The Agri-food and Seafood Market[1] - Switzerland

Sector Overview

Switzerland is a small country with only 7.8 million inhabitants, but with a growing market for high quality, nutritious, foreign alternatives to the traditional diet. The overall Swiss agri-food market is continuing to grow. Gross domestic product growth is forecast at 2.5% for 2011. Consumer spending remains good and unemployment is stable around 3.6%. A high dependency on EU sources will remain, but niche markets can be exploited by Canadian suppliers. High potential is also forecast for convenience food, particularly in view of the rapidly aging population and growing number of small households.

In 2009, Swiss agri-food imports from the world were $12 billion.[2] Of this, approximately $9.3 billion or 77% was from other European countries, particularly Germany, Italy and France. The non European imports were largely from Brazil, Australia, New Zealand and U.S. Switzerland agri-food imports from the world included meat, fresh fruit and vegetables, flowers and seafood.

Canada’s share of the Swiss agri-food import market was $55 Million or 0.5 percent. Canadian agri-food exports to Switzerland in 2009 represent 12.5 % of all Canadian exports to this country. Our main agri-food exports were horse meat ($24 M), wheat ($26.7 M), fish/seafood ($3.0 M), maple products ($2.1M) and bovine meat ($1.6 M). Total Canadian seafood exports to Switzerland were $3.1 million composed of shrimp, salmon, lobster, scallops, mollusks and fresh water perch.

Swiss agri-food exports to Canada in 2009 were $169 million and were composed primarily of mineral water ($34 M), cheese ($21 M) and chocolate ($43 M).

The Swiss economy is small but strong, due in part to its geographic location in the centre of Europe. Though the country remains politically outside of the European Union, a number of bilateral agreements ensure the smooth flow of goods and services. Looking to further enhance trade in agri-food products, Switzerland and the European Union are currently negotiating a comprehensive agricultural free trade agreement expected to be concluded some time in 2013.

In 2009, Canada signed a Free Trade Agreement with the European Free Trade Association (EFTA) (comprised of Switzerland, Norway, Iceland and Liechtenstein) that should see Canadian agri-food exporters benefit from the elimination or reduction of tariffs on selected products including horse and Wapiti meat, honey, mushrooms, oilseeds, seeds (for planting and consumption), durum wheat, frozen french fries, beer, wine and some alcohol, fruit and berries, herbs and crude canola oil. Through the agreement, Switzerland can also act as an important entry point for Canadian products to the broader European market.

The Swiss agriculture sector which is primarily focussed on livestock and dairy production has been in economic decline relative to gross domestic product for the last few years. The agri-food sector is primarily focussed on supplying the domestic market with a few very strong and well recognized export products. Switzerland is 61.5 % self-sufficient for most basic food products including meats (veal, pork), dairy products, apples, potatoes. The sector employs approximately 5% of the working population.

Traditionally, Switzerland has maintained high levels of subsidies and protective measures aimed at supporting its agriculture industry in order to maintain their competitiveness with lower-cost
producers in surrounding European countries. In 2009 total expenditures for agriculture and food industries were approximately 6.3% of total Federal spending. As a result, consumer food prices are substantially higher than in neighbouring EU countries.

**Market and Sector Challenges (Strengths and Weaknesses)**

Important trends affecting the domestic retail food sector in Switzerland are the growing demand for healthy and convenience products and the population's high awareness of quality. Convenience food retailing has been booming and has carved itself a share of about 10% of the total food retail market. These trends are resulting from the growing number of single-person and dual-income households, rapidly aging population, increasing flexible working hours, rising proportion of working women, and the tendency to shop more frequently and spontaneously.

Traditionally Swiss food prices are amongst the highest in Europe. The market is also characterized by high penetration rates for private-label, a high demand for quality, and increasingly for organic certification. The market is relatively conservative and open to new tastes but due to high prices remains very price-sensitive. High-quality, niche, natural (organic and non-organic) and specialty food items with a high value-added component present the greatest potential opportunities for Canadian agri-food producers.

The Swiss food retail market, worth $44 Billion, accounted for 50.1% of the total retail value in Switzerland in 2007 and was considered one of the main economic drivers of overall retail sector growth in 2009. Supermarkets are currently the leading source of sales for the food industry, however, convenience stores and online retailing are growing the fastest, though the latter still has only a marginal market share of around 0.5%.

The Swiss food retail sector has been long dominated by the two Swiss supermarket chains Migros and Coop with a total market share 70% between them. These two companies are vertically integrated with large proprietary production/processing capabilities and as a result rely heavily on their own private labels. The retail landscape also tends to favour a high number of small neighbourhood stores, which due to limited shelf space can inhibit the number of discrete products offered for sale. This can make it difficult for new suppliers to gain market recognition.

