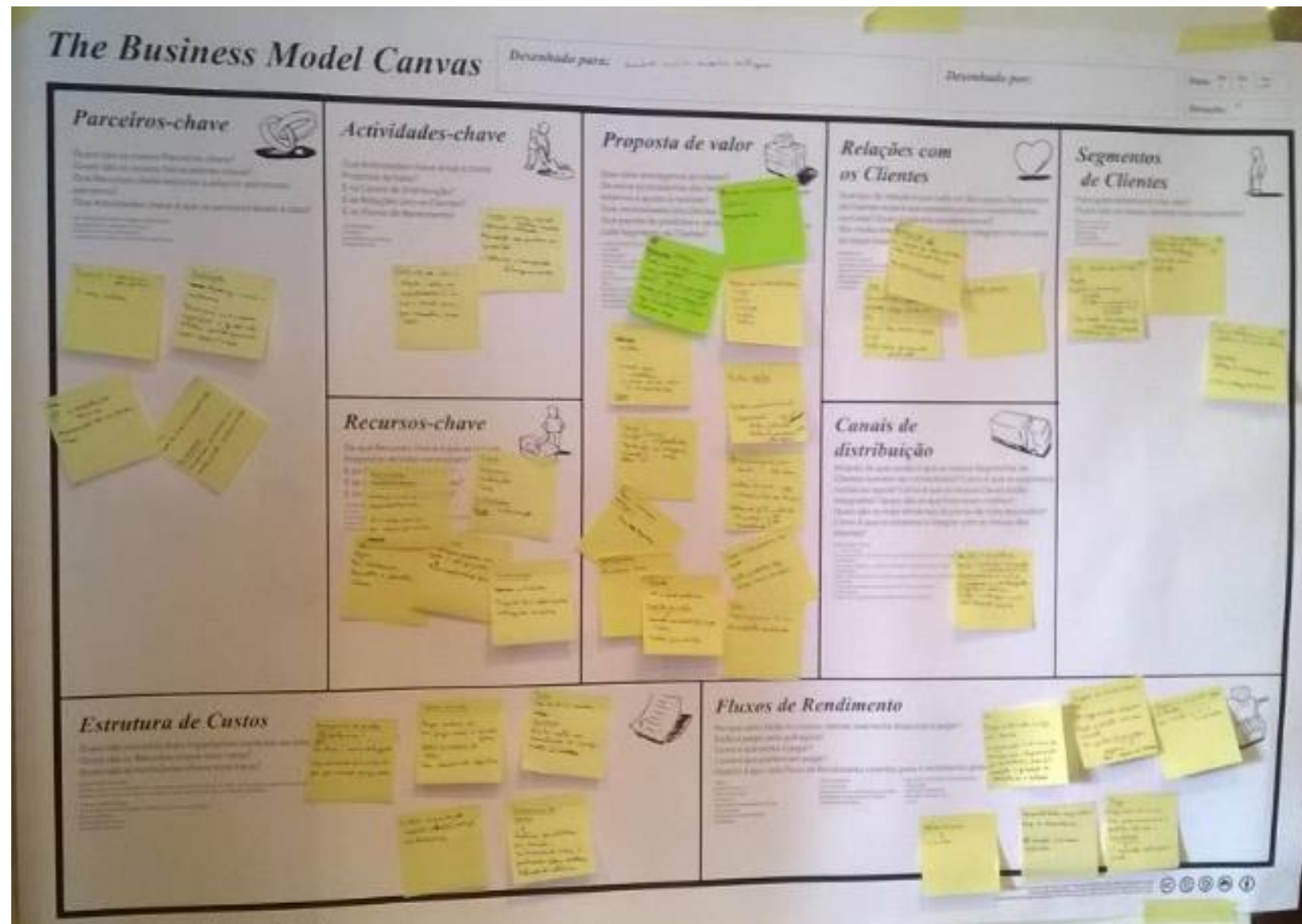
To fulfil agri-environmental directives from EU about efficiency on water use and to assist irrigation management.

How did you learn about these new technological solutions?

On graduation classes.

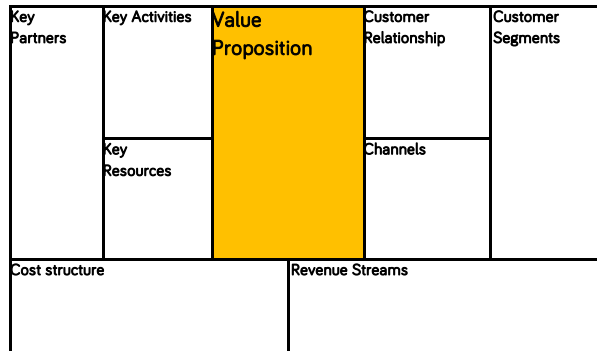
Have you been supported / assisted / trained by someone?

