

1085 CRITICAL ISSUES INFLUENCING DAIRY INDUSTRY CIRCULAR ECONOMY STRATEGIES FOR RURAL DEVELOPMENT OF THE ALPINE REGION

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ABSTRACT

In recent decades the European Union (EU) has experienced a decline in the rural industrial sector which requires a reorientation of the current linear industrial production/consumption model towards new alternative models. The EU Action Plan for the Circular Economy (EUAPCE) aims to modify the industrial cycle (production/management/consumption) generating employment (agro-industry, tourism, business, etc ...) and boosting global competitiveness to promote sustainable regional development (SRD). Thus, it will be possible to reduce the environmental impact through a better natural resource management, recycling the waste from the agro-industrial activities and using renewable energies. It is necessary to emphasise that the Circular Economy (CE) strategies include the good production/marketing practices implementation based on eco-innovation programs (e.g. EU, Entrepreneurship and Innovation Program) since they are important tools to overcome the crisis in the dairy sector in this region. In addition, the CE implementation faces several challenges that hinder the development of the EUAPCE (COM/2015/0614) such as the massive rural exodus, the lack of inter-generational business continuity and social/economic inequality among countries. Despite the efforts carried out by the EU (Common Agricultural Policy, CAP, 2013) the alpine milk production is conditioned by a crisis derived from political factors based on the weakness in the regional, national and transnational management mechanisms. These factors together with those of economic nature (high production costs, low milk price and milk quotas) have put at risk one of the most important economic activities in this region. The Alpine region has been characterised by extreme orographic and climatic conditions together with regional infrastructure deficiencies (energy, telecommunications, roads...) and insufficient farming management (organisation/logistics). This fact together with the deficient natural resources administration/use (water and timber) limit the implementation of CE strategies for the SRD of these Alpine areas whose risk increases due to climate change. Other important factors are the absence of good farming practices and the inadequate animal-origin waste processing (nitrogen cycle management) that threaten regional environmental security and public health. Despite the efforts of cooperativism/associations (training courses, technology adquisition...), it is still necessary to create cross-sectoral links (marketing/tourism) that would allow the integration of complementary practices to farming activity developing regional eco-innovation and new employment. In conclusion, the critical points described above need to be solved to allow the successful implementation of new CE strategies in the dairy industry improving the production efficiency and competitiveness. Then, territorial, economic and social differences could be balanced achieving SRD in the Alpine region.

Keywords. *Alpine Region, Circular Economy, Critical Factors, Dairy Industry, Regional Development.*