A significant pricing change has taken place since 2005 when German discounter Aldi entered the Swiss market followed by Lidl in March 2009. Both outlets outlined have ambitious plans to double their number of outlets and are expected to reach a total of 200 stores by 2011. Reaction by Coop and Migros has been to introduce their own brand of discount products as well as to sharpen their sales approach to the benefit of the consumer.

Food service is a very important component of the Swiss food market as a high portion of meals are eaten outside the home. The very large emphasis in Switzerland on tourism also focuses heavily on a robust food service industry. Switzerland has a number of cash and carry outlets that cater to the food service sector.

With a focus on natural, organic and healthy, Switzerland has a powerful consumer protection lobby that has resulted in one of the world's most stringent food legislations (mostly in terms of traceability, non-GMO, labeling, health/nutritional standards, etc.).

**Sub-sector Identification**
Canadian products most likely to make inroads include high-quality, niche, natural (organic and non-organic), and specialty-type products with a high value-added component. A continued demand persists for the traditional products from Canada such as durum wheat, pulses, maple products, horse meat, oilseeds, soya beans, seeds, mushrooms, berries and pet food. Canadian whisky and beer are well accepted in Switzerland, while wines from Ontario and British Columbia are progressing slowly. Competitive advantages that Canadian suppliers should express through their products are links to themes such as nature, adventure, food safety and produced in line with high environmental standards.

In view of the ongoing public resistance against genetically modified (GMO) food products, demand for non-GMO products will continue to be strong for the foreseeable future. Organic food enjoys high growth rates and presently has a share of about 5 percent of the total food market.

**Fish and Seafood Products**

Seafood enjoys a healthy profile in Switzerland, a country highly dependant on imports. The most important Canadian exports have been fresh water fish species (perch and walleye), shrimp, lobster, salmon, scallops and mollusks. Sustainability is becoming an important issue in Switzerland and certifications such as the Marine Stewardship Council (MSC) certification is sought after by processors, retailers and suppliers to food service.

**Organics**

Switzerland is a pioneering country in organic farming and has a very strong market for organically certified food. Over 11% of the farmed land area is devoted to organic production. Switzerland has one of the highest per capita consumption of organic products. The market was estimated to be worth around $1.4 billion in 2008, an increase of 11.4 percent over the year earlier. Sales of organic products have continually grown over the past years to a market share of 5% of total agri-food sales.

About 75% of organic retail sales are through the two major retailers (Coop 50%, Migros 25%) and 15% through specialist organic shops, with the remainder retailing either direct from the producers or through small family butchers and bakery shops. Coop Naturaplan for example sells a very wide range of more than 1600 organic products in its supermarkets. The preferred certification is for "Bio-Suisse”, a certification standard already familiar to many Canadian organic companies already in the market. Opportunities exist for organic products maple syrup, fruits and food ingredients, flax, mustard seed, millet, pulses, and lentils.

**Grains/Seeds/Special Products**

There is a long-established market in Switzerland for Canadian cereal grains, oilseeds and pulses, especially if they are organic. GMO free soybeans are of interest as well. Canada is competitive with its high quality food grade soybean.

**Food Ingredients**

Food ingredients which are seen as a source of health can expect further growth in sales. Food ingredients such as cranberries and blueberries are sought after by the processing industry and are immensely popular due to their health properties. The market for frozen and dried fruits as ingredients
Meat

While certified growth hormone free beef is close to getting access to the broader EU market, such product can already access the Swiss market. To be eligible to export meat to Switzerland, an exporters’ plant must be on the Swiss and EU lists of approved meat-exporting establishments. Swiss import requirements do not currently follow EU hormone free certification requirements. Beef product accompanied by suitable documentation can be imported into Switzerland subject to labelling indicating hormones or antibiotics may be present. This could represent an excellent opportunity for Canadian exporters to establish a hold in Europe on which to expand future sales. Specialty meat products are also much in demand including horse, bison meat and wapiti. Canadian pork meat is also eligible to enter the Swiss market.

Sector Events

VITAFOODS International

May 6-8, 2014
Geneva, Switzerland
www.vitafoods.eu.com

An annual global nutraceutical/functional food trade show and conference.

BIOFACH

February 12-15, 2014
Nuremberg, Germany
http://www.biofach.de/en

Held annually in mid February, this is one of the largest organic food shows in the world. Many Swiss organic companies will also be in attendance.

IGEHO

November 23-27, 2013
Basel, Switzerland
www.igeho.ch

An international trade show for industrial and institutional catering, hotels and restaurants.

