

# Agriculture and the Agri-food industries in Rhône-Alpes

## 1. KEY FIGURES

Number of jobs: 123,000  
- agriculture 78,000  
- agri-food 45,000

Number of companies:  
- agriculture 57,900  
*of which 70 % are of considerable size  
Regional farms are smaller by comparison  
with the French average (less than 20  
hectares as opposed to 28 for the national  
average).*

- agri-food 1,100  
*of which 457 companies have more than 10  
employees*

Sales:  
- agriculture 3.3 billion euros  
- agri-food 8.4 billion euros

## 2. DEFINITION

### AGRICULTURE

Economic production activity, whose objective is to obtain plant and animal products.

### AGRI-FOOD INDUSTRIES

All industrial activities consisting of agricultural produce processing. The Rhône-Alpes region counts four main types of agri-food industry:

- The meat industry;
- The dairy industry;
- The beverage industry;
- The processed products industry

(this is the most characteristic of the Rhône-Alpes region)

With sales amounting to 3.3 billion euros, the Rhône-Alpes region figures among the leading French agricultural regions (next to Bretagne, Pays de Loire and Aquitaine).

Its principal assets are the diversity and quality of production. This diversity and high quality would not be realized without the presence of a domestic market of almost 6 million consumers and an agri-food industry worth 8.4 billion euros in sales.

### 3. AGRICULTURE: BALANCE AND DIVERSITY

Agriculture in the Rhône-Alpes region strikes a relative balance between plant and animal products. Due to significant geographical and climatic contrast, the Rhône-Alpes area possesses extremely varied plant production and the different types of land, including mountainous regions, the south of the Jura massif, Massif Central buttresses, the expansive Rhône and Drôme valleys or the plains of Ain and Lyon, explain its ability to cover almost all of French agricultural produce.

Over and above this diversity, plant production is dominated by three "leading productions". These are wine, fruit and cereal crops.

With 10 % of national production, the Rhône-Alpes region takes fourth place in the production of French wines. The land is divided into five major production areas: Beaujolais, the coteaux du Lyonnais, Savoie and Bugey, the Rhône valley and Côtes du Rhône. In total, over 70% of wine production is AOC quality controlled with more than 36 AOC wines, thus setting a new record in France.

The Rhône-Alpes region is also a leader in set fruit. 51 % of national apricot production comes from the Drôme and the Ardèche. Cherries and peaches alone represent almost 30% of national production. Other regional specialities include Grenoble walnuts and chestnuts from the Ardèche, which correspond respectively to 50 and 80% of national production.

#### - 1st place:

Chestnut: 80% of national production  
Apricot: 51% of national production  
Raspberry: 44% of national production  
Walnut: 43% of national production

#### - 2nd place:

Cherry: 33 % of national production  
Lavender and lava din: 32 % of national production  
Peach: 27 % of national production

As far as cereal crop production is concerned, the Rhône-Alpes region is mainly oriented around common wheat and corn in les Plaines de l'Ain, Isère and the Rhône valley. If cereal crop production is not a regional "speciality", the region nevertheless is appreciated for the quality of its cereal and fodder seeds. In terms of stock production, dairy produce and cattle breeding are the main sources of income in regional agriculture. For a number of years now, poultry production has also been undergoing strong growth.

The regions of Loire, Ain, Savoie and Haute-Savoie have become highly specialised in dairy products. Between them, they count eight AOC designated cheese-makers, that is, 15 % of national production. This quality assurance has given a new boost to productions such as Saint-Marcellin, Beaufort, Fourme de Montbrison and Reblochon.

Cattle breeding is concentrated around five areas: the Loire, Ain, Savoie, Haute-Savoie and Isère. The Drôme and the Ardèche are geared towards raising sheep, goats and poultry.

In terms of off-soil production, the Rhône-Alpes region has become in recent years the fourth poultry-producing region in France. While 60 % of poultry production is made up of "standard" poultry, animal produce, which is "certified and quality-assured", represents 30 % of production. The recent food crises should ultimately favour quality breeding processes.

To this end, the Rhône-Alpes region claims the only AOC designation in France for poultry with the Bresse chicken AOC, which represents 3 % of regional production.

#### BREAKDOWN OF PRODUCTION IN VALUE (1998)

- 1 Cereal crops and industrial plants: 15%
- 2 Fresh vegetables: 6%
- 3 Fruit: 9%
- 4 Wines: 17%
- 5 Various (plant): 12%
- 6 Beef: 11%
- 7 Dairy: 18%
- 8 Pork: 2%
- 9 Poultry-eggs: 7%
- 10 Miscellaneous (animal): 3%

#### 4. AGRI-FOOD INDUSTRIES: REGIONAL CHARACTERISTICS

The regional agri-food industries are characterised by both extreme diversity and considerable fragmentation. In this sector, very small companies are equally as present as national and international leaders such as Danone, Sarah Lee, Entremont or Distriborg.

The agri-food industry of the Rhône-Alpes region is also characterised by a low export level, which amounts to a mere 10 % of regional exported production (compared to 17 % at national level).

As with all agriculture, the Rhône-Alpes agri-food industry is highly varied. Nevertheless, it can be broken down into four main groups:

##### **The meat industry and meat preparation**

While the Rhône-Alpes region is no different than other French regions in the field of meat, pork meat production (produce as diverse as ham, dry sausage and salt meats) constitutes a regional speciality with companies including Jambon d'Aoste in Isère, Victor Janody in Ain, or Charcuterie Impérateur in the Loire. As with these traditional industries, the eating habits of consumers have opened the doors to another type of industry: that of ready-made meals. Again, in this domain the Rhône-Alpes region holds a special position in the industry given the large number of companies specialised in pies (Rolland Monterra in Ain, Luxos in Isère), cooked dishes (Martinet, Générale Traiteur) and frozen products (Vitacuire in the Rhône). This industry is worth approximately 2.4 billion euros in sales.

