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Report Name: Austrian Organic Production and Consumption Continues
Upward Trend

Country: Austria

Post: Vienna

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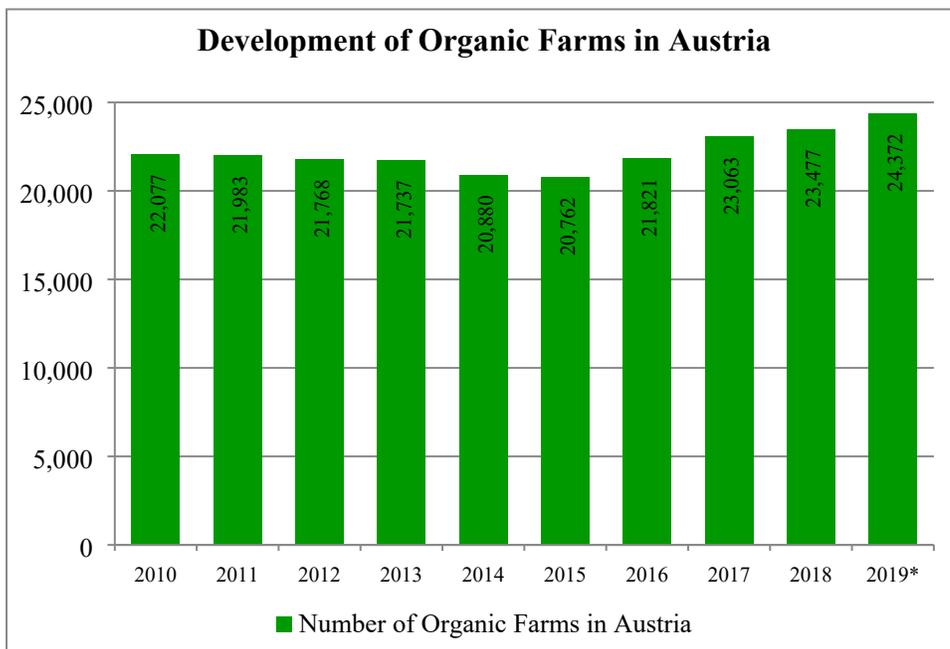
Report Highlights:

Austria remains one of the leading countries in organic production and consumption. In 2019, about 26 percent of the total agricultural area and 22 percent of all farms were under organic management. Austria has one of the highest per capita expenditures on organic products in the European Union and worldwide. Most important organic outlets are conventional supermarket chains. There are good market prospects for U.S. organic products which are not locally produced.

