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The organic market in Austria - where is the journey leading?
From the perspective of supply and demand

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Workshop
STATUS AND PERSPECTIVES OF ORGANIC AGRICULTURE IN THE ALPS

Working Group Mountain Agriculture and Mountain Forestry (MAMF) of the Alpine Convention
18 November 2021

italian delegation
alpine convention

MINISTERO DELLA TRANSIZIONE ECOLOGICA

Milestones of organic farming in Austria

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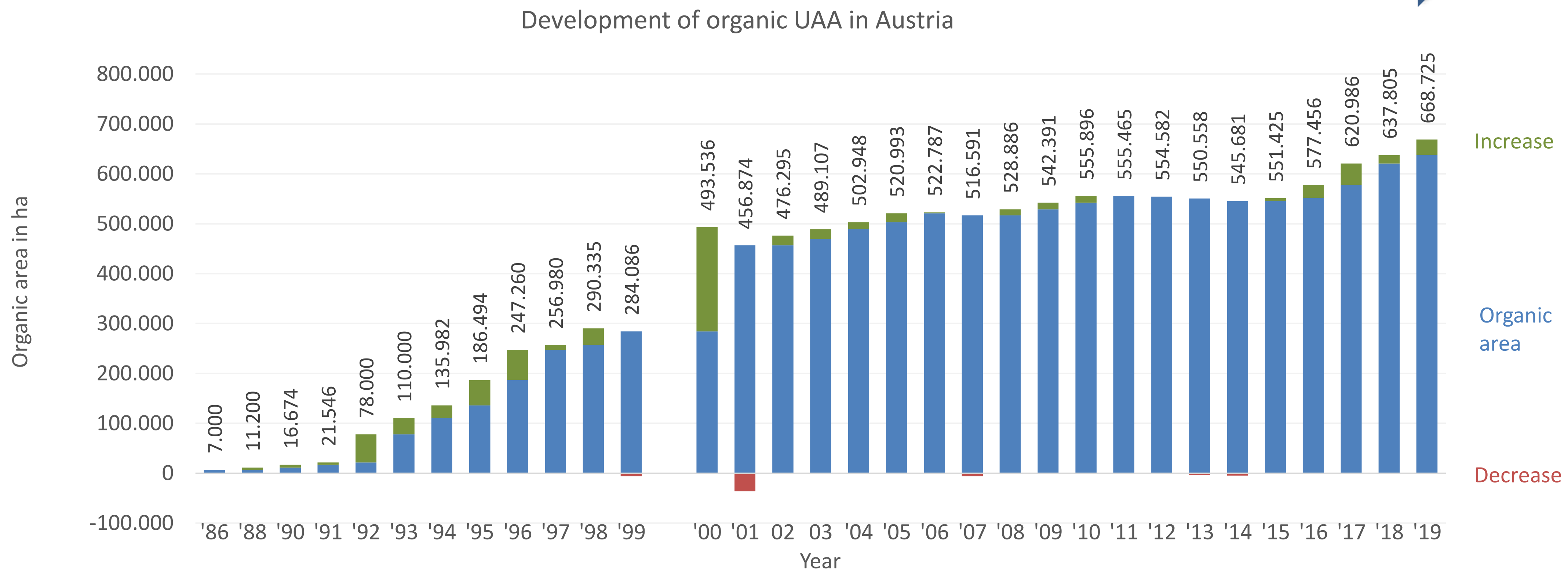
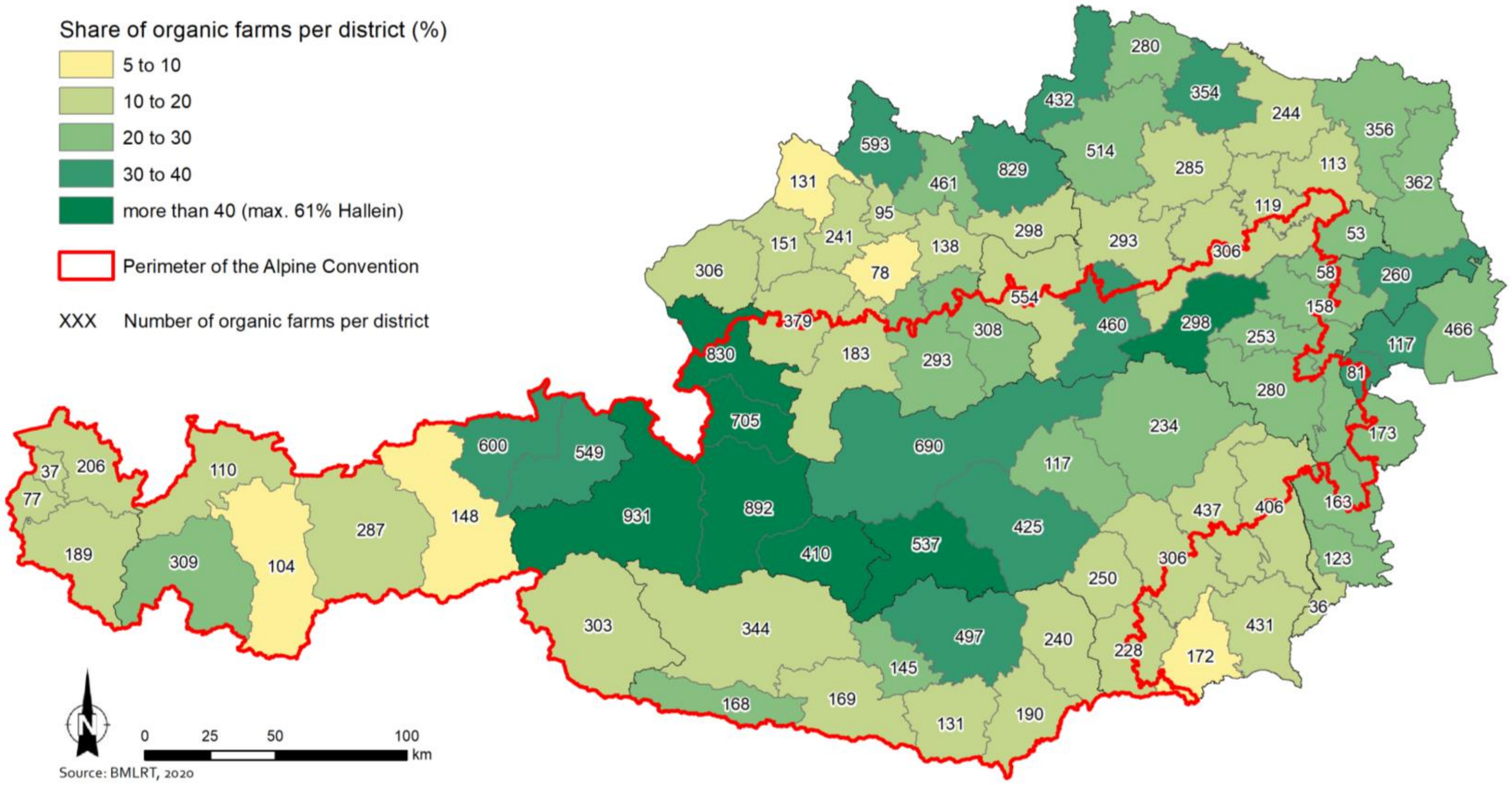
1920	1959	1990	1995	2000	2016
Pioneering phase	*Institutionalisation*	*Boom*	*ÖPUL*	*Consolidation and stagnation*	*Growth of arable farming*



