

## Fairness in the organic food chain – practical experiences from Bio Suisse

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### Summary

*In the last years Suisse has introduced a fairness strategy to enhance trade relations between organic market partners in supply chains within Switzerland. A code of conduct was elaborated, round table discussions on fairness issues were initiated between market partners and a fairness survey was conducted to evaluate the current level of fairness in trade relations. Results are satisfying but also show future challenges. An Ombudsman was elected to mediate conflicts.*

### 1 Background

In 2010 Bio Suisse has introduced a fairness strategy to enhance trade relations between organic market partners in supply chains within Switzerland (Schumacher and Eichert 2010, Schumacher and Ramseier 2011). The strategy comprises a code of conduct, round table discussions, monitoring and a fairness-ombudsman. The strategy was implemented stepwise in the last years. This paper reports on the actions and experiences made during the implementation process until March 2014.

### 2 Implementation of the strategy

#### *Code of conduct*

During 2010 and 2011 a number of representatives from all along the food chain elaborated on the definition of fairness within Switzerland. The principles are summarized in a brief code of conduct (Bio Suisse, 2012).

#### *Round tables*

Two pilot round table discussions were conducted in 2011 and 2012 under professional moderation. They were held in the organic bread cereal market where such kind of round tables did not exist before. Participants emphasized the need of highlighting “good fairness practice” cases as well as discussing quality requirements in more detail. While millers and bakers prefer rather high protein levels to enhance baking quality, organic farmers in Switzerland sometimes have problems to produce such high protein levels (e.g. due to unfavourable geographic location or lack of possibilities for effective fertilization). The round tables contributed to mutual understanding and participants emphasized the importance of constructive dialogues also for the future.

Already in 2009, Bio Suisse initiated a round table in the organic milk market. Since 2011 these discussions take place on a yearly basis. Bio Suisse presents market forecasts as well as latest issues.

Similar meetings are already established in the markets for (pomaceous) fruit and eggs. An initial round table was conducted with stakeholders of the slaughter cattle market in 2013 – with positive feedback.

Following the recommendations of the round tables, a short information film was produced in cooperation with the research institute of organic farming (FiBL) showing fair trade relations of two farmers and their buyers.

#### *Ombudsman*

Since the round tables are restricted to comparably few market players, Bio Suisse has introduced an Ombudsman from April 2014. He can be contacted for advice and support and to mediate between market partners in cases of conflicts. The Ombudsman may give recommendations but no directives. His cases will be concrete examples that are expected to make trade more transparent.

#### *Fairness-Monitoring*

In 2012, a survey on fairness and satisfaction of Bio Suisse market partners was conducted in cooperation with the University of Kassel, Witzenhausen. Results showed that the majority of farmers and buyers were satisfied with their

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respective market partners while one fifth of farmers and almost one fourth of processors and traders were not satisfied. However, the study did not discover structural and systematic causes for dissatisfaction (Mühlrath et al. 2012). The study also identified fairness criteria which measure fairness of interaction, procedures and distribution. Values of these fairness criteria were also high on average. Furthermore, farmers and buyers had different perceptions on fair prices and quality but were otherwise satisfied with their trade relations. Bio Suisse will use some of these criteria in streamlined periodical fairness-surveys in the future in order to identify and improve fairness-gaps and to monitor the development of fairness in the markets.

### *Labelling*

In 2011 Bio Suisse initiated a market survey which aimed at evaluating whether a fair logo on Bio Suisse products should be introduced. The survey revealed that, on the one hand, organic is already expected to assure a certain level of fairness. On the other hand, when being asked in an open question, consumers did not directly associate fairness to organic. A Bio Suisse (domestic) fair label would, thus, not have enough additional benefits at the point of sale (cf. Schumacher, 2011). Bio Suisse decided not to inspect and certify fairness. This strategic decision has the advantage to reach all market partners and encourage them to improve trade relations. But it has the disadvantage that the practical benefit is more difficult to communicate and that cases of unfair behaviour cannot be sanctioned.

### *Reflection on process*

Stakeholders were generally interested in the process of introducing the fairness-strategy and contributed in a constructive way. Participants at round tables represented important market players and, consequently, the largest share of the market. On the one hand, people saw the use of such information exchange (especially information on market development). On the other hand, some were critical about the large investment of time that is necessary to develop the fairness round tables and missed the short term benefit. Multi-stakeholder procedures like the fairness round tables, however, are mid-term investments that need several meetings before specific projects can be started and partners can benefit monetarily.

## **3 Conclusions**

Fairness development at Bio Suisse in the last 3 years has been successful with regard to initializing round table discussions and the fairness-monitoring within Switzerland as well as introducing an ombudsman. The strategy has a mid- to long-term perspective and the instruments still have to prove their advantages in the next years.

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