

# INTERBIO

Nouvelle-Aquitaine

Committed to serving Organic players



[interbionouvelleaquitaine.com](http://interbionouvelleaquitaine.com)

REGIONAL ORGANIC INTERPROFESSIONAL ASSOCIATION



# Presentation of Interbio Nouvelle-Aquitaine's work on the definition of fair prices.

—

*Calculation methods and references*



### SOME FIGURES ABOUT INTERBIO

**290**

ORGANISATIONS  
AND OPERATORS  
MEMBERS

**13**

EMPLOYEES

**3 SITES**

WITHIN THE  
NOUVELLE-  
AQUITAINE  
REGION

**2,2M€**

TURNOVER

## OUR ACTIONS

For the organic sector in Nouvelle-Aquitaine

Federate all the  
actors of the  
sector

Represent  
interests  
members and  
the sector

Contribute to the  
development of  
the regional  
organic sector

Promote  
regional organic  
products

Support the  
introduction of  
organic products  
in collective  
catering



1. Establish a true regional strategy
2. Exchange, debate, plan
3. Conduct interbranch reflections and negotiations
4. Communicate on the various works carried out by the sector

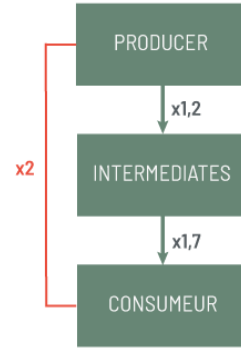
# Work related to National Food Conference

**French laws – 2017 and 2021**  
*(Etats Généraux de l'Alimentation - Egalim)*



- Analyse the construction of the value chain
  - For selected raw materials and finished products
- Propose a balanced scheme of the value chain and respond to the demand of the National Food Conference (EGALIM) in relation to price indicators
- Add transparency on the marketed price
- Build a tool that can be reused and adaptable to each operator
  - ▶ Two working methods according to the specificities of each sector :
    - ▶ « Survey » methodology
    - ▶ « Working groups » methodology

# « Survey » methodology



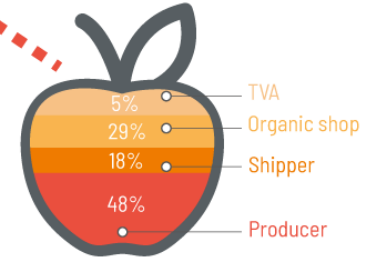
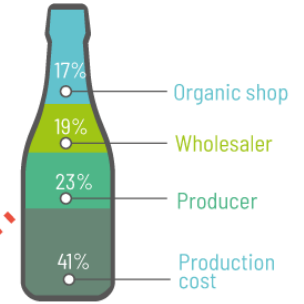
**1** **INDUSTRY CUTTING**  
depending on the target product and the prerequisites for the chosen sample

**2** **IDENTIFICATION AND MONITORING OF PRICES**  
achieved at each stage of the chosen sector

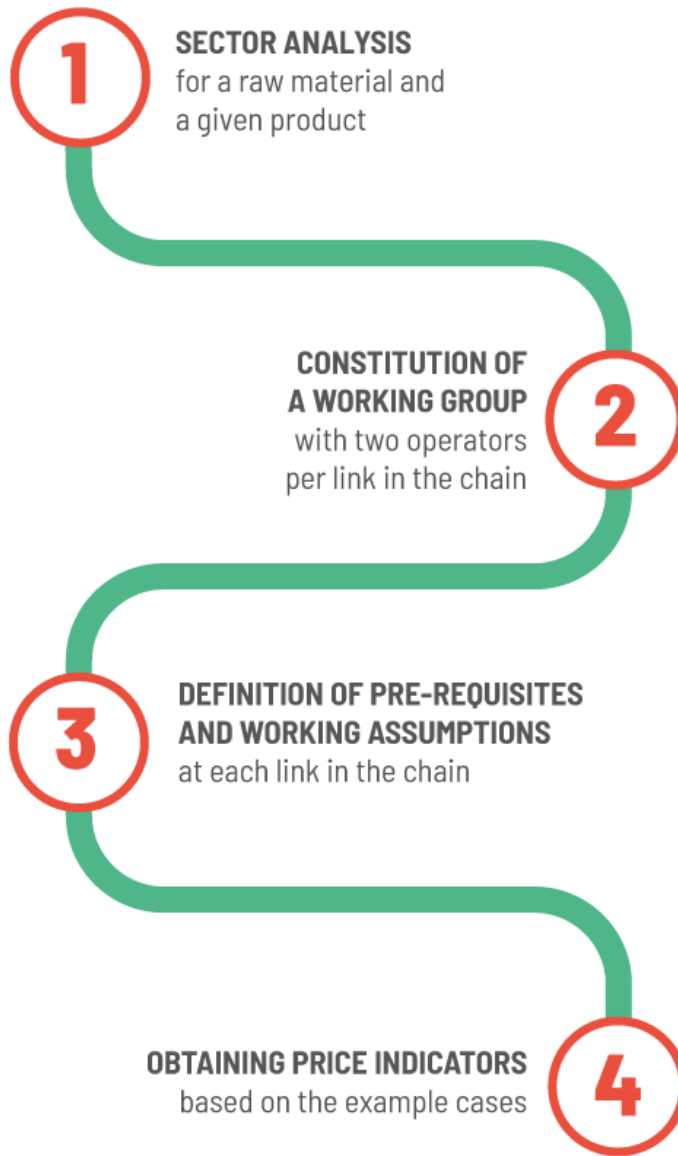
**3** **REPLENISHMENT OF THE VALUE CHAIN**  
from producer to consumer