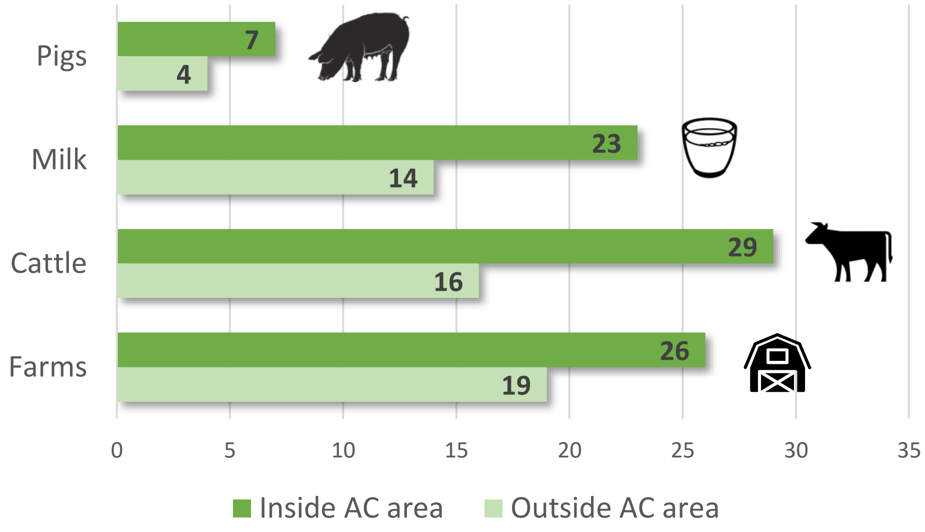
Source: Groier (2020) based on IACS (2020, since 2000, inlcuding alpine pastures an meadows)

Organic farming in the perimeter of the Alpine Convention (AC)



- 24.480 farms (22.7%)/ 680,000 ha UAA (26.5%); 2020
- Regional differences: Salzburg highest share (50 %)
- Different growth in grassland and arable farming regions

Share of organic production in the area of Alpine Convention and the rest of Austria in % (2020)



Source: BMLRT – IACS (2021)

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Examples of BAB projects on organic farming

- Michael Groier (2005)
- Comprehensive work on organic farming

- Martin Brückler et al. (2017)
- Crop yields per hectare and the gap between organic and conventional crop yields (2003-2016)
- Austrian farm accountancy data and IACS for Austria

	Relative yield (%)	Standard deviation (±%)	n^o	n^c	area* (ha)
Cereals					
Common Wheat	64,4	33,8	1.333	10.271	26.278
Rye	61,7	47,0	1.315	2.722	12.530
Winter barley	58,7	38,2	496	7.434	4.317
Summer barley	66,1	46,2	759	5.952	5.693
Oat	68,0	48,7	983	2.865	6.742
Triticale	68,5	36,0	1.309	4.564	9.039
Corn	62,7	41,3	511	6.695	8.796
Spelt	76,4	41,6	826	225	6.577
Root crops					
Potatoes	50,9	50,9	1.555	4.226	2.309
Sugar beets**	72,8	-	-	-	638
Oilseed and protein crops					
Oil pumpkin	79,9	78,0	348	1.965	2.834
Field peas	56,9	57,5	493	1.882	5.750
Soybean	91,4	42,9	215	1.772	5.090

Source: Brückler et al. (2017)