Organic Production

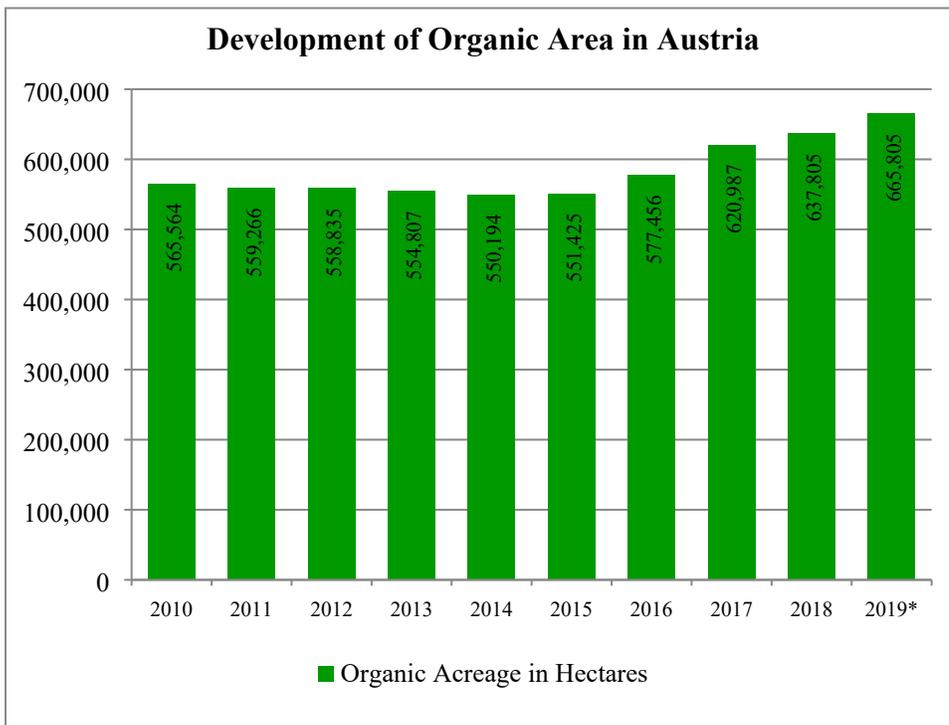
Organic farming has great importance within Austria. Austria has the highest percentage of agricultural land under organic management in Europe (after the small country Liechtenstein) and organic production has been a recognized production method since 1927. Due to changing government support measures, there was a steep increase of number of farms that shifted to organic production in the 1990s. From 2010 to 2015 there was a small decline of certified organic farms, but since 2016 there is again a steady increase in the both the number of organic farms and organic production acreage. In 2019, the estimated number of organic farms reached 24,372, or 22.1 percent of total Austrian farms. In the same year, Austrian organic acreage is estimated at 665,805 hectares or 25.8 percent of the total agricultural area.

In 2018, 18 percent of all crop acreage was dedicated to organic production (over 241,000 hectares). The most important organic crops are winter soft wheat, corn, and soybeans. Fodder production is also an important sector in organic farming. In addition, organic wine, and fruit production are on a rising trend. In 2018, about 22 percent of cattle including dairy cattle were raised in an organic method. Organic pig production in 2018, only accounted for 2.7 percent of all pig production, whereas 52.7 percent of goats, 29.7 percent of sheep, and 19.7 percent of poultry operations were organic.



* Estimate

Source: Federal Ministry for Sustainability and Tourism ([BMNT](#))



* Estimate

Source: BMNT

Organic Consumption

Austrian organic production strives to meet high demand (i.e. consumption). Per capita expenditures of organic sales in Austria are one of the highest in the world. Organic food products have developed from a niche market to having a significant market share. According to RollAMA analysis (quarterly agricultural and food marketing study conducted by [keyQuest](#) by order of Agrarmarkt Austria Marketing – “[AMA](#)” Marketing) almost all Austrian households purchase organic products at least occasionally. Frequency of organic purchases and quantity of organic purchases per Austrian household are constantly rising. The RollAMA estimates that about 9 percent of all fresh food retail sales are organic. Since 2013, sales of organic food products have increased by over 50 percent. This corresponds to a five times higher growth than conventional food products. Most favored organic products by Austrian consumers are bread and pastries, fresh milk and dairy products, eggs, potatoes, fresh vegetables and fruits.

Policy

Austria’s farm policy favors small-scale and sustainable agriculture and organic farming has received financial support since the 1990s. Austria supports EU policies that limit subsidies for large farms, are linked to environmental programs, and promote lifestyle concepts such as “sustainable,” “organic,” “range fed,” “alpine,” and regional farming. In Austria, there is high potential for environmental (“green”) interests and issues to dominate the agricultural agenda. Organic farm management is in line with the afore mentioned highly promoted concepts. The Austrian Federal Government has anchored the strengthening and further development of organic agriculture in the coalition agreement.

The "Organic Farming" measure is considered to be the most significant measure of the Austrian agricultural environmental program (ÖPUL). Slightly over a quarter of the ÖPUL payments are being used for organic farming. The current organic government action program is effective from 2015 through 2020.