**4** **INTEGRATED PRODUCTION COSTS**  
Chamber of Agriculture and Regional Federation of Organic Agriculture (if established)

**5** **CONSOLIDATION OF RESULTS**  
in sector committee



# « Working groups » methodology

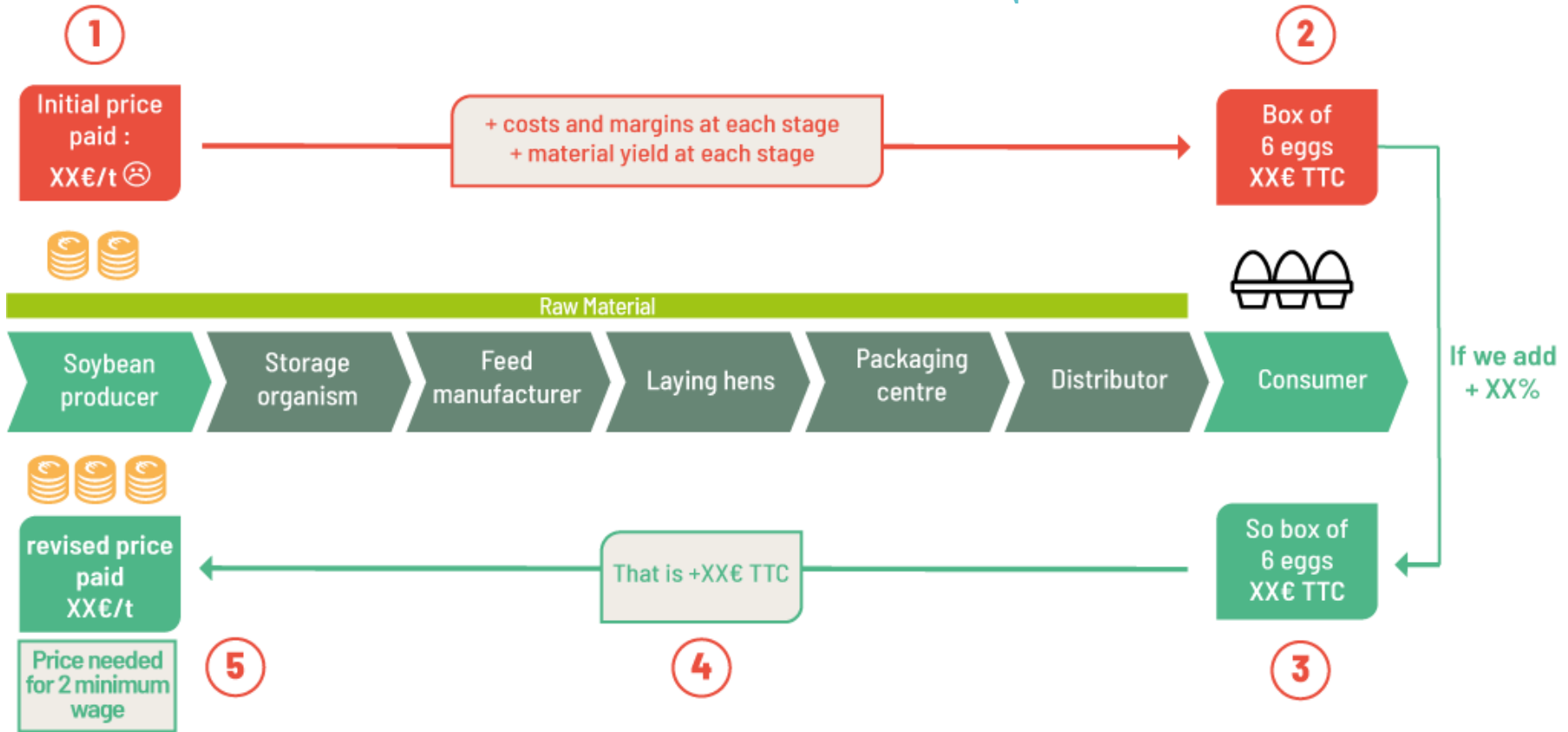




# Confidentiality of research activities

- All the elements exchanged remain confidential outside the working groups / Interbio
- Data transmitted to Interbio's project managers by the operators are not used by name, they will be aggregated and therefore anonymous; the principle of confidentiality is respected
- No publication is made without the validation of all contributors

# Definition of the value chain

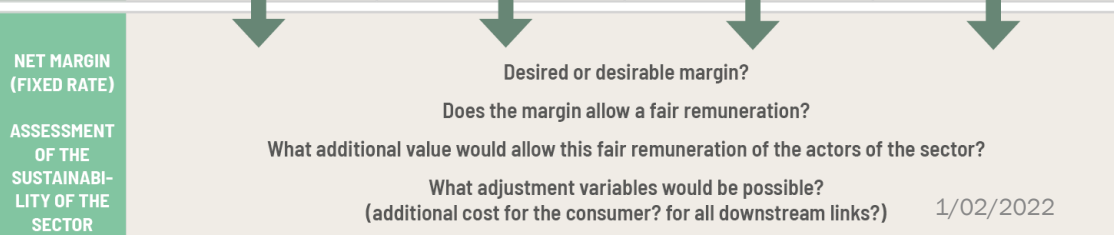


# Prerequisites, options and calculations at each step

<p><b>PREREQUISITES (examples)</b></p>	<ul style="list-style-type: none"> <li>• Definition of the operation: size, workforce, UAA, livestock, etc.</li> <li>• Definition of the product/raw material (characteristics)</li> <li>• Definition of the production cost method and the income to be received by the farmer</li> <li>• Definition of gross return/net return</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of the storage process (e.g. drying - drafting - inerting, etc.)</li> <li>• Definition of type/ quantity of waste, co-product</li> <li>• Definition of gross yield / net yield</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of the type of processed product (composition, packaging)</li> <li>• Definition of the transformation process</li> <li>• Definition of storage mode</li> <li>• Definition of gross return/net return</li> </ul>	<ul style="list-style-type: none"> <li>• Definition of the distributor typology</li> <li>• Definition of the % of product losses</li> <li>• Determination of the average price sold in the different distribution channels</li> </ul>
<p><b>EXPENSES AND INCOME (examples)</b></p>	<ul style="list-style-type: none"> <li>• Production costs</li> <li>• Transport costs</li> <li>• Selling price</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Collection costs</li> <li>• Storage costs</li> <li>• Marketing costs</li> <li>• Administrative costs, quality...</li> <li>• Taking into account the depreciation of the tools.</li> <li>• Transport costs</li> <li>• Selling price</li> <li>• Valorization of co-products</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Processing costs</li> <li>• Storage costs</li> <li>• Marketing costs</li> <li>• Administrative and quality costs</li> <li>• Taking into account the depreciation of tools.</li> <li>• Transport costs</li> <li>• Selling price</li> <li>• Valorization of co-products</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Storage costs</li> <li>• Platform, distribution, marketing costs</li> <li>• Administrative costs, quality</li> <li>• Taking into account the depreciation of the tools.</li> <li>• Transport costs</li> <li>• Selling price excluding and including tax</li> <li>• Etc.</li> </ul>

1. Each prerequisite is a lever to raise or lower prices and margins.

2. And taken as basis to contract





## FROM WHEAT TO BAGUETTE (2017)

### Background

Consumer demand for French wheat is increasing but is not being satisfied because the price paid to the producer is too low.

