

Regional Status quo of the Organic Sector South Ostrobothnia, Finland

Anna Saarela & Pekka Maijala, Seinäjoki UAS

SME Organics Kick off meeting
Brussels, 18-19 May 2016



**Interreg
Europe**



European Union | European Regional Development Fund

Regional context

- South Ostrobothnia's regional average GDP was 29 464 € in 2012 (Finland 36 770 €)
 - GDP in the region compared to EU's average is 92 % (Finland 115 %)
- Agricultural sector covered 11,5 % and food processing industry 10,5 % of total added-value in 2010
- Share of trade was only 2,3 %
- Cultivated land area in S O is 20 % (about 250 000 ha in 2014) (Finland 7-8 %)
- Organic cultivated land area in S O was 8,8 % in 2015 (Finland 9,9 %)
 - Most of the organic yield in S O is sold to food industry enterprises; small part is sold directly to consumers such as Steiner school or Restaurant Juurella in Seinäjoki

Current situation of the Organic Sector

- Organic agriculture in relation to total agriculture in South Ostrobothnia is 6,5 % (Finland 9,2 % in 2014)
- Organic livestock farming is practiced in about 100 farms in S O (in Finland 825)
 - Primarily dairy products (2,3 % in 2015) and eggs (4 %)
- Share of organic food of total food market was 1,7 % in 2014
- Export consists mostly of cereals, mainly oats (80-90 %), more than 60 % of which are processed products (flour, bread, oatmeal)
 - Regionally in S O also potato is potential
- Current policy environment
 - Policy initiative is to increase organic food production 20 % by 2020

Key challenges and opportunities

- Development of the national supply base

(f.ex. more diverse organic crops & products, organic production to be more appealing to farmers)

- Market development

- To improve the efficiency of the organic value chain (9 % org cultivated land area, yet less than 2 % market share?!)
- Some of the organic production is sold as “ordinary products”
→ loss in added-value
- Uniforming branding and certification (f.ex. forest mushrooms and wild berries)

Project expectations

- To create a new content to the regional strategy – naming practical measures to promote organic food sector in i) regional, ii) national and iii) international markets
- To enforce the growth of regional organic sector throughout the whole value chain
- To promote and increase the awareness of organic food production in F.O.
- To improve SME's expertise on international business



Thank you



**Interreg
Europe**



European Union | European Regional Development Fund