

The economic activities of S. Miguel

In this work we will talk about the main economic activities of S. Miguel, Azores, namely the tea plantation and the raising of dairy cattle.

We will then start by characterizing the tea plantation.

Tea, whose plant was brought from China to the Azores around 1801, was first cultivated on the island of Terceira and extended a few dozen years later to São Miguel, where two Chinese deliberately went to teach their producers the secrets of the culture and manufacture of this delicious drink.

The Azoreans began to focus on tea production in the 19th century as a way out of the economic instability that had been established with the destruction of the main focus of the epoch- the orange production.

During the 19th century, the number of tea factories on the islands increased and our tea was exported to various places, such as England.

By 1966, of 14 tea factories only 5 remained.

Throughout the 20th century, tea production decreased rapidly and many of these factories were closed. Gorreana is one of the few remaining.

This factory acts as a reminder of troubled times, of prosperity and even of innovation.

At the beginning of the 20th century, the founder of this factory invested particularly in hydroelectric machinery, being the first to bring electricity to the Azores. Since 1920 it has been using electric power, taking advantage of a water course.

Currently circumscribed to a very localized area of S. Miguel, the tea plantations stand out in the landscape of Gorreana, due to the picturesque shape of its luxurious green shrubs.

It seems that the owners of Gorreana feel obliged to educate not only the Azorean people, but also any person of any nationality who sets foot in the Azores of this past, since the factory is open not only as a factory or shop that sells tea, but also as a museum.

We will now talk about dairy cattle farming:

The production of dairy cattle is very important for the economy of the Azores. However, in general, agricultural producers have a low level of education and transport costs make agricultural products less competitive in terms of exports. In the last few years, despite the importance of dairy production, other products have gained weight in the productive structure of the archipelago.

Employment in the Azores (people aged 15-64), by economic activity (in thousands), in 2015

Emprego por atividade económica	2015
Agricultura, silvicultura e pescas	10,3
Indústria (exceto construção)	9,5
Construção	6,6
Comércio por grosso e a retalho, transportes e atividades de alojamento e restauração	25,7
Informação e comunicação	Sem dados
Atividades financeiras e de seguros	Sem dados
Atividades imobiliárias	Sem dados
Atividades de consultoria, científicas, técnicas e similares; atividades administrativas e de serviços de apoio	4,9
Administração pública, defesa, educação, saúde e ação social	34,2
Atividades artísticas, de espetáculos e recreativas; outras atividades de serviços; atividades das famílias e organizações e entidades extraterritoriais	9,8
Total	103,5

Fonte: Eurostat, 2015.

The dairy sector is going through the worst crisis ever and, in the Azorean islands, the effects are feeling double. There are producers trying to get around this crisis, bringing in new breeds of cattle, and there are still those who leave the profession. This crisis is challenging a sector that was once the salvation of the Azores.

Portugal, a peripheral country, is finding it increasingly difficult to place what it produces on the market and, as far as the Azores are concerned, the problem is getting worse, because of the associated transport costs. "We are often selling below production cost, which makes things unsustainable. In twenty years, we've gone from 90.000 producers to 5300 throughout the country" - says Luís Vieira, ex-Secretary of State of Agriculture. And those who resist despair: between 2014 and 2016, the price paid to farmers fell 11 cents.

One third of the milk consumed in the country comes from the islands. The sector directly represents nine percent of the archipelago's economy and is indirectly worth thirty percent of the Azores' GDP.

Jorge Rita, the president of the São Miguel Farmers' Association, says there's a problem - the region's companies are small and family-based - as this has slowed down the modernisation and upgrading of the cowshops.

It's hard to imagine the Azores without cows. They are more than the locals. Three hundred thousand to 246 thousand humans, according to Pordata, and both are mostly in São Miguel.

"The fact that there are fewer producers doesn't mean a break in the cattle", says Jorge Rita. More than six hundred million litres of milk are produced annually in the archipelago, but many are in excess, so they're paid off at balance prices.

It's precisely because of a major agricultural crisis that cattle farming has become the basis of the Azorean economy. Until the beginning of the 19th century, the archipelago lived mainly from orange farming. Citrus-growing had been the main activity on the islands since the mid-16th century. However, in 1832, everything changed.

Two lemon trees arriving on the island of Faial infested with cochineal were enough for the entire economy of the region to collapse. The insect spread throughout the archipelago in a flash and wiped out the plantations in a few years. The alternative came through the voice of André do Canto, a farmer who in 1834 founded the Sociedade Promotora da Agricultura Micaelense and began to promote the introduction of cattle to the island.

The Regional Archives of the Azores, in Ponta Delgada, keeps a copy of the first bulletin of "O Agricultor Micaelense", where Canto explained his theory: "The Ox is, of all animals, what provides us with the most services. He gives us milk, butter, cheeses, meat, leather, ploughs the land, carries his products and is always docile and patient".

In the study "The Green Island", by the geographer Raquel Soeiro de Brito, it is possible to take the impulse to the evolution of the sector: "From 1842 begins a period of large importation of cattle".

Only after Terceira, Pico, São Jorge and Faial farming reached the island of S. Miguel. The landscape also changes forever: "With the development of the pastures, many plots of land that used to be cultivated start to be used for cattle raising. And many uncultivated lands are plowed."

It's at the beginning of the 20th century that the Azorean landscape becomes as we know it today. Cattle were not only the salvation of the people, they also determined the physiognomy of the territory.

All producers, even though they were increasingly tightened by the failure of the dairy sector, always remained attached to the cattle.

Nobody wants to guess that Azorean milk will also come to an end one day. Especially because today, on the islands, there is no one who has grown up without seeing the cows in the pastures.

The Happy Cows project - and the pasture milk that Bel is building - is a good sign. "Unlike the reinvention we had to make after the orange crisis, today Azorean agriculture has no alternatives to milk. It may have complementarities, but it has no alternatives".

Despite this controversial scenario, dairy cattle farming remains one of S. Miguel's most important economic activities, as well as the tea plantation, particularly in Gorreana.