Expansion path of organic production in the EU

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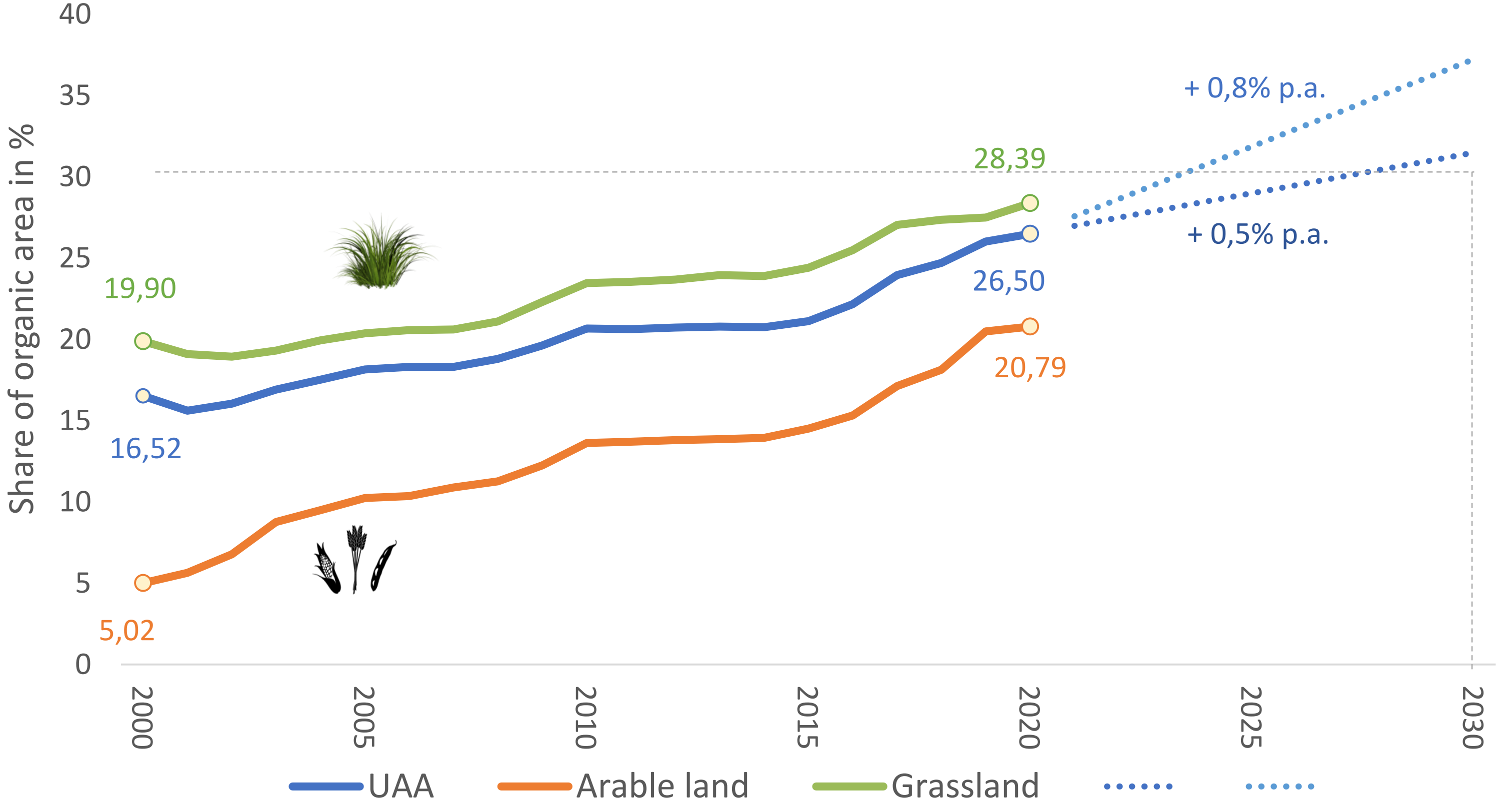
EC: Green deal/ Organic action plan: 25% organic area by 2030 (Austria: 30%)



Source: BMLRT – IACS (2021)

