

## The Value Of Family Farming In Wine Production

Maique Dos Santos Bezerra Batista<sup>1</sup>, Jaldemir Santana Batista Bezerra<sup>2</sup>  
Francielly Vieira Fraga<sup>3</sup>, Rodrigo De Rosso Krug<sup>4</sup>, Robelius De Bortoli<sup>5</sup>

(Federal University Of Sergipe - Ufs. Postgraduate Program In Intellectual Property Science - Ppgpi, Brazil)

(Federal University Of Sergipe - Ufs. Postgraduate Program In The National Network For The Teaching Of  
Environmental Sciences - Profciamb, Brazil)

(Teacher Salvador University – Unifacs In The Anima Educação Group, Brazil)

(Adjunct Professor Ii At The University Of Cruz Alta (Unicruz). Coordinator Of The Postgraduate Program In  
Comprehensive Health Care-Ppgais/Unicruz/Unijui/Uri, Brazil)

(Federal University Of Sergipe - Ufs. Postgraduate Program In Intellectual Property Science - Ppgpi, Brazil)

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### Abstract:

**Introduction:** Market competition is a dynamic phenomenon that changes based on influences linked to economic, behavioral, legal, technological and regulatory aspects. The interface between agribusiness and family farming presents distinctive values that must be protected in each market segment they occupy. Considering small wine producers, it is necessary to understand the challenges family farming faces in relation to the production and marketing of wines, associated with the macro phenomenon of agribusiness. The objective of this article is to show how this interface between agribusiness and family farming in wine production impacts local, national and international socioeconomic development. This research is characterized as bibliographic, descriptive-exploratory with a qualitative approach.

**Materials and Methods:** The data collection instrument was Google Scholar followed by the descriptors: “Geographical Indication As A Preventive Solution Against Competition In The Economic Market: A Literature Review”; “Geographic Indication As A Strategic Resource For Small Wine Producers: A Literature Review”; “Wine Production In Northeast Bahia: A Comparative Study Between The Municipalities Of Mucugê And Casa Nova In The Light Of The Literature”. The time frame applied considered publications between the years 2023 and 2024. The analysis of the information was fragmented into 3 (three) variables: 1) Predatory competition; 2) Geographical Indication; 3) winery strategies.

**Results And Discussion:** The data point to the consolidation of the premise that small and large wine producers have intangible values to be protected that make them unique, and the *modus operandi* in the market of one affects the other. However, family farming encompasses characteristics that go beyond the sale of a product for its own sake, as it reflects the harmonization of sustainable practices, local appreciation, community development, preservation of traditions, economic development, and, at the very least, regional recognition.

**Conclusion:** Therefore, creating, encouraging, and recognizing the value that family farming has means supporting practices for sustainable socioeconomic development that respect, preserve, and value environmental conditions and cultural traditions for community advancement.

**Key Word:** Market Competition; Geographical Indication; Distinctive Seal; Productive Value.

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### I. Introduction

In the marketing sphere, there is a recurring tension between small and large producers related to their forms of production, management and consumer profile. When considering the production of agribusiness and family farming associated with wine production, this line becomes even more tenuous, since the products generated in production may be from the same grape, but have singularities that distinguish them considerably due to the terroir.

Agribusiness is the macro phenomenon that involves all activities related to the production, distribution and marketing of agricultural and livestock products for the supply of food nationally and internationally linked to economic development with technological innovation, stocks of inputs and new services (Neves, 2021). The context of agribusiness is to produce food on a large scale to supply both the domestic market (Brazil) and the foreign market (International) and to provide raw materials such as biofuels, textiles, cosmetics and medicines. Given the scope of agribusiness, it is clear that its actions generate more employability and strengthen the economy by promoting sustainable attitudes and repairs.

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In family farming, on the other hand, actions go beyond mere agricultural production, which, in addition to exercising an operational production model, plays a fundamental educational role in society in relation to the preservation of natural resources, the economics of the business, strengthening the historicity of know-how and environmental sustainability (Da Silva; Nunes, 2023). From this perspective, it is important to mention that the promotion of family farming provides opportunities for the generation of jobs in rural areas, boosting the local and regional economy, especially in less favored regions. From this perspective, it is also important to point out that the more job opportunities resulting from this process, it allows the population to build social stability, avoiding disorderly migration to urban centers. In addition, natural production brings great benefits to health in terms of food security.

When considering the interface between agribusiness and family farming, it is notable to see how each presents its social value, understanding that in agribusiness this value is manifested through the production capacity intertwined with technological resources that enhance its productive performance and facilitate the supply of products at a national and international level, that is, productive power is the force that marks agribusiness with global scope. In family farming, the manifestation of value occurs in the investment to preserve the place/environment, its history, its customs, management traditions and respect for biodiversity for a more genuine production with local socioeconomic impact, bringing different benefits for the conservation and maintenance of the community.

