



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

**Date:** 4/5/2005

**GAIN Report Number:** AU5007

## Austria

### Agricultural Situation

### What's New in Central Europe

### 2005

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**Report Highlights:**

This newsletter provides an update on upcoming market promotions and an overview of recent market trends, trade policy issues, and commodity analyses for the countries of Austria, Bosnia-Herzegovina, Croatia, Czech Republic, Hungary, Slovenia, and Slovakia.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Vienna [AU1]  
[AU]



## WHAT'S NEW IN CENTRAL EUROPE

### AGRICULTURE – POLICY – TRADE

Newsletter covers:

★ Austria ★ Bosnia –Herzegovina ★ Czech Republic  
★ Croatia ★ Hungary ★ Slovakia  
“YOU DO THE BUSINESS, WE KEEP YOU INFORMED”

#### News

##### ★ Austria

**Oilseeds and Products Annual:** Total oilseeds production amounted to 250,449 MT in 2004, a 26.7 % increase compared to 2003. Winter rape production increased by 56.3 % to 120,212 MT due to good weather conditions. Sunflower production increased by 10 percent to 77,925 MT due to increased planting area. Soybean production increased by 14 percent to 44,824 MT due to increased planting area. (See report AU5006)\*

##### **Biotechnology - Organic Farmers' Association Starts New Anti-Biotech Campaign:**

In April 2005, Austria's largest association of organic farmers, Bio Austria, will initiate a campaign against biotech crop plantings. Farmers can sign up for the campaign on a voluntary basis and will then earmark their fields with signs that state “We are so free... and grow without biotechnology” and/or “We are so free... agriculture does without biotech crops”. Thousands of signs are expected to be posted on Austrian fields in the spring. (See report AU5004)

##### ★ Bosnia –Herzegovina

**Organic Products - Agricultural Situation and Market Update:** Organic production in Bosnia and Herzegovina (BiH) is in the early stages of development with approximately 500 hectares and 60 producers and processors. Most of the production consists of grains, vegetables, fruits, medicinal herbs, and mushrooms. Organic production from wild forests makes up a significant share of total production. Imported organic food products can be found in major supermarkets, pharmacies and specialized stores with an estimated market share of around 0.1 percent. In order to develop the market and increase product sales, market promotions are essential. (See report BK5003)

**Livestock and Products Market Update:** Bosnia and Herzegovina (BiH) suffers a deficit of raw meat for processing and relies on imports for an estimated 80 percent of its production. The BiH Government recently applied duty free import quotas on beef, pork, and chicken for processing to allow the meat industry to have access to cheaper supplies of unprocessed meat. BiH also imports an estimated 30 to 40 percent of its processed meat consumption. While official statistics are unreliable, total annual imports of meat and meat products are estimated at around US\$ 135 million. The total annual consumption of meat and meat products is estimated at around 135,000 MT. BiH is unable to export most animal products because of inadequate veterinary and certification systems. (See report BK5002)

\* Attaché reports are available on the internet at  
<http://www.fas.usda.gov/scripts/AttacheRep/default.asp>

**Grain and Feed Crop Update:** In December, the Federation of Bosnia and Herzegovina and the Republika Srpska Ministries of Agriculture decreased winter wheat area by 5%, from 93,000 hectares to 88,000 ha. The average yield remains low at around 2.7 tons/ha. The Agricultural Ministries increased winter barley area to 23,000 ha (from 15,000 ha last season). Spring barley area is still undetermined but has been around 10,000 ha in the past. The average yield is around 2.5 tons/ha. (See report BK5001)

★ *Czech Republic*

**HRI Food Service Sector Annual Report:** The food service market reached over 3.4 billion USD in 2003 and is forecast to grow by 4 to 5% in the next five years. Even an increase in the Value Added Tax (VAT) for the foodservice sector (from lower rate of 5% to the basic level of 19%) as a result of the EU accession in May 2004, has not impacted the sector much. The Czech currency has appreciated by 8% against the U.S. dollar since 2004, which is helping U.S. exporters. Consolidation in the HRI sector has not yet happened, and a major share of sales are generated by independent hotels and restaurants. Most U.S. export products are shipped through the EU, which creates opportunities for U.S. exporters servicing warehouses in Europe. Direct imports are still small with most importers focusing on a particular commodity (i.e. wine, seafood). (See report EZ5005)

**Biotechnology - Consumer Perceptions:** A November 2004 poll on the public perception of biotechnology, organized by the market research company GfK at the request of the State Health Institute, has shown a positive trend in Czech consumers' perception of food containing biotech products. The new poll shows a higher share of those who would eat biotech products without fear, a slightly higher share of those who would not buy food-containing biotech content, and a lower share of those who claim to have inadequate information on the subject. There is a growing share of people who are not interested in the issue. Consumers against biotechnology argue that there is insufficient scientific evidence proving its safety. At present, retail chains are not willing to carry biotech labeled products for fear of losing customers. However, Czech scientists are working aggressively to promote the technology, and newspaper coverage is generally balanced. (See report EZ5003)

**Livestock and Products Czech Authorities Confirm 17th Case of BSE:** On February 3, 2005, the State Veterinary Authority (SVA) confirmed the 17th case of BSE in the Czech Republic. The concerned cow came from the cooperative Hodice in the Jihlava District (southern Moravia) and was born on September 24, 2000. The number of cows of cohort that will be destroyed and tested is around 300. This case follows closely behind the January 31st confirmed finding. In this case, the concerned animal was a five-year old cow, born on February 9, 2000 on a farm in Nedakonice, Moravia, and the number of cows of cohort that will be destroyed and tested is around 500. (See report EZ5002)