By the selling company.



BMC - report

Value Proposition



- Winter cereals: wheat, rye, oat, barley; for human and animal consumption and for seeds. Cereals for seeds are a niche market product and have higher prices. Barley goes to beer industry. Some wheat goes to improved animal feed.
 - Corn.
 - Tomato, but the area depends on water availability each year.
 - Less important crops are: sorghum, bean, broad bean, sunflower and garlic, but they are not grown every year.
 - Olive trees for olive oil
- Winter cereals: wheat, rye, oat, barley; for human and animal consumption and for seeds. Cereals for seeds are a niche market product and have higher prices. Barley goes to beer industry. Some wheat goes to improved animal feed.
 - Corn.
 - Tomato, but the area depends on water availability each year.
 - Less important crops are: sorghum, bean, broad bean, sunflower and garlic, but they are not grown every year.
 - Olive trees for olive oil.
 - Cows and sheep for meat.
 - Pork from Alentejo breed, which is a very high quality and unique product, fed with acorn in the field and sold to ham Spanish industry.

Some crops are using PA but many times PA techniques are just a guidance method, often used after the treatments as a way to check its efficiency. All fields are georeferenced and have a historical record

Customer Segments

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

Clients are mainly Producers Organizations (POs), in which the farmers have a very active role, because they are members and also participate in the PO management

- All arable crops production goes to an OP and from there they go to animal and human food, beer industry (barley and corn). This corn is used for endosperm extraction to assist the fermentation process and it's called "gritz".
- Another corn variety is produced for pet food, it's a niche market
- Goat milk is sold directly to local traditional cheese industry
- Customers for all the meat production (beef, sheep, goat and pork) are POs.
- Olive production customers are POs; the Galega olive variety is more valued than others
- Grapes are also bought by another PO

Distribution Channels

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- The POs are in charge of almost all the distribution channels.
- For animal production either the company or the PO contracts the transportation.
- Grapes are delivered by the farmer with their own transport means.
- For cereals production the farm stores the grain and the PO takes charge of the transport

Customer Relationship

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- All customer relationships were established a long time ago with the POs.
- The entrepreneurs have a close relationship with the POs to which they belong and to who they pay a percentage of sales.
- The POs are the customers except with the goat's milk where there is a personal relationship with the local traditional cheese factory.

Revenue Streams

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- Prices are mostly indexed and all the products have a fixed price on the market, with a very small margin of negotiation.
- Prices may have some small differences with products quality, such as the production of seeds or grain for pet food.
- Product amounts are settled previously (when sowing for cereals and most of the other crops).
- Payment is deferred (15 days or sometimes more)

Key Activities

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- All the necessary processes for performing cultural operations and cattle management.
- Harvesting, transporting and storage.
- Articulation with the customer regarding delivery times and quantities

Key Resources

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- Soil.
- Water.
- Seeds and plants.
- Human labour.
- Weather.
- Equipment, infra-structures, facilities, land.
- Human resources are all local and sometimes entire families work on the farm; this also implies social responsibility
- Financial resources: bank loans, most are anticipation credits of investment projects

Key Partners

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure			Revenue Streams	

- POs are the most important partners. They are responsible for almost all the distribution channels but also supply fertilizers, seeds, animals' feed, medicines, technical support and support on applications to funding projects.
- Other important partners are service providers for assistance on bureaucracy and accounts issues

Partnerships goals are always to upgrade, to produce better and more. The company does almost everything, so they don't need many partnerships.

Cost Structure

Key Partners	Key Activities	Value Proposition	Customer Relationship	Customer Segments
	Key Resources		Channels	
Cost structure		Revenue Streams		

- The most important costs are production factors: fuel, fertilizers, energy, human resources
- They try to be value driven, to produce better instead of produce more, always going upwards in the value chain.
- Fixed costs: salaries, rents.
- Equipment maintenance represents a very important fraction of variable costs.
- They try to be value driven, to produce better instead of more
- Economies of scale: because they belong to the PO and also because the company is big enough to take advantage of equipment, for example.
- Economies of scope: achieved by crop rotation and for taking advantage of pasture between vineyards lines and stubbles from cereals for sheep

IMPACT ANALYSIS