However, this interface brings another context where the actions of one can affect the actions of the other, causing challenges in the economic market. The central question of this manuscript is to understand what challenges family farming faces, in relation to the production and commercialization of wines, associated with the macro phenomenon of agribusiness. The objective is to show how this interface between agribusiness and family farming in wine production impacts local, national and international socioeconomic development.

The trajectory of this premise triggered 3 (three) previous paths. The first aimed to analyze how predatory competition affects small wine producers in the short, medium and long term in the economic market; the second, the intention was to catalog scientific publications related to wine production, highlighting management techniques and Geographical Indication registrations; the third, the intention was to highlight a comparative study to understand the types of strategies that the UVVA and Miolo wineries adopt to add distinctive value that make them permanent in the competitive market. The conclusions of these paths will appear in the results of this manuscript.

The paths listed above sought to concatenate the results evidenced at the end of each path traced, aligning with the objective of this article, in order to consolidate the idea that small and large wine producers have intangible values to be protected that make them unique and the modus operandi in the market of one affects the other.

## II. Material And Methods

This research is characterized as bibliographic, descriptive-exploratory, as it addresses the subject in vogue in light of the literature in order to explain it in the search for answers that cover the gaps found. The approach is qualitative in nature because it interprets the data under analysis without delving into statistical phenomena.

The data collection instrument was Google Scholar followed by the descriptors: “Geographical Indication As A Preventive Solution Against Competition In The Economic Market: A Literature Review”; “Geographic Indication As A Strategic Resource For Small Wine Producers: A Literature Review”; “Wine Production In Northeast Bahia: A Comparative Study Between The Municipalities Of Mucugê And Casa Nova In The Light Of The Literature”. The research sample was based on the results of these 3 (three) articles published between 2023 and 2024 because they are fully in line with the objective of this article.

## III. Result And Discussion

The analysis of the information was divided into 3 (three) variables: 1) Predatory competition; 2) Geographical indication; 3) Winery strategies. The interpretative outcome of each variable resulted in an illustrative summary table that adds to the initial idea to highlight the challenges that small wine producers face in the economic market.

Table 01: Sample of Articles Analyzed

VARIABLES/ARTICLES	CONCLUSIONS
1) <i>Predatory Competition</i> Geographical Indication As A Preventive Solution Against Competition In The Economic Market: A Literature Review	Although predatory competition is not legally unfair, it harms competitors who often end up making hasty/forced decisions based on limitations/intimidation to compete. Small producers need to seek legal mechanisms, such as Geographical Indication - GI, that guarantee and enhance their position in the market, enabling competitive advantages. In this study, GI was understood as a safe way to guarantee the rights of producers in their place of origin.
2) <i>Geographical Indication</i>	The Geographical Indication seal can leverage a product in a given region and is a

<p>Geographic Indication As A Strategic Resource For Small Wine Producers: A Literature Review</p>	<p>strategy that small wine producers can adopt to remain in the market. The literature already indicates that cooperatives and associations are existing paths, but this research sought to explore how these paths benefit them. The data showed that, with the Geographical Indication, small wine producers can protect and value their production, since the seal guarantees distinctive notoriety.</p>
<p>3) Winery Strategies  Wine Production In Northeast Bahia: A Comparative Study Between The Municipalities Of Mucugê And Casa Nova In The Light Of The Literature</p>	<p>Wineries promote different immersions by extolling their terroir, architecture, products, services and their way of producing. Therefore, they adopt different strategies to validate their reputation and/or offer different products and services. The values to be protected between small and large wine producers are different and these particularities influence the modus operandi they exercise. Thus, even though they compete in the market facing the same tax conditions, the purpose, values with the clientele and the nature are different.</p>

**Source:** Prepared by the authors, produced in December 2024.

The 3 (three) variables point to pertinent considerations that lead us to the objective of this article. In variable 01 (one), it is clear that market competition is an inherent phenomenon that changes according to social needs. However, when we refer to predatory competition, it is necessary to be careful with this modus operandi, because, even though it is illegal in Brazil, it is not criminally punishable. In other words, even though it significantly affects healthy competition, nothing prevents it from implementing such practices to acquire a dominant position in the market (Eckert; Mecca; Borges, 2010).

According to Batista, Bezerra and De-Bortoli (2023, p. 16), “the operational model imposed by large companies plagues small producers who carry out their practice considering local characteristics associated with regional (place) natural (soil, climate, seeds), cultural (traditional knowledge) and operational (management) issues”. However, although this practice is an existing issue and may arise at any time, it is clear that small wine producers must seek strategies to protect themselves against competition. Scharf, Da Luz and Gobbo (2014) cite some examples related to these strategic points, highlighting marketing, wine quality, participation in regional events and awards with international recognition. The authors' scores are already connected with variable 02 (two) analyzed, which highlights the Geographical Indication seal as a distinctive recognition. It is known that in Brazil, there are two types of GI-Geographical Indication, the IP - Indication of Origin, which, regardless of whether its production characteristics are linked to the natural or human conditions of the region, officially recognizes the location traditionally known for the extraction of the product or service. And, the DO – Denomination of Origin, which recognizes products and services as characteristic of a certain geographic environment, including natural factors (relief; soil; climate) and human factors (traditional knowledge and management techniques), highlighting the exclusivity of origin and its socioeconomic impact (Vieira; Pellin, 2015).

