

Voluntary Report – Voluntary - Public Distribution

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Report Name: COVID-19 Pandemic Further Boosts Austