How Should The Market Actors Change Their Business Models After Trade Liberalization: A Case Study From Switzerland

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Introduction
Since a few decades, both developed and developing countries are facing increasing burdens on environmental resources, institutional, political and economic changes, as well as bargaining power evolution in the agricultural value chain. The international markets have to face a growing competition. The liberalization is most seen as positive to enhance farmers and smallholders’ incomes.

In Switzerland, the tariff-barriers are going to decrease in the next years, supported by the previous two bilateral agreements signed in 1972 and 2003 with the European Union. Increasing flux of perishable goods and price competition from neighboring countries causes disturbances of the Swiss market. Thus, the market dynamics could change and so the behavior of the market players; farmers, transformers, wholesalers and retailers. Anticipating positive and negative externalities become essential for the competitiveness of the sector.

Materials and Methods
The case study is focusing on the Swiss apricot production.

Conclusions
• The Swiss fruit and vegetable markets might open their boundaries through a bilateral liberalization. The ongoing measures, i.e. tariff quotas rates, to rule out the trade will move and bring several impacts on the market players.
• Taking the lessons of failures and keeping the success parts of the stories of trade liberalization in other patterns will be helpful for the Swiss apricot case.
• Segmentation and differentiation by using trademark and strong regional identity outlines a sustainable solution for regional producers.
• Policies are needed to target the peculiarities of the Swiss fruit sector; mostly family and traditional production.
• Collaboration and trust within market actors is fundamental to capture the benefits and share the disadvantages that the trade liberalization brings.

Preliminary results
SMEs objectives differ in term of distribution channels (direct sales, retailing), labor force, fruit varieties harvested. It induces a set of impacts on the actors in the countries and sectors selected. The support institutions as the Interbanch organization of Fruits and Vegetables in Valais (IFELV), the producers’ association Swiss Union Fruit (FUS) or the association representing the retailers (Swisscofel) are key decision players and could implement specific solutions to mitigate the negative effects.

Fig. 1: Types of apricot producers in Switzerland in 2012