#### **The dairy industry**

The dairy industry sales represent approximately 2.2 billion euros. Large companies in the sector are present here. There is Danone, global leader in the production of yoghurt, cheese and fromage frais and dairy deserts, as well as Cedilac for the Candia and Yoplait brands.

25,000 tonnes of cheese (with the production of eight types of AOC cheeses) are produced every year in the region, both by large companies like Entremont (with the Entremont and Meule d'or brands), Étoile du Vercors (Saint-Marcellin and Saint-Félicien), but also highly specialised SMIs.

#### **The beverage industry**

The beverages industry generates more than 990 million euros in sales which is for the most part due to mineral water: Évian, Badoit, Arcens, Vals, Parot... to which should be added the concentrated drinks industry (Teisseire in Grenoble, Routin in Chambéry, Antésite in Voiron).

#### **Processed products industry**

This complex and extremely diversified industry generates sales to the order of 2 billion euros. It includes cereal grain processing, pasta (Lustucru, Panzani, Croix de Savoie), ready-made dishes, jam and sauces, chocolate-confectionary (Valrhona chocolates in the Drôme, Weiss and Nigay in the Loire for chocolate and caramel). A veritable regional speciality, the viennoiserie sector generates sales of 200 million euros and the two leading names of the sector are present: Panavi (for ready-to-cook viennoiserie) and Brioches Pasquier, respectively numbers one and two in France.

### **5. TRAINING AND RESEARCH**

- The many Maisons familiales et rurales (MFR) associations, the specialised schools for agricultural training or the Institut supérieur d'agriculture de Rhône-Alpes (ISARA - Agricultural College) in Lyon and the École nationale des industries du lait et des viandes (ENILV - National dairy and meat industry school) in La Roche-sur-Foron in Haute-Savoie provide the Rhône-Alpes region with the facilities to train many engineers and technicians in the agricultural and agri-food domains every year.

- Since 1991, the Rhône-Alpes region has a food engineering research park, ALIMENTEC, situated in Bourg-en-Bresse and which works in partnership with around 600 companies. This platform aims to assist companies in managing all of their manufacturing processes.

- Still in the aim of providing assistance and consulting services to companies, the Pôle européen agroalimentaire (PEA - European Agri-Food Centre) has been striving to promote access to the different European research and training programmes with companies in the sector since 1990.

However, the Rhône-Alpes region also has an abundance of highly specialised institutions such as the Institut technique français du fromage (ITFF - French technical cheese institute), which contributes to providing professionals in the agri-food industry both technological expertise and quality control.

## 6. EVENT

Set up in Lyon in 1991, the Salon des Métiers de la Bouche is the major event in the agri-food sector in the Rhône-Alpes region. The SIRHA is globally considered the ultimate trade fair in its category. At the trade fair (2001), the SIRHA hosted more than 1,500 exhibitors and welcome 170,000 visitors.

## 7. A REVIEW OF ... REGIONAL CO-OPERATIVES

With 3.3 billion euros in sales and 8,600 employees, the 273 agricultural co-operatives in the Rhône-Alpes region constitute an essential element in the regional agricultural and agri-food economy. In charge of collecting, processing and marketing production, they cover all sectors in the agri-food activity. However, certain sectors are more largely represented. This is the case for example for the dairy, cereal crop, wine and fruit sectors, for example.

## 8. A REVIEW OF ... THE RHÔNE-ALPES FOREST

With one and a half million hectares, the Rhône-Alpes forest, which stretches over 35% of the regional land area, is one of the most extensive in France, narrowly behind the Aquitaine forest. The regional geographic diversity offers this forest highly varied species: spruce, chestnut, poplar and elm. If the state and communal forests are reasonably sized, private forests, i.e. almost one million hectares (75% of the total surface area), belong to 450,000 private landowners. This considerable plot division is not conducive to sound forest management.

On an annual basis, wood harvesting generates a total of approximately 60 million euros. This sector is divided into two industries. The processing industry counts logging and milling companies. The region's 481 sawmills process more than 12 % of national wood production. The majority of wood cut in the region is used for construction.

The network of manufacturing industries boasts a much greater range of activities, such as timber planing, manufacturing panels, frames, packaging, wooden items and furniture. Unlike the prime manufacturing industry, the re-manufacture industries work with imported wood.

## **THE AGRI-FOOD INDUSTRIES SECTOR ACCORDING TO...**

**GILBERT LOUIS**

**President of R3AP** (Regional Agency for agri-food industries promotion)

**Could you tell us why the Rhône-Alpes region is so important agriculturally?**

Thanks to its geographical location, it benefits from very varied climatic conditions and it is positioned in a historical crossroads which allowed it to exert a variety of influences. This privileged geographical location meant that a very diverse range of crops could be cultivated.

**Is diversity the only asset of regional agriculture?**

Certainly not. Over the years, our region has focused on high quality, sustainable agriculture and has, thus, become a pioneering region in France: AOC, labels, quality assurance... these all demonstrate high quality agricultural production.

**What are the main challenges for the Rhône-Alpes region?**

We need, of course, to continue and develop these high quality agricultural practices. Today, consumers are increasingly concerned about food safety. To convince them to buy a given product, we need to improve the traceability of foodstuffs. This is not only the challenge for agriculture but also for the agri-food industries of the twenty-first century. The Rhône-Alpes region is marginally ahead of other French regions. However, the livelihood of regional farmers will necessarily imply a greater level of transparency.