Regional Status quo of the Organic Sector

Canton Aargau, Switzerland

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SME Organics Kick off meeting

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European Union | European Regional Development Fund

Canton Aargau – 1 of 26 cantons

Current situation of the Organic Sector I

Share of agri-food sector on Swiss GDP

- Agriculture and fishery: 0,71%
- Gastronomy: 1,15%
- Food and tabac processing: 1,95
- **Total share: 3,81%**

Agricultural production – no

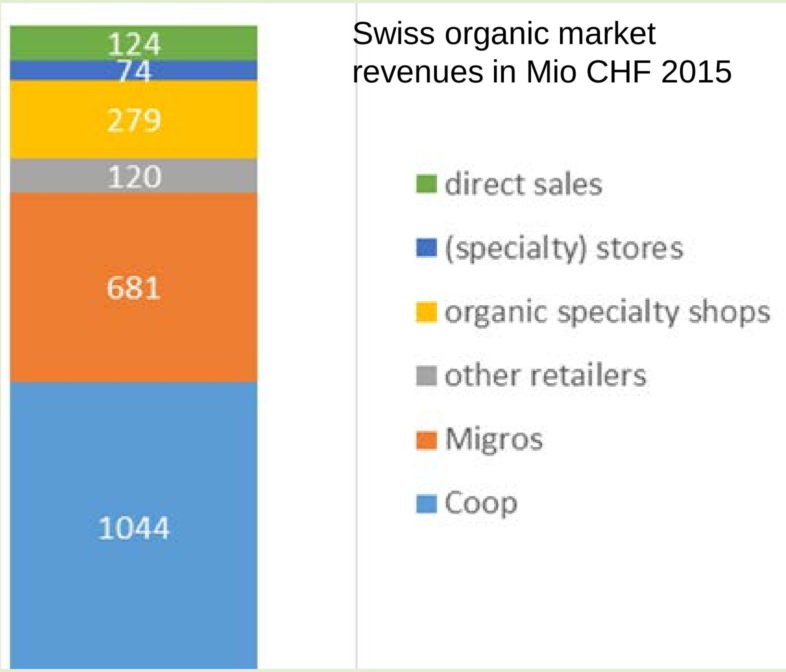
		No of farms		change
		2000	2015	%
CH	All farms	70`537	53`232	-24.5
	Non-organic	65`635	46`988	-28.4
	Organic	4`902	6`244	+27.4
AG	All farms	4`265	3`407	-20.1
	Non-organic	4`082	3`174	-22.2
	Organic farms	183	233	+27.3

	Share on total area	
	organic	conventional
crops	17,2	24,7
potatoes, turnips	1,2	3,5
maize	3,5	8,7
oilseeds	1,1	4,7
pulses	1,0	0,3
vegetables	6,7	2,5
other crop area	0,7	0,7
meadows	64,7	52,0
permanent crops	2,0	1,9

Agricultural production – type of farming

- ~61`000 ha agricultural land in Canton Aargau
- In general very diverse
- Crops, maize, oilseeds, root crops less developed than roughage animal based production

Current situation of the Organic Sector II



Swiss organic market

- ~2`300 Mio CHF organic market revenues
- Large retailers Coop and Migros hold a market share of 74%, organic specialty shops 12%

Market share development

- General increase in the share of the organic market with highest potential of convenient products

	market share	Growth 2014/2015
Total organic market	7.7%	+7%
Fresh products	10%	+5.9%
Convenient products	5.3%	+9.1%

Key challenges and opportunities

- Consumers demand for organic production continuously increases
- Growth of organic agricultural production is slow and can partially no cope with increasing demand
- More and more organic products are imported
  - **Hold market share**
  - **Use the opportunity to generate (regional) added value**

- Differences between different supply chains have to be taken into account. E.g. in Switzerland, the organic milk market is often (dependent on region and market situation) saturated, while organic crops and fruits/berries are in short supply
  - **Convince farmers to increase production for products in short supply**
  - **Increase demand for specific products (e.g. milk, cattle)**
  - **Develop/produce new products (and services) with high market potential**

- Marketing is highly relevant; market access, market channels develop quickly
  - **"The Last Mile" from producers/processors to consumers**
  - **Public procurement, gastronomy, tourism**

Main stakeholders involved

Example of canton Fribourg

- The canton/Swiss confederation
  - Head of Institutions and Agriculture and Forestry (DIL)
  - Agricultural Institute Grangeneuve
  - Office for Agriculture Fribourg
- Swiss organic farmers associations
  - BioSuisse (umbrella organization of Swiss organic farmers)
  - Bio Fribourg (cantonal sub section of BioSuisse)
- Research Institute of Organic Agriculture (FiBL)
- Farmers Union of canton Fribourg

First meeting 8.2011

↓ *Formation of project team*

Conference «Future of Organic Agriculture» 11.2012

↓ *Formation of permanent coordination team*

Approval AP 6.2013

What we plan for canton Aargau is to investigate the developments needs of the different supply chains

- Include also representatives of
  - The cantonal gastronomy and tourism sector
  - SMEs involved in processing and distribution of (organic) products
- SME-ORGANICS allows to provide support to the development of measures (besides goal setting) and setting up an monitoring and evaluation plan

Current market and policy environment and instruments

Constitution of the canton Aargau (51) and the cantonal agricultural law

Objective: Market-oriented and competitive agriculture and whole food supply chain, which can deal with market liberalization.

Focus areas:
a) Maintenance of agricultural production
b) Securing of sustainable production and high product quality
c) Support in start phase for innovative regional products and linking with ecological values in the region
d) Strengthen information brokerage and communication along the whole supply chain

Other relevant policy instruments include:

- Sales promotion policy for agricultural products incl. possibilities for regional specific measures
- Support for Quality and Sustainability in the Food Sector (production standards, innovative projects)
- Projects Regional development (PRE) within the framework of the New Regional Policy (NRP)
- Commission for Technology and Innovation with different support measures (e.g. networking, project support)

Project expectations

- Bring stakeholders together that are not yet working with each other (e.g. farmer groups with gastronomy)
- Assist stakeholders of different agri-food supply chains to cope with challenges and make use of opportunities
- Jointly develop overall goals and subgoals for the OAP which take into account the different supply chain levels and development potentials
- Support stakeholders to take appropriate measures to reach the goals of the OAP
- Support a proper monitoring and evaluation of implemented measures

Thank you

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