Market Outlets

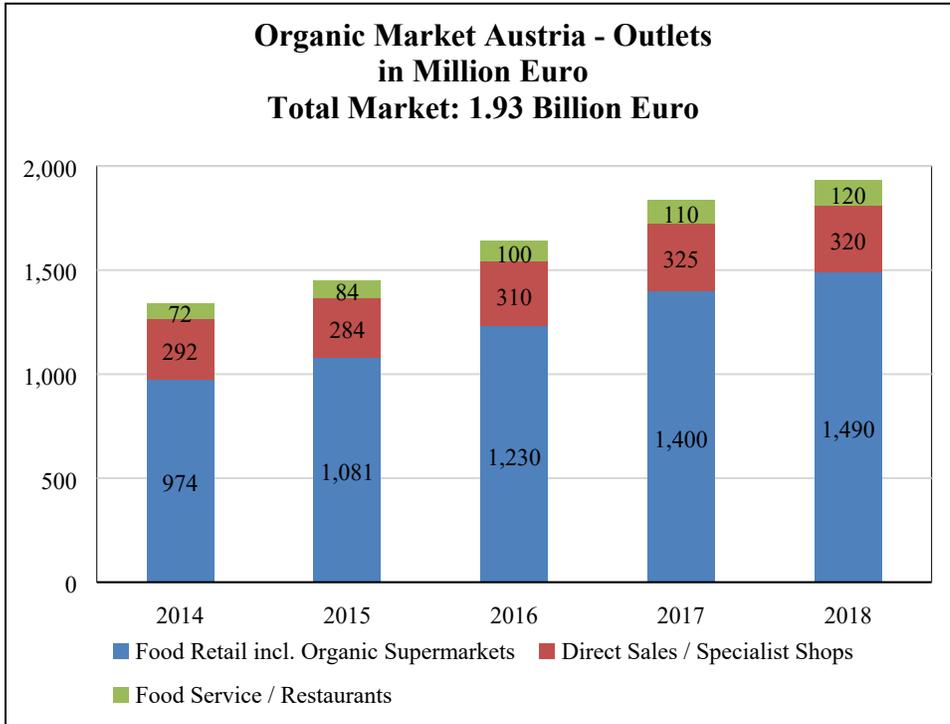
Conventional super market chains and discounters dominate the Austrian organic market. About two thirds of organic sales account for this category. All big food retail chains have their own organic labels. In 1994, the food retail [REWE group Austria](#) started with the organic brand name "ja! Natürlich" in its supermarket outlets "[BILLA](#)" and "[Merkur](#)". Several supermarket chains followed this example. The second largest food retailer in Austria "[Spar](#)" launched the brand name "Natur*pur" and the third big food retail player in Austria, the discounter "[Hofer](#)" introduced its brand "Zurück zum Ursprung".



Organic brands of the three biggest food retailers in Austria

Specialized organic shops also play an important role. Catering in the public and private sector are an additional growing marketing channel for organics.

The total organic market is estimated at 1.93 billion Euro (Source: [AC Nielsen](#))



Source: AC Nielsen

Organic Seals

The AMA Marketing, among other things, licenses the AMA organic logo which is the official Austrian organic seal. The AMA organic logo exists in two versions: one is colored red, white and black and indicates that the majority of its ingredients are of Austrian origin. The other is black and white and indicates that the ingredients originate mainly from foreign countries. On packaged organic products it is mandatory to also include the EU (European Union) Organic Logo on the label. The EU logo may voluntarily be used on non-packaged organic products.



The two official Austrian organic seals



EU official organic seal

Trade

Data regarding Austria's organic trade volume is severely lacking. The tariff codes of the European Union do not include a distinction of organic products. Most important trading partners on organics are the neighboring European countries. Exports mainly go to Germany, Italy, United Kingdom, and The Netherlands whereas imports more and more also come from the Eastern European countries.

The main marketing channels for importing organic products are direct imports by supermarkets, imports by a wholesaler under a contract with a supermarket, and specialized importers for organic products.

