Development of organic production in Sweden

Dirk van der Krogst

Business development co-ordinator at the Swedish Ecological Farmers Association

Ekologiska Lantbrukarna

dirk.vanderkrogt@ekolantbruk.se
Swedish Ecological Farmers Association

Our members: around 1700 farms
Certified production (KRAV): around 3000 farms
Total organic farming (support): around 15000-17000 farms
Total land: 41 million ha

Agricultural land: 2.8 million ha

Organic agricultural land: 0.5 million ha (16-17%)

Certified organic agricultural land: 0.2 million ha (7-8%)
Total organic production in Sweden 2006:

Grain: 50 000 ha
Oilseed crops: 3 400 ha
Leguminous plants: 6 700 ha
Fiber plants: 30 ha
Vegetables and herbes: 560 ha
Potatoes: 700 ha
Fruit & berries: 290 ha
Greenhouse: 9,5 ha
Sugarbeets: 8 ha

Milk: 165 million kg (24 000 cows)
Beef: 12 000 cattle slaughtered
Pork: 20 000 pigs slaughtered
Lamb: 10 000 lamb slaughtered
Eggs: 6 million kg (360 000 hens)
Table chicken: 100 000 chickens slaughtered
Milk goats: 300
Certification is privately organised:

Three certification bodies:
- KRAV
- SMAK
- HS Consultancy

Two certification systems:
- KRAV
- EU organic
Market value 2007:

around 480 million Euros: sales of organic food and agricultural products

which is around 3% av total food sales
Market growth rate:

25% yearly growth on average since 1996

Growth 2005: 8-10%
Growth 2006: 10-15%
Growth 2007: 20-25%

Reasons for growth during 2007:
- General environmental debate
- More conscious consumption
- Sales rose through all market channels
- Public kitchen consumption

Good for the environment
Good for animals
Good for yourself
National / governmental / political goals:

25 % of public kitchens food should be organic in 2010
(2006: 6%, right now probably around 8-10%)

20 % of all agricultural land should be certified organic in 2010
(right now 8-10% cert, 16-17% total organic)
Public kitchen purchases of organic food on the rise:

2005: 4% organic
2006: 6% organic
2007: 8-10 % organic, approx.

Main products: Dairy, Cereal products
Some: Fruit&vegetables, meat
Top league organic public kitchens: 2006

Ale municipality: 19 %
Bromma municipality: 18%
Uppsala hospital: 18%
Södertälje municipality: 17%
Ludviken municipality: 15%

Succes factors:
- Change menus
- Enthusiasts
- Important with local municipality goals
  (not necessarily higher budget)
Organic farming policy:

Total budget
Agri-environmental premium/organic support: 60 million Euros

Linked to livestock production.
More linked to certified production (otherwise only 75%-50% support)

Plus, 5 million Euros on Research, Field experiments, Food strategy, etc.
For example:

Farm with 100 milk cows
180 Euros per organic cow
Total governmental organic support:
18 000 Euros
Organic farming policy:

Positive:
-no exceptional high support, but rather stable policy, which results in farmers confidence
  - positive psychological signals fro policy makers

Negative:
-No longer support for grass/clover on arable land production (which is a crucial part of organic production in Sweden; nitrogen fixation)
Other important factors:

Open attitude between organic and conventional farmers

Cooperation between general national Federation of Farmers and Association of Organic Farmers
Market share per product category 2006:

- Dairy: 34,4%
- Other: 14,9%
- Meat: 7,7%
- Coffee, Tea, chocolate: 7,1%
- Colonial products: 6,0%
- Eggs: 5,8%
- Bread and cereal products: 5,5%
- Drinks: 5,4%
- Fruit: 4,4%
- Frozen: 3,6%
- Vegetables: 3%
- Oils and fetts: 2,0%

Source: KRAV
Organic Milk:

Percentage organic of all milk:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>3.00%</td>
</tr>
<tr>
<td>2001</td>
<td>3.76%</td>
</tr>
<tr>
<td>2002</td>
<td>4.35%</td>
</tr>
<tr>
<td>2003</td>
<td>4.66%</td>
</tr>
<tr>
<td>2004</td>
<td>4.78%</td>
</tr>
<tr>
<td>2004</td>
<td>4.88%</td>
</tr>
<tr>
<td>2006</td>
<td>5.23%</td>
</tr>
</tbody>
</table>

Total organic milk volume (2007 + 13%)
Detailed follow up on every dairy product:

### Tillverkningsvolymer av ekologiska mejeriprodukter 2000–2006, TON

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Konsumentsmjölk</strong></td>
<td>46796</td>
<td>54008</td>
<td>57724</td>
<td>61608</td>
<td>64462</td>
<td>68059</td>
<td>72981</td>
<td>+4,63 %</td>
<td>+5,58 %</td>
<td>+7,23 %</td>
<td>6,39 %</td>
<td>6,86 %</td>
<td>7,67 %</td>
</tr>
<tr>
<td>varav &gt; 2,0 % fett</td>
<td>9633</td>
<td>11102</td>
<td>10942</td>
<td>9504</td>
<td>9949</td>
<td>10137</td>
<td>9238</td>
<td>+4,68 %</td>
<td>+1,89 %</td>
<td>-8,87 %</td>
<td>3,3 %</td>
<td>3,60 %</td>
<td>3,58 %</td>
</tr>
<tr>
<td>1,0-2,0 % fett</td>
<td>33183</td>
<td>37322</td>
<td>39656</td>
<td>41440</td>
<td>43122</td>
<td>45829</td>
<td>50683</td>
<td>+4,06 %</td>
<td>+6,28 %</td>
<td>+10,59 %</td>
<td>9,0 %</td>
<td>9,54 %</td>
<td>10,77 %</td>
</tr>
<tr>
<td>&lt;1,0% fett</td>
<td>3980</td>
<td>5584</td>
<td>7126</td>
<td>10664</td>
<td>11391</td>
<td>12093</td>
<td>13060</td>
<td>+6,82 %</td>
<td>+6,16 %</td>
<td>+8,00 %</td>
<td>5,0 %</td>
<td>5,30 %</td>
<td>5,85 %</td>
</tr>
<tr>
<td><strong>Syrade produkter</strong></td>
<td>3048</td>
<td>3325</td>
<td>15678*</td>
<td>17534</td>
<td>17949</td>
<td>19916</td>
<td>21118</td>
<td>+2,37 %</td>
<td>+10,96 %</td>
<td>+6,04 %</td>
<td>6,82 %</td>
<td>7,51 %</td>
<td>7,90 %</td>
</tr>
<tr>
<td>varav &gt; 2,0 % fett</td>
<td>1988</td>
<td>2369</td>
<td>14676</td>
<td>16622</td>
<td>16882</td>
<td>17838</td>
<td>18629</td>
<td>+1,56 %</td>
<td>+5,66 %</td>
<td>+4,43 %</td>
<td>11,9 %</td>
<td>13,56 %</td>
<td>13,01 %</td>
</tr>
<tr>
<td>&lt;2,0% fett</td>
<td>1060</td>
<td>956</td>
<td>1002</td>
<td>912</td>
<td>1067</td>
<td>2078</td>
<td>2489</td>
<td>+17,00 %</td>
<td>+94,75 %</td>
<td>+19,78 %</td>
<td>2,0 %</td>
<td>1,56 %</td>
<td>2,00 %</td>
</tr>
<tr>
<td><strong>Grädde (&gt;29% fett)</strong></td>
<td>476</td>
<td>617</td>
<td>717</td>
<td>713</td>
<td>661</td>
<td>871</td>
<td>1048</td>
<td>-7,3 %</td>
<td>+31,77 %</td>
<td>+20,32 %</td>
<td>0,73 %</td>
<td>0,98 %</td>
<td>1,16 %</td>
</tr>
<tr>
<td><strong>Ost</strong></td>
<td>647</td>
<td>556</td>
<td>463</td>
<td>336</td>
<td>278</td>
<td>263</td>
<td>385</td>
<td>-17,26 %</td>
<td>-5,40 %</td>
<td>+46,39 %</td>
<td>0,24 %</td>
<td>0,22 %</td>
<td>0,32 %</td>
</tr>
<tr>
<td><strong>Mattfett</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mjölkpulver</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Totalt</strong></td>
<td>50967</td>
<td>58506</td>
<td>74582</td>
<td>80191</td>
<td>83350</td>
<td>89109</td>
<td>95532</td>
<td>3,94 %</td>
<td>6,91 %</td>
<td>7,21 %</td>
<td>4,78 %</td>
<td>5,00 %</td>
<td>6,69 %</td>
</tr>
</tbody>
</table>