For Batista, Bezerra and De-Bortoli (2024, p.65), in the implementation of the Geographical Indication for “the small producer can add competitive advantages with the protection seal, avoid unfair competition, the improper use of the geographic name and the falsification of products and services associated with the region”. In view of the above, in addition to being indicated as a legal apparatus, the recognition of the GI is conceived as a strategic element for small wine producers. In variable 03 (three), this issue was also analyzed, pointing out characteristics that distinguish them, since wine tourism is one of the most attractive practices that small and large wine producers offer to their consumers. According to Ferri and Nodari (2023), the immersive experience involves a combination of tourism, culture, education and leisure in the wine regions, guiding consumers to delve into the history of the terroir, showing how wines are produced, the methods used, tasting different labels, the winemaking process, knowledge of typical dishes from the region, among others. The consumer profile is an important point to be highlighted in wine tourism, since the reputation of the brand and the offer of the experience are points considered when considering a visit. By distinguishing preferences among consumers, we can map profiles with probabilities for interests in small and large-scale production. A more experienced consumer will show an interest in wanting to delve into all the details of the terroir. However, a less experienced consumer will not be motivated to understand the history of how the entire wine production takes place; access and immediate pleasure in tasting linked to the price and the brand will catch their attention. In these two situations, we can see that it is possible to configure a consumer profile based on an immersive offer that, although they present different motivations, complement each other.

According to Batista, Bezerra and De-Bortoli (2024, 35), “[...] each region has its own uniqueness [...] a more informed consumer tends to value the product more, the cultural tradition that accompanies it and the know-how that makes it unique”. From this perspective, understanding the production chain (small and large) generates cognitive clarity on how the processes occur, making it possible to recognize that family farming brings together characteristics that go beyond the sale of a product for the sake of it, as it echoes the harmonization between sustainable practices, local appreciation, community development, preservation of traditions, economic development and, at the very least, regional recognition.

In Brazil, PRONAF - National Program for Strengthening Family Farming, is a public policy created to encourage and strengthen family farming, as it is recognized as one of the pillars of rural development and

food security in the country, aiming to create conditions for access to rural credit so that they can invest in their properties, diversifying sustainable, economic and environmental activities (Schneider; Cazella; Mattei, 2021). In addition to the strategies already mentioned, this national incentive is another possibility that small wine producers can rely on to raise funds to invest in their production.

Therefore, by mapping the circumstances of the market and understanding its operational dynamics, it is possible to create a strategic plan on how to remain competitive by designing actions, guaranteeing their rights, seeking registrations and defining experiences that are in line with the diverse desires of consumers.

#### **IV. Conclusion**

The paths that guided the construction of this manuscript revealed that the operational dynamics of the wine market depend on the value that each terroir has. When recognized, this value expands to encompass a local, regional, national and international dimension, regardless of whether the wine producer is a small or large producer. However, it is known that in a market logic, small producers face constant challenges that threaten their continued productivity and supply.

The objective of showing the impacts of socioeconomic development at the interface between agribusiness (large producers) and family farming (small producers) in wine production took shape in this manuscript based on the premise that the intangible values to be protected make them unique, and the modus operandi in the market of one affects the development of the other.

Therefore, the three variables analyzed brought an already validated understanding of: the impacts of predatory competition on the economic market, especially for small wine producers; the importance of the Geographical Indication seal for small wine producers; and the strategies that wineries can adopt to overcome the offers that large-scale production proposes involving the same tax conditions. It was also observed that the consumer profile is a point to be considered, as it is understood that the consumer will value what the winery has to offer.

The intertwining of these variables points to the distinction and complementarity that each one possesses, highlighting the conditions that family farming must achieve in order to achieve its production value and remain in the market. The productive power of family farming should not be neglected and other public policies such as PRONAF - National Program for Strengthening Family Farming, should emerge to extol this type of production.

Therefore, the value of family farming goes beyond mere agricultural production, providing opportunities for the generation of jobs in rural areas that boost the local and regional economy, especially in less favored regions. Natural production brings great benefits to health in terms of food security, in addition to enabling the population to build social stability, avoiding disorderly migration to urban centers.

Therefore, creating, encouraging and recognizing the value of family farming is supporting the practice of sustainable socioeconomic development that respects, preserves and values environmental conditions and cultural traditions in community advancement. Hence the importance of concatenating scientific evidence that points to ways to make visible the challenges and progress that occur in different spheres of society and that more research can emerge with this purpose of investigation in the tireless search for solutions in different social situations.

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