Production and share of selected organic products in Austria I

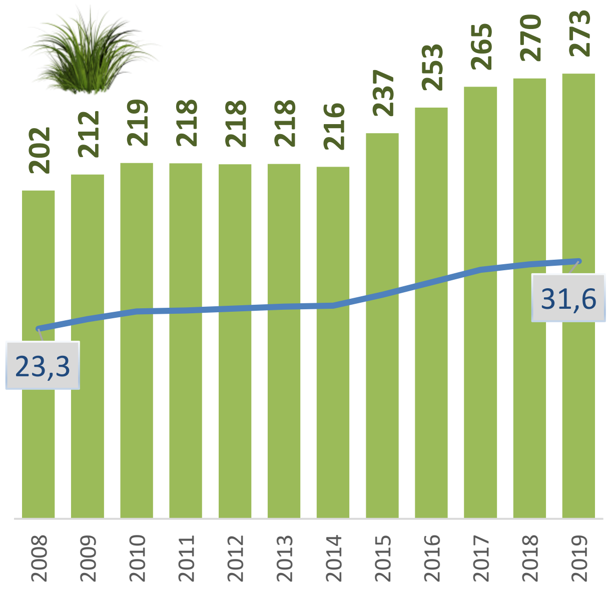
Organic grassland*

1,000 ha

Δ 2008/19: +36%

Δ 2015/19: +15%

Organic share



* Grassland without alpine pastures and meadows

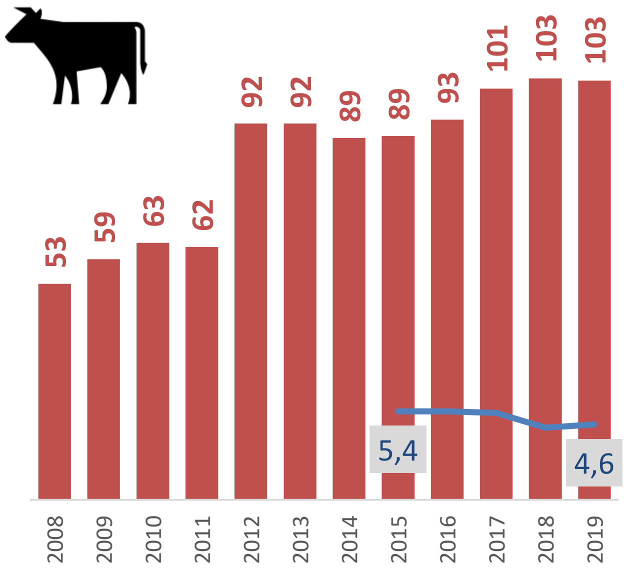
Organic beef

1,000 hd. Cattle/year

Δ 2008/19: +93%

Δ 2015/19: +15%

Organic share



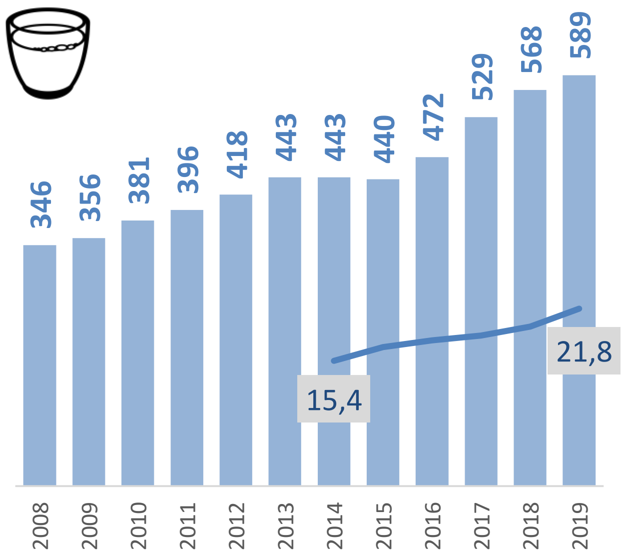
Organic milk

1,000 t milk*

Δ 2008/19: +70%

Δ 2015/19: +34%

Organic share



* Milk delivered with organic milk surcharge to Austrian processing plants

Source: Bio Austria based on RollAMA (2020, annual statistics and expert assessments)

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Production and share of selected organic products in Austria II

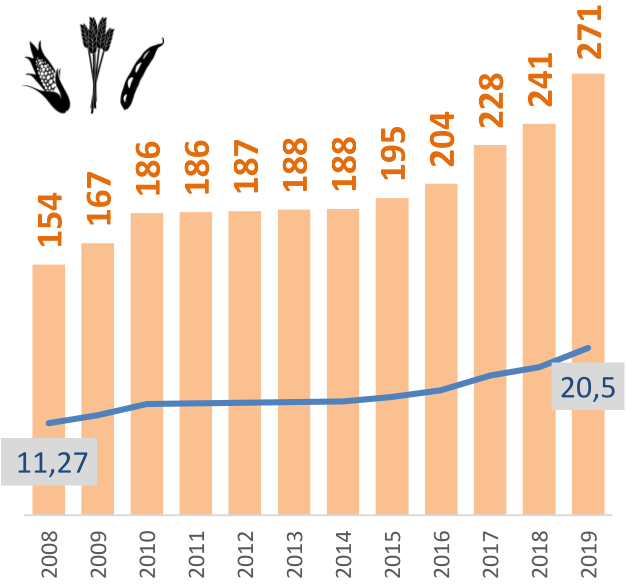
Organic arable land

1,000 ha

Δ 2008/19: +76%

Δ 2015/19: +39%

Organic share



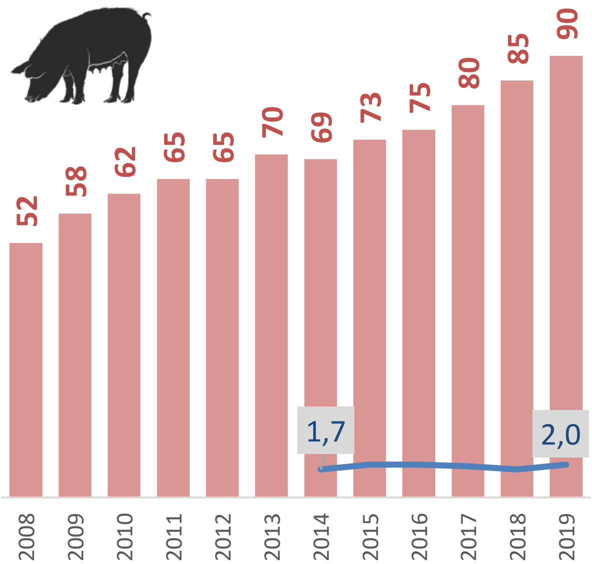
Organic pork

1,000 hd. Pigs/year

Δ 2008/19: +73%

Δ 2015/19: +23%

Organic share



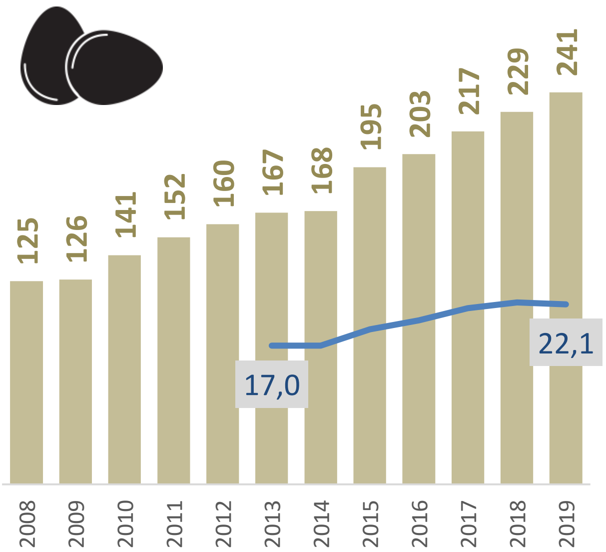
Organic eggs

mio. pieces

Δ 2008/19: +93%

Δ 2015/19: +24%

Organic share



Source: Bio Austria based on RollAMA (2020, annual statistics and expert assessments)

Reflections on farmers and production

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- Economic principles – technological treadmill
- New generation of farmers
  - Innovation
  - New business models
  - Mainstream of organic farming
- Significance of subsidies
- Re-conversion
  - Phasing out – retirement
  - Economic reasons
  - Administration/certification
  - Standards (animals welfare, fodder…)
- …

Source: Own picture

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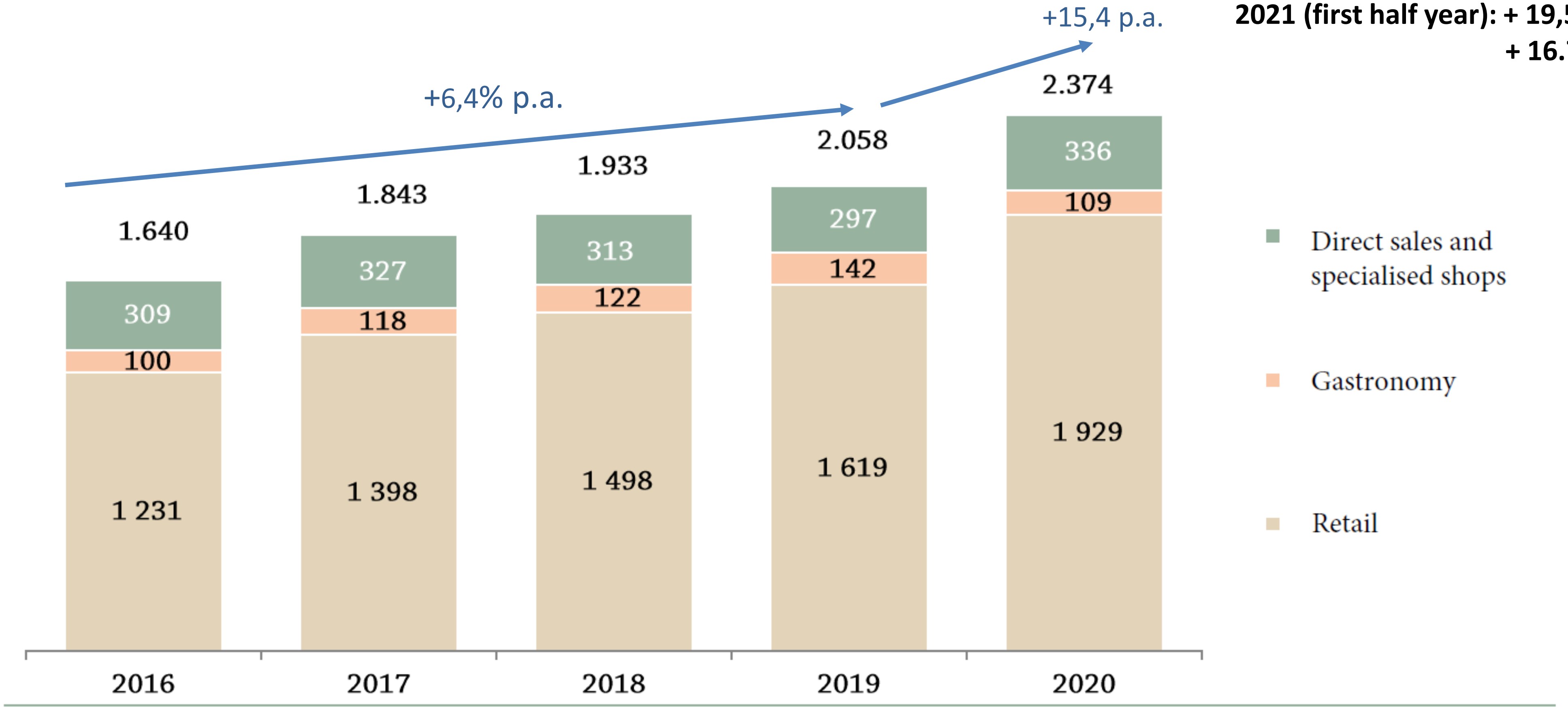
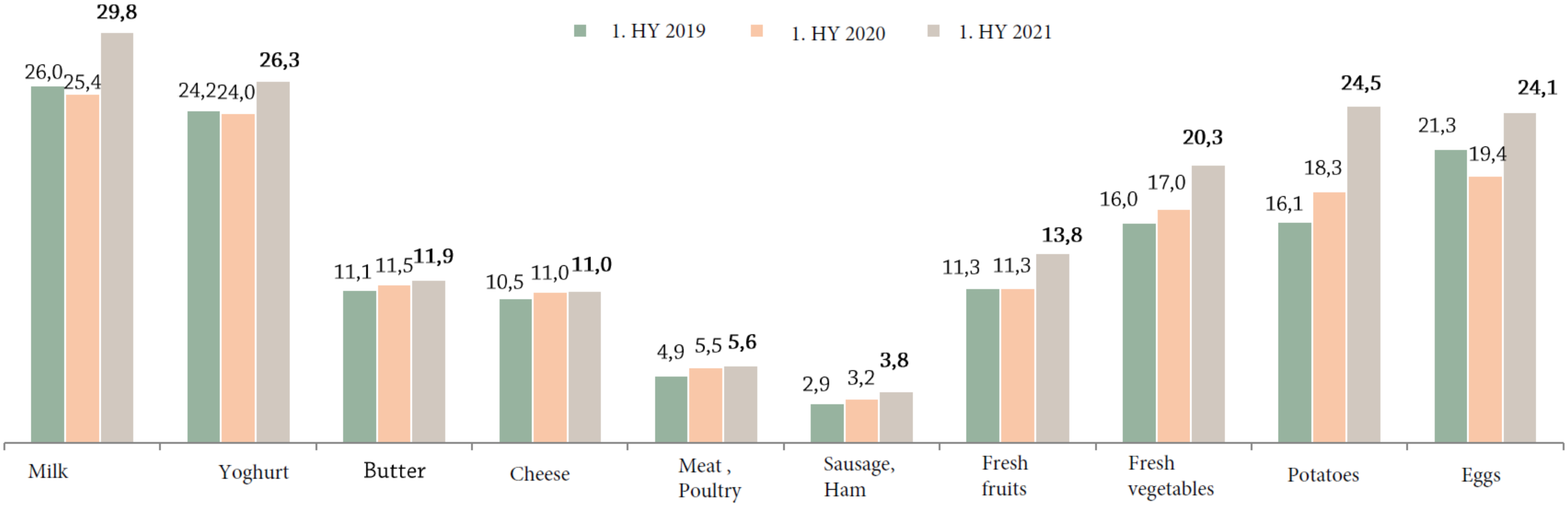
Sales on organic products by point of sales, in mio. €