### Study characteristics

- Methodology: working group
- Target product: baguette 250 g sourdough
- Distribution: organic bakery



## THE LENS (2020)

### Background

Disruptions have been observed for many years in specialized distribution networks, associated with an increase in consumer demand for vegetable proteins.

From 2019, supply meets demand, and from this situation arises the need to regulate supply in terms of volume and price to sustainably meet demand.

### Study characteristics

- Methodology: working group
- Target product: bulk lentils and 500g sachet
- Distribution: GMS and specialized network.



## FROM CORN TO EGG (2018-2019)

### Background

Corn is currently a crop produced in large quantities, hence the need to study the supply/demand balance to regulate the market.

### Study characteristics

- Methodology: working group
- Target product: box of 6 organic eggs
- Distribution: GMS, specialized network and discounts.



## FROM SOYBEAN TO CHEESE (2021)

### Background

Growing demand from dairy operators for French-origin soybeans for livestock rations and increased demand for regional dairy products in large containers from the Out-of-Home Catering (RHD).

### Study characteristics

- Methodology: working group
- Target product: jar of 5 kg at 20% fat fresh white cow cheese
- Distribution: out-of-home catering.



## FROM SOYBEAN TO EGG (2021)

### Background

Strong demand for French soybeans, however supply does not cover demand. The aim was to study availability to meet new regulatory requirements, particularly for monogastric farms. Reassure producers about the prices paid.

### Study characteristics

- Methodology: working group
- Target product: box of 6 organic eggs
- Distribution: GMS, specialized network and discounts.



## ORGANIC WINE MARKET (2019)

### Background

Strong consumer demand for organic wine supplemented by strong conversion momentum. Need to monitor the balance of market supply and demand.

### Characteristics and process of the study

- Methodology: surveys
- Work in partnership with the association Organic New-Aquitaine winegrowers.
- Establishment of a price observatory (56 readings)
- Surveys of 8 winegrowers to reconstruct the value chain of an organic wine sold in Bordeaux Métropole through 3 sales channels: direct sales, wine shop and organic store for AOC Bordeaux and AOC Saint Emilion.



## FRUIT AND VEGETABLE MARKET

(2018-2019)

### Background

Need to follow regional courses in order to ensure that the balance between supply and demand in the fruit and vegetable market is maintained.

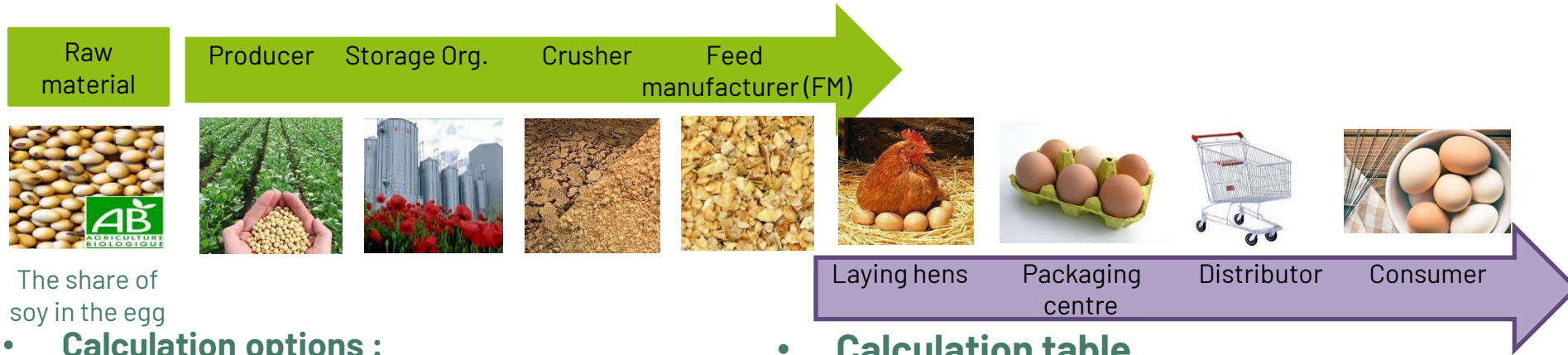
### Study characteristics

- Methodology: surveys
- Survey of prices in 16 stores specialized.
- Identification of the purchase price to producers
- 4 surveys per year, 4 studies, most common species marketed (minimum 5 per statement).