ANUGA and SIAL

ANUGA
October 5-9, 2013
Cologne, Germany
www.anuga.com

SIAL
October 19-23, 2014
Two key European food shows that alternate yearly, where Canada invariably has an important presence. Most key Swiss agri-food companies also attend these shows.

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**Useful Websites**

EFTA Agreement text: www.international.gc.ca/trade-agreements-accords-
Swiss Supermarket/Retail Stores

- Migros: [www.migros.ch](http://www.migros.ch) [German, French and Italian only]
- Coop: [www.coop.ch](http://www.coop.ch)
- Globus: [www.globus.ch](http://www.globus.ch)
- Jelmoli: [www.jelmoli.ch](http://www.jelmoli.ch)
- Denner: [www.denner.ch](http://www.denner.ch) [German, French and Italian only]
- Manor: [www.manor.ch](http://www.manor.ch) [German, French and Italian only]

Swiss Food and Beverage Producers/Processors

- Nestlé: [www.nestle.ch](http://www.nestle.ch) [German and French only]; high nutrition food, baby food, mineral waters, chocolate, petfood
- Hilcona: [www.hilcona.com](http://www.hilcona.com) [German only]; ready-made dishes
- Hero: [www.hero.ch](http://www.hero.ch) [German and French only]; canned food, ready-made dishes
- Bio-Familia: [www.bio-familia.com](http://www.bio-familia.com) [en/home.html]; cereal/health products
- Morga: [www.morga.ch/pages/en](http://www.morga.ch/pages/en); teas, health products
- Biotta/Thurella: [www.thurella.ch](http://www.thurella.ch) [German only]; fruit and vegetable juices
- Emmi: [group.emmi.com/en.html](http://group.emmi.com/en.html); dairy products
- Haco: [www.haco.ch/en/home.html](http://www.haco.ch/en/home.html); ready-made dishes, sauces, coffee
- Zweifel: [www.zweifel.ch](http://www.zweifel.ch) [German and French only]; snacks, chips
- Conserves Estavayer: [www.elsa.ch/default.asp?langage=1&nodeID=803&sessID=](http://www.elsa.ch/default.asp?langage=1&nodeID=803&sessID=); dairy products
- Bischofszell Nahrungsmittel: [www.bina.ch/cms/index.php?id=1&L=1](http://www.bina.ch/cms/index.php?id=1&L=1); canned products
- Kentaur: [www.kentaur.ch/en/home.html](http://www.kentaur.ch/en/home.html); cereal-based products
- Bell: [www.bell.ch/en/home.aspx](http://www.bell.ch/en/home.aspx); meat products
- Swissmill: [www.swissmill.ch/index.php?id=32&L=2](http://www.swissmill.ch/index.php?id=32&L=2); grain-based products

Swiss Major Companies by Product

Mineral Water

- Valser: [www.valser.ch](http://www.valser.ch) [German, French and Italian only]
- Passugger: [www.allegra-passugger.ch/Home.5.0.html?&L=4](http://www.allegra-passugger.ch/Home.5.0.html?&L=4)
- Rhaezuenser: [www.rhaezuenser.ch](http://www.rhaezuenser.ch) [German and French only]
- Eptinger: [www.eptinger.ch](http://www.eptinger.ch) [German and French only]
- Zurzacher: [www.zurzacher.ch](http://www.zurzacher.ch) [German only]

Beers

- Large variety
- Main brands are in foreign ownership (e.g. Heineken, Carlsberg)

Chocolate
• Lindt: www.lindt.ca/swf/eng/home
• Barry Callebaut: www.barry-callebaut.com
• Suchard: www.suchard.ch [German and French only]
• Camille Bloch: www.camillebloch.ch/en
• Cailler/Nestlé: www.cailler.ch/en
• Goldkenn: www.goldkenn.com
• Halba: www.chocolatshalba.ch/en/home.html
• Frey: www.chocolatfrey.com
• Maestrani: www.maestrani.ch
• Laederach: www.laederach.com/chen

Agri-Biotech

• Syngenta Crop Protection and Syngenta Seeds: www.syngenta.com

[1] The Government of Canada has prepared this report based on primary and secondary sources of information. Readers should take note that the Government of Canada does not guarantee the accuracy of any of the information contained in this report, nor does it necessarily endorse the organizations listed herein. Readers should independently verify the accuracy and reliability of the information.

[2] Unless otherwise indicated, all amounts are expressed in Canadian dollars. The exchange rate used in this overview is C$1 = 1.04 Swiss Franc (CHF).
Source: www.bankofcanada.ca/rates/exchange/10-year-converter