2021 (first half year): + 19,5% (quantity)
+ 16.7% (value)



Source: AMA Marketing (2021) based on data of AC Nielsen retail Hofer/Lidl, GfK, GASTRO-DATA, partly estimated

Share of organic sales in retail (value in %)



Source: Roll AMA/AMA Markteting (2021), n=2,800 households

Consumer - Food trends

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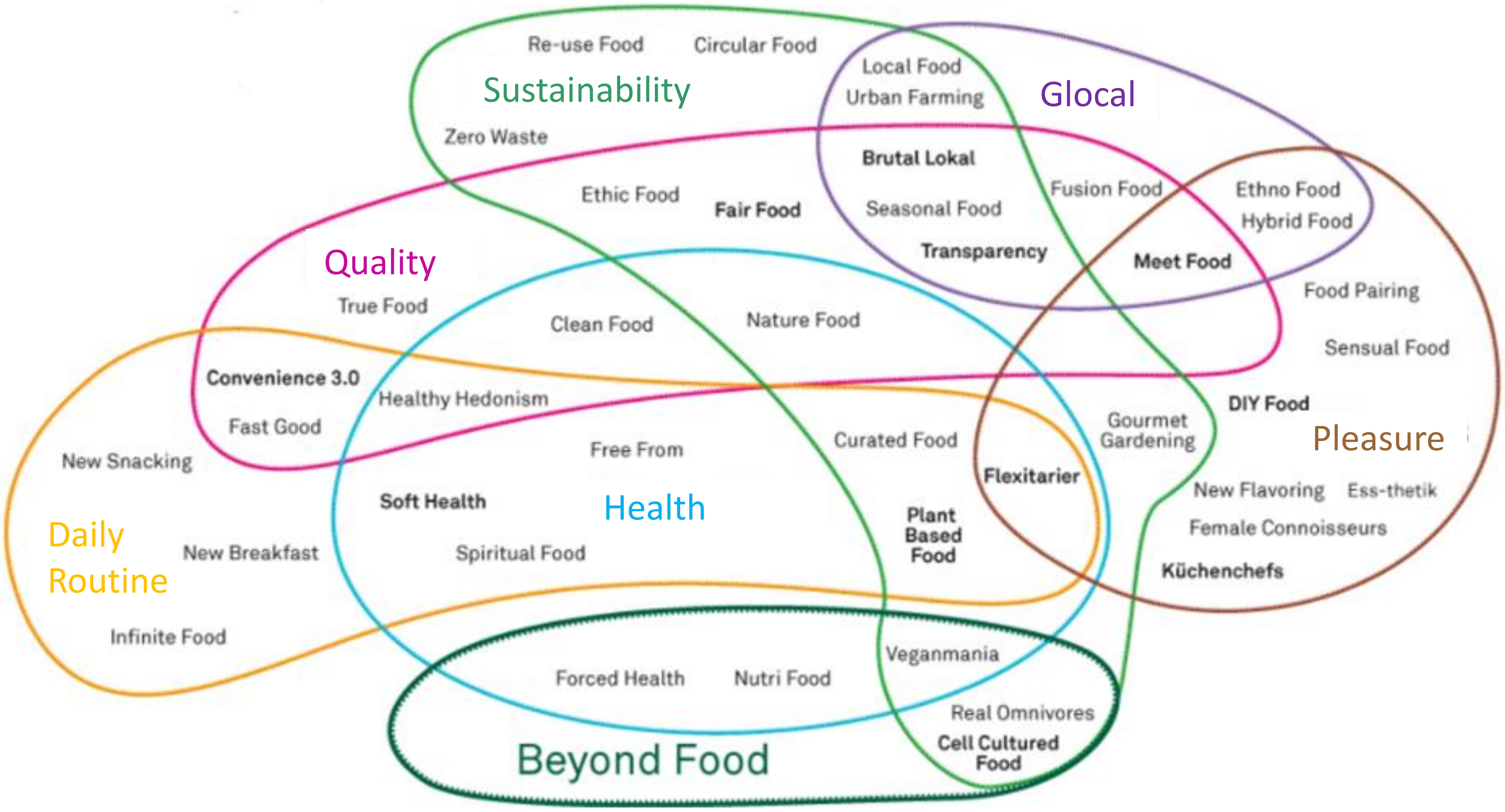