# Example of a case study

Economic thresholds  
from SOYBEAN TO EGG  
June 2021

# From soy to egg



The share of soy in the egg

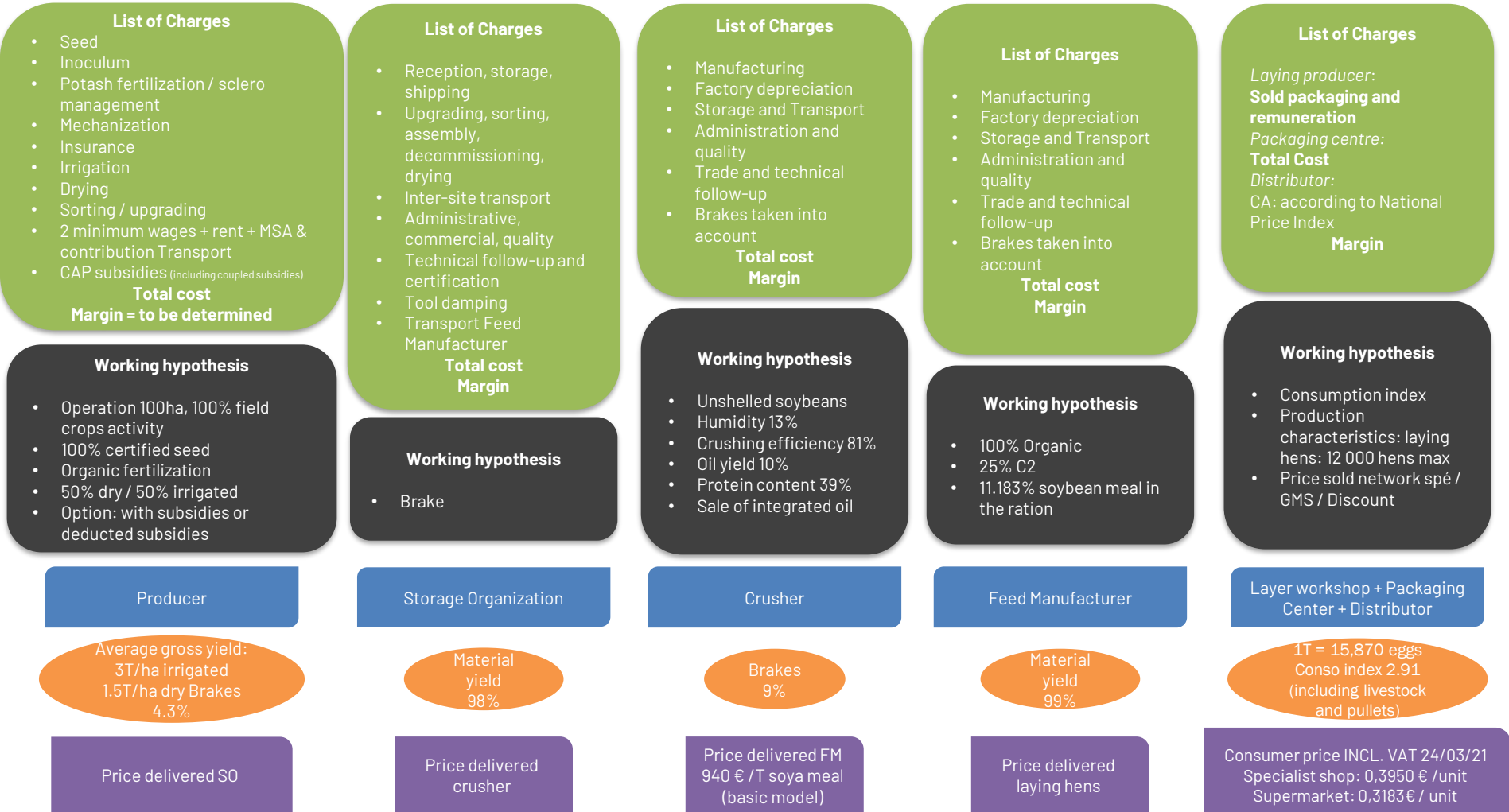
## Calculation options :