*Andel ekologisk av varugruppens totala volym.
Källa: Svensk Mjölk och mejenföretagen; beräkningar Ekologiska Lantbrukarna.
Main players organic dairy:

Arla Foods
Milko
Skånemejerier
Falköpings mejeri
Gefleortens Mejeriförening
Norrmejerier

Smaller players: Järna Mejeri, Rösta Mejeri, Väddö gårdsmejeri, Pipers Glace osv.

Organic price premium:

Arla Foods: 9,75 Eurocents
(25% price premium)

Norrmejerier: 13,98 Eurocents
(+36% price premium)
Fruit & Vegetables

Vegetables and herbes: 560 ha
Potatoes: 700 ha
Fruit & berries: 290 ha
Greenhouse: 9,5 ha
Sugarbeets: 8 ha

8% of all carrots are organic, 2-3% of all apples, 2-3% of all strawberries, 4% of all onions, 15-20% of black currants

Fastest growing product category: +20-30% yearly
Sales mainly through retail, but also box schemes, market places etc.
Meat:

*Swedish Meats / Scan AB largest player*

*Drygt 18 000 pigs (95% market share)*

*Ca 8-12 000 cattle (60-80% market share)*

*Ca 7-8 000 lamb (70% of slaughtering, 20% of sales)*

Many successful local organic meat concepts:

Gröna gårdar (320 cattle/year, 2006), Kaprifolkött (700 cattle/year, 2006), Bonnakött (400–500 lamb/year och 120 cattle/year, 2006), Gröna Hagars (70 cattle/år), Ostgotha (100 cattle/year), Järna Odlarring (100 cattle/year), Rheum-gruppen (400–500 lamb/year) och Gröna lammet (1600–1700 lamb/year), KC Ranch (450 cattle/year)
Organic price premiums:

Cattle: 15%

Pigs: more than 100%

Lamb: 10%
Organic egg production:

100 producers

360,000 laying hens

Farm size: 1000 – 10,000/20,000 laying hens

Three main players: Svenska Lantägg, Stjärnägg, Kronägg

Only one organic table chicken producer: Bosarp kyckling

Almost all organic eggs are sold through supermarkets.

Growth + 5-10%

Price premium: 75-100%
Grains:
Grain: 50 000 ha
Oilseed crops: 3 400 ha
Leguminous plants: 6 700 ha
Fiber plants: 30 ha

**Total grain production 115 000 - 150 000 tons**

- 41% feed for milk cows
- 10% feed for chickens
- 9,5% feed for cattle
- 7% feed for pigs
- 0,5% feed for lambs
- 22% exports
- 10% for food

*Organic price premium: 40-110%*

Around 80% of all grain feed is grown at animal farms
To sum up:

The Swedish Organic Market is growing very rapidly, through all market channels

Organic production is growing but it is hard to catch up with the very fast market growth, shortage on some products, for example milk, pigs, eggs.

For the future:

- Organic production will expand further.
- Very strong consumer demand.
- Keep an eye on price premiums
Thank you very much for your attention.

Merci beaucoup!