**Grain and Feed - Central European Governments asks EU Commission for Grain**

**Export Subsidy:** The Czech Republic had a large harvest of grains in MY 2004/05 reaching 8.8 million MT, which includes 1.5 – 2 million MT of overproduction. So far the State Agricultural Intervention Fund (SAIF) received offers from farmers for almost 1 million MT. SAIF has a storage capacity of only 400,000 MT and currently is looking for storage space in Germany. At the Minister Council's meeting on Monday, January 24, 2005 the Czech Republic will join the Austrian delegation and along with other European countries will ask the EU Commission for subsidies on grain exports to third countries. (See report EZ5001)

*★ Croatia*

**Grain and Feed Crop Update:** Croatia's 2004/2005 wheat harvest amounted to approximately 850,000 MT to 900,000 MT. Crop quality is very good, and there is a possibility for exports later this year. Croatia's 2004/2005 corn crop was also strong at about 2.2 million MT. Quality was very good, and there will be a possibility of exports at 300,000 MT. The 2004/2005 barley crop amounted to approximately 180,000 Mt, a good result considering the excessive rain in spring. It is still too early to predict areas and yield for the 2005/2006 crops. (See report HR5003)

**Biotechnology - Market Research Study on Consumer Perceptions:** A Croatian market research agency recently released the results of a study conducted in March 2004 on Croatian consumers' perception of pesticides use and biotech content in food. The results indicated that consumers view both pesticide use and biotech content in food as harmful to human health. However, excessive pesticide use was perceived as more harmful than biotech food. On average, women rated biotech food as more harmful to health than compared to men. Respondents over 60 years of age rated biotech food as more harmful than compared to younger respondents. There was an interesting trend among respondents in regards to their education levels. As education levels increased, the harmfulness of excessive pesticide use increased while the harmfulness of biotech content in food decreased. (See report HR5001)

*★ Hungary*

**Agricultural Situation Bio-Fuels in Hungary:** Hungary is exploring the viability of biofuel production and utilization, but no commercial volumes have been produced. Recent changes in legislation are directed at increasing biofuel use. Hungary may be a potential producer of bio-ethanol while the prospects for biodiesel material (rapeseed) are limited by agronomical conditions. In terms of utilization, the Government of Hungary supports blending rather than the pure use of biofuels. (See report HU5001)

*★ Slovakia*

**Biotechnology - Amendment to GMO Act No. 151/2002:** On February 2, 2005, the National Council of the Slovak Republic passed an amendment to Act No. 151/2002 on the Use of Genetic Technologies and Genetically Modified Organisms. The Amendment lays out provisions for implementing the Cartagena Protocol on preventing biotechnological risks and implementing regulation (EC) No. 1946/2003. The Amendment designates the Ministry of Environment as the focal point and competent authority in Slovakia. The Amendment will come into force on April 1, 2005. (See report LO5002)

*★ Slovenia*

**New Minister of Agriculture, Forestry, and Food--Marija LUKACIC:** On December 6, 2004, Marija Lukacic became the new Minister of Agriculture, Forestry and Food, replacing Dr. Milan Pogacnik. As a geologist by training, she brings a technical background to the position. She served as the Agricultural Ministry State Undersecretary for Natural Disasters during the last three years. During her tenure as Minister, her stated priority will be on rural development and adopting legislation aimed at improving the competitiveness of Slovene farmers. (See report SI5001)

## *Calendar of Events in the Region*

### *Market Promotions Activities Austria & Central Europe*

#### **Bosnia**

June 8 – 16 FSIS initial on-site assessment audit

#### **Croatia**

May 24 USA Wine Tasting at the Ambassador's residence

#### **Hungary**

April 7 Dessert Contest (California Raisins Promotion Event) at Gundel Culinary High School in Budapest

May 10 USA Menu Promotion for selected group of HRI representatives & Press members featuring salmon, scallops, rice, raisin, chocolates and wine – at Ambassador's residence

### *Visitors*

#### **Austria**

April 8 –13 USDA/CSREES Administrator Colien Hefferan, ICA/NASULGC Conference

#### **Hungary**

April 8 John Scouten, National Association of Animal Breeders (NAAB), Brian Albertoni, Word Wide Sires – exports of bovine semen

May 3-20 FSIS Audit – On-site assessment audit for eligibility to export poultry products

**Visit our website:** at <http://www.usembassy.at/en/usda/> which provides a broad range of useful information on the Austrian and Central European food market, trade, import rules, and other useful information.

*Holidays and Embassy Closures***All Posts**

May 30 Memorial Day

**Austria**

May 1 Labor Day  
May 5 Ascension Day  
May 16 Whitmonday  
May 26 Corpus Christi Day

**Bosnia –Herzegovina**

April 29 Good Friday (BiH) (Banja Luka)  
May 1/2 Labor Day (BiH)  
May 2 Orthodox Easter (BiH) (Banja Luka)  
May 2 Labor Day (BiH) (Sarajevo and Mostar)

**Czech Republic**

May 1 Labor Day  
May 8 Liberation Day

**Croatia**

May 1 Labor Day  
May 26 Corpus Christi Day  
May 30 Memorial Day  
June 22 Croatian Uprising Day  
June 25 Croatian State Day

**Hungary**

May 16 Whitmonday

**Slovakia**

May 1 Labor Day  
May 8 End of World War II

**Slovenia**

April 27 Resistance Day  
May 1/ 2 Labor Day  
May 30 Memorial Day  
June 25 National Day

*Contact us for Additional Info*

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