- **Producer Link option**
  - \* Marketing threshold (aid deducted)
  - \* Production costs
- **Distribution channel options**
  - \* Supermarket
  - \* Specialist shops

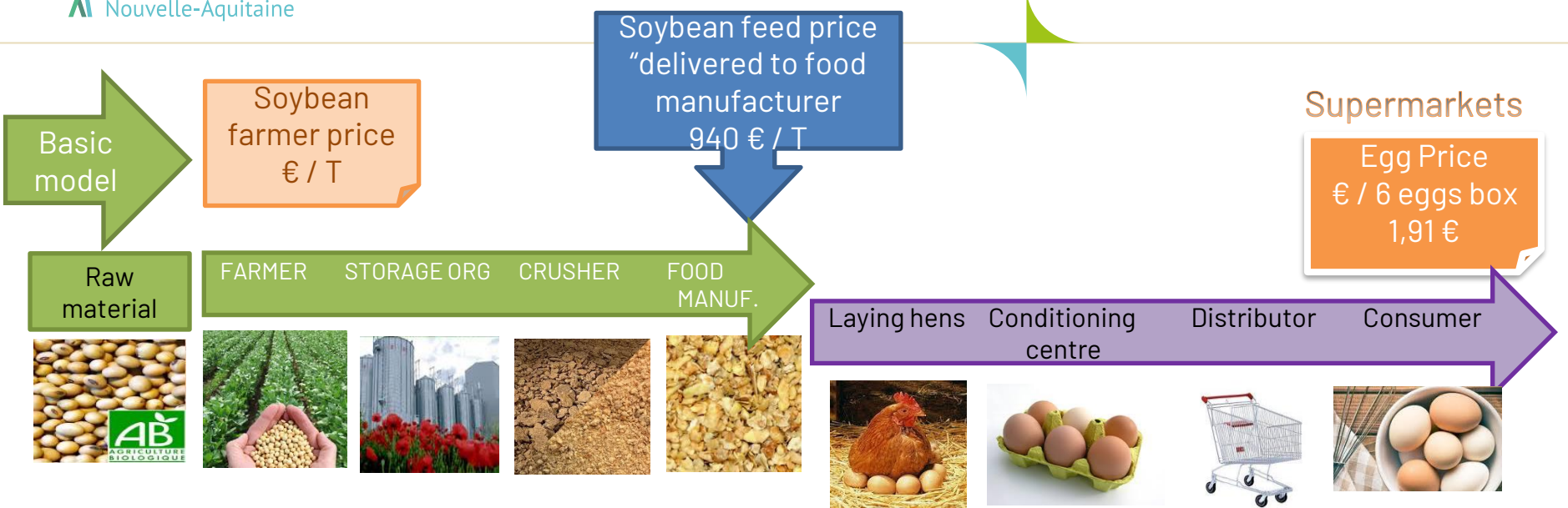
## Calculation table

- The tool works by setting a targeted "feed manufacturer" cost price
- The model only takes into account soybean production (does not include the others crop productions, also part of farmers' income)