Source: Rützler (2020, Food Trend Map 2021)

A look beyond the borders (2018)

Share of organic land, organic sales and organic per capita expenditure in €/capita and year

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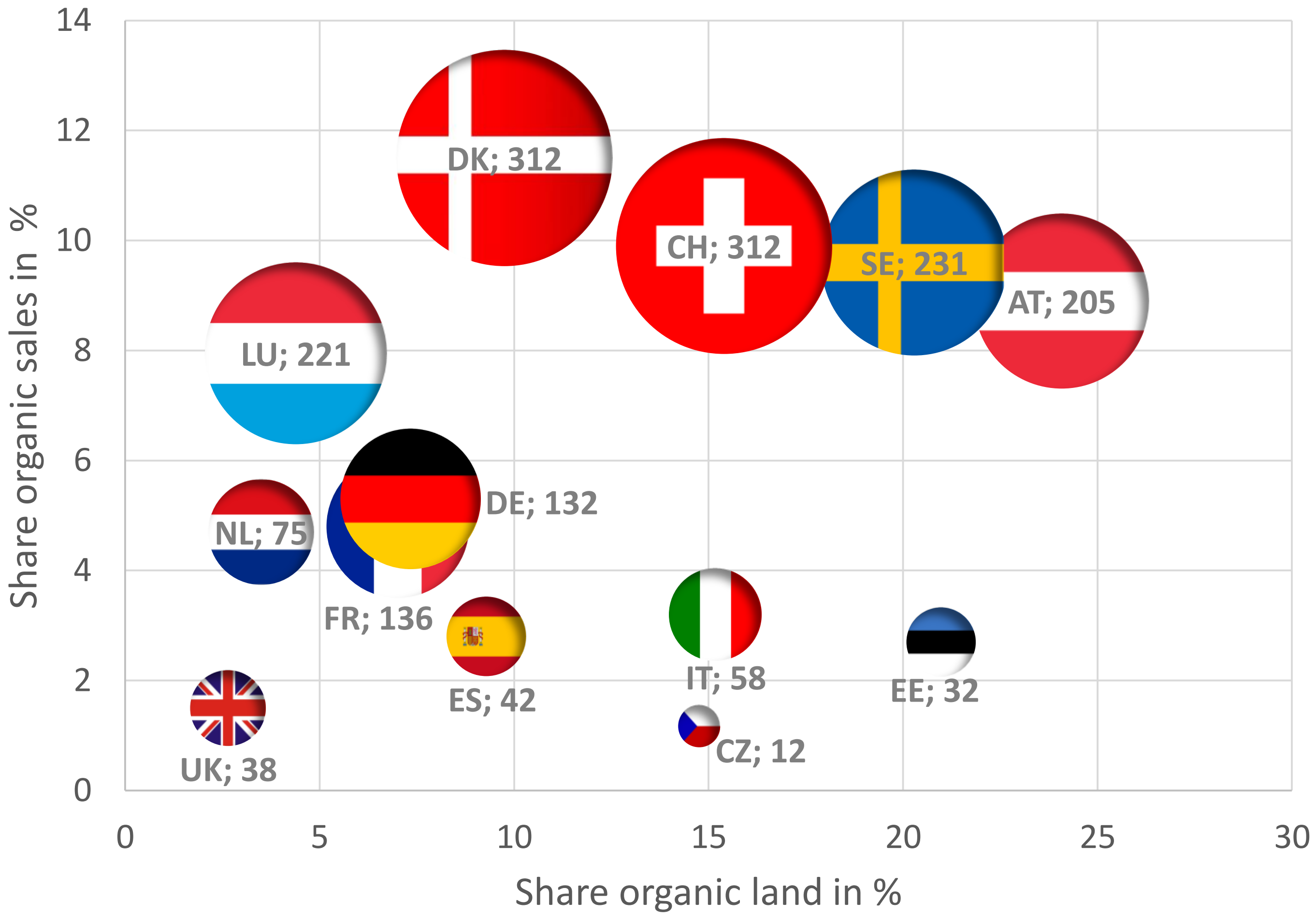

Quelle: Own illustration based on FiBL (2020) and Eurostat (2020)