Import Regulations

In 2012, the United States and the European Union signed and implemented an organic equivalence arrangement. The arrangement broke down most of the trade barriers for organic foods created by two different certification schemes for the U.S. and the EU market. With the mutual recognition of the EU and the U.S. schemes market access for both the European Union and the United States has been simplified to the benefit of both partners. The arrangement has proved to be a good example of how the USA and the EU can recognize each other's systems and work together across borders.

All organic products traded under the partnership must be shipped with an organic import certificate. This document lists the production location, identifies the organization that certified the product organic, verifies that prohibited substances and methods were not used, certifies that the terms of the partnership were met, and allows traded products to be tracked.

Both parties are committed to ensuring that all traded organic products meet the terms of the partnership, retaining their organic integrity from farm to market. The European Commission's Directorate General for Agriculture and Rural Development and the USDA National Organic Program—which oversees all U.S. organic products—both have key oversight roles. This arrangement only covers products exported from and certified in the United States or the EU.

Please use the following link for more information on the arrangement including requirements, certifying agents and the import certificate: <https://www.ams.usda.gov/services/organic-certification/international-trade/european-union>

U.S. Market Opportunities

For many in-demand organic commodities, Austria and the European Union are largely self-sufficient. There are even some areas where organic foods are in surplus and sometimes must be disposed of through conventional marketing channels. However, for some commodities which are not locally produced, there are good market prospects. For instance, demand for organically produced dried fruits and nuts, mostly as an ingredient for cereals, bakeries and snacks is steadily rising. U.S. producers already dominate the market for conventional produced dried fruits and nuts (almonds, prunes, raisins); there is a parallel opportunity for organic exports. Other organic products with good prospects include but are not limited to organic soybeans, popcorn, snack foods, tropical fruits and chocolate.

The Organic Trade Association (OTA) has a wealth of information and experience in helping U.S. companies in their endeavors expanding business overseas. Information about the OTA and how they can help the U.S. organic industry can be found on <http://www.ota.com/index.html>.

In addition to the OTA, there are various other cooperators that can be of assistance in promoting your organic commodities in the EU. An overview of U.S. commodity cooperators can be found at <https://apps.fas.usda.gov/pcd/PartnersSearch.aspx>. Be aware however that not all U.S. cooperators have programs for the EU.

Trade shows are excellent venues for U.S. exporters to make contact with potential business partners, to conduct product introductions and to gauge buyers' interest. Since Austrian buyers go to the big European food trade shows it is recommended that U.S. exporters attend those shows. BioFach is the largest international trade show for specifically organic products in the world. BioFach is USDA-endorsed. More information about BioFach can be found at <https://www.biofach.de/en>.

Fruit Logistica is a regional (European) trade show that also attracts buyers of organic fresh produce, nuts, and dried fruits. This show is also USDA-endorsed and has an excellent U.S. pavilion. U.S. exporters of organic food ingredients should consider exhibiting or visiting the Health Ingredients, Food Ingredients or Vitafoods trade show. These shows attract many in the food processing industry. (www.fruitlogistica.com/)

Finally, trade shows like ANUGA or SIAL attract mainly buyers of specialty and retail-ready products and are therefore best suited for exporters of U.S. organic processed products like confectionary products, snacks, and baby food. More detailed information about the 2019 USDA-endorsed shows in Europe can be found at www.fas-europe.org

Post Contact and Further Information

Internet home pages of potential interest to U.S. food and beverage exporters are listed below:

FAS/Washington www.fas.usda.gov

USDA/FAS/Europe www.fas-europe.org

U.S. Mission to the European Union www.fas.usda.gov/posthome/useu/usda.html

If you have questions or comments regarding this report, please contact the U.S. Agricultural Affairs Office in Vienna at the following address:

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Home Page: www.fas-europe.org

Attachments:

No Attachments.