# Prerequisites at each step



# "SOY TO EGG" value chain representation

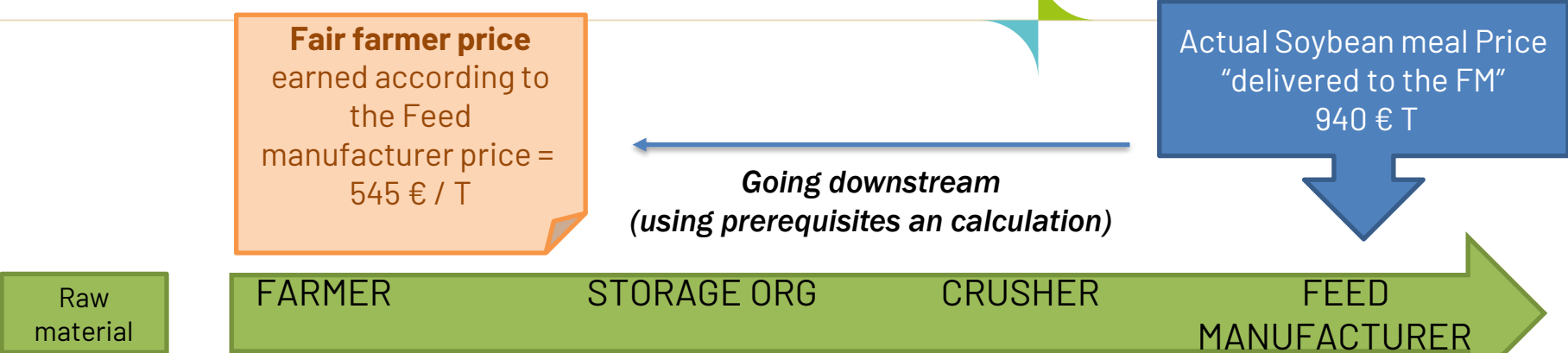


**At this step we define :**

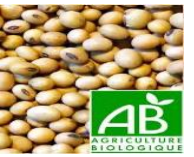
- Assumptions and prerequisites
- Farmer floor prices
- Current marketed prices at each step,
- Desirable margins at each step
- Etc...



# 1- Setting "feed manufacturer" cost price



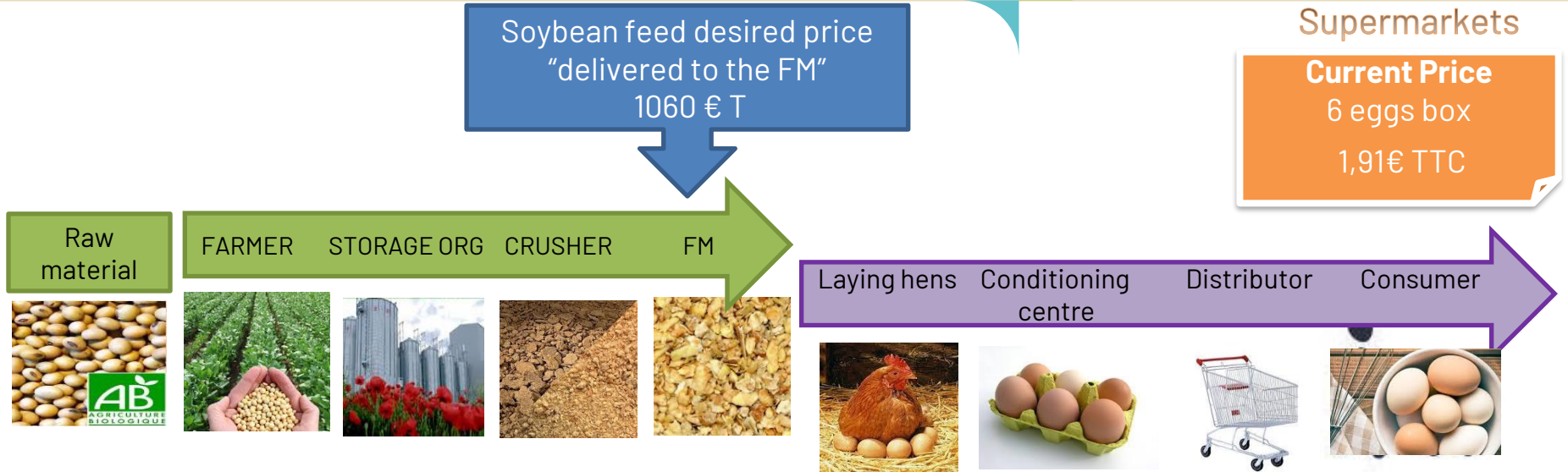
Raw material



**Actual average paid price:**  
Between 640 and 700€/T  
(commercialization threshold 644€/T)

- Conclusion at this stage :**
- Farmer price supported by others operators
  - Farmer already fairly paid in this sector

## 2- Desired price delivered to FM



**Conclusion of case study:**  
**+2,61% (+ 5 cents) on end-consumer price to ensure a fair price to feed manufacturer → each link of value chain paid at fair price**

*Going upstream  
(using prerequisites an calculation)*

**Desirable price**  
6 eggs box  
1,96 € TTC

# Thanks

Your contact:

Martine Cavailé

[m.cavaille@interbionouvelleaquitaine.com](mailto:m.cavaille@interbionouvelleaquitaine.com)