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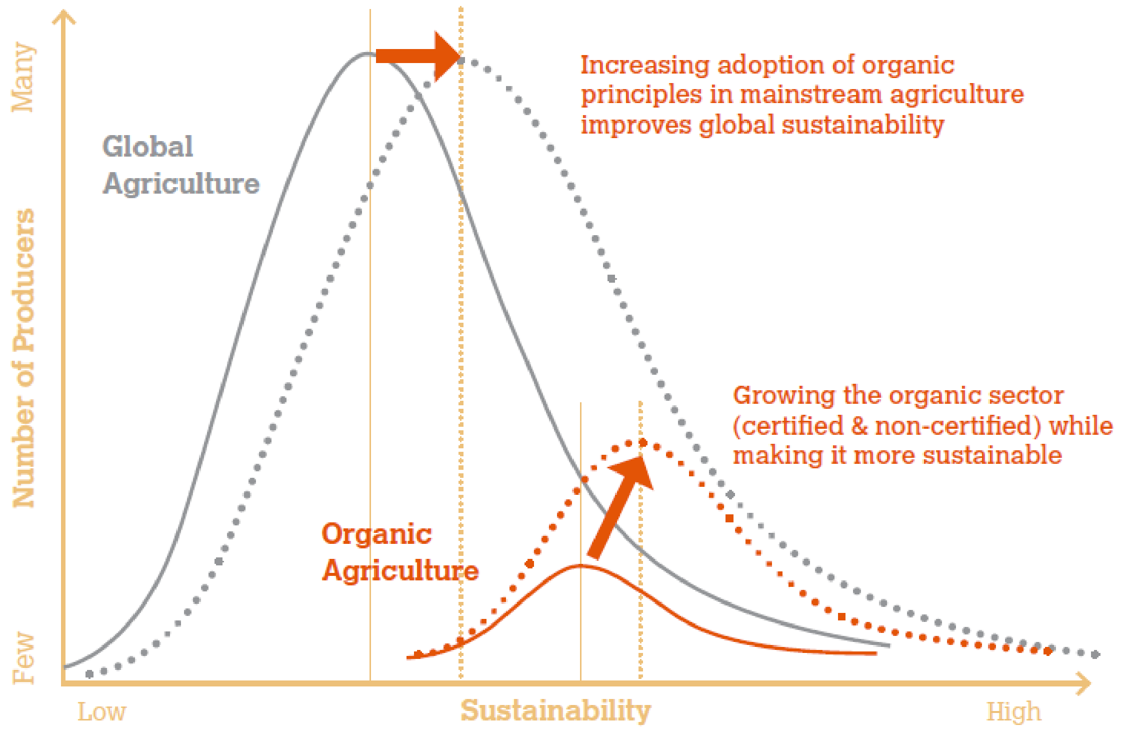
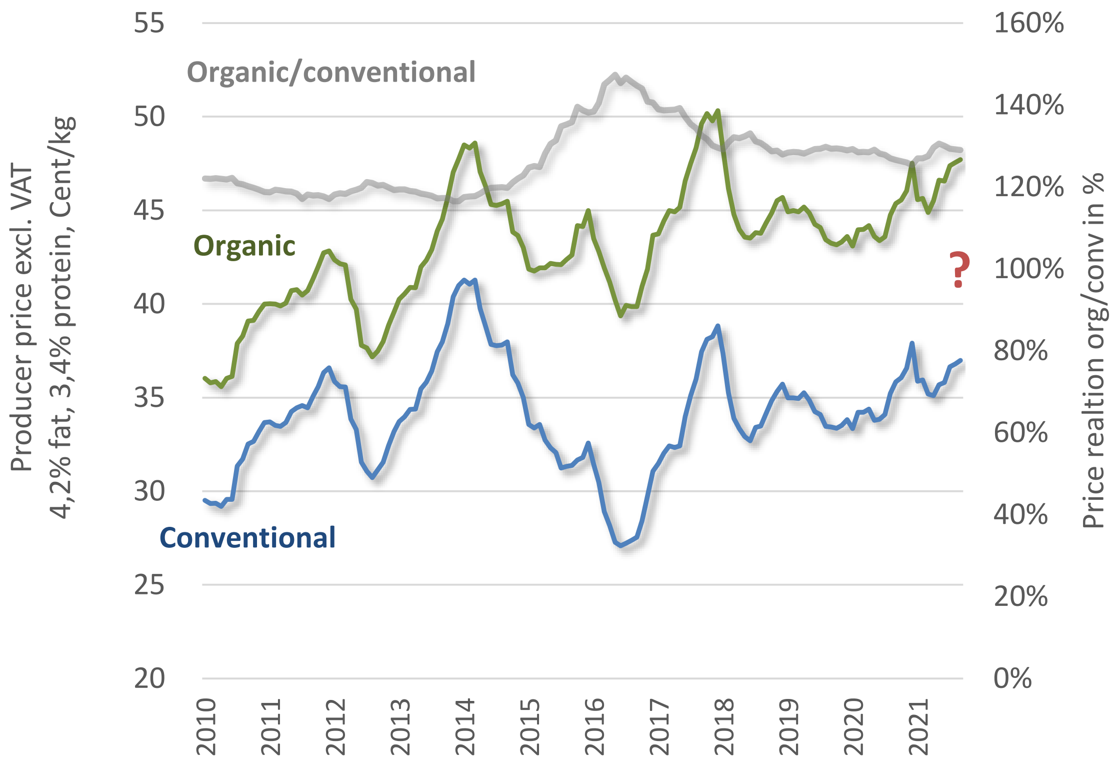
Summary and discussion I

- Market based growth – stable market situation



Milk price



Source: IFOAM - Organics International (2017, Organic 3.0 - for truly sustainable farming and consumption)

Source: IACS (2021)

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Summary and discussion II

- Farmer
  - Competitiveness, efficiency, treadmill-effect
  - Further development of the sector - innovation
- Markets
  - Access to the organic market – markets in general
  - New models: crowd-funding, community supported agriculture
  - Shift in trade flows
- Consumer
  - Willingness to pay (quality – quantity)
  - Expectations, food trends,… vegetarianism/veganism, animal welfare, seasonality and regionality
- Agricultural policy
  - Framework conditions: payments, regulations, labelling, information, public procurement,…
  - General development of CAP

Source: Own picture

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Thank you!

Permanent Secretariat of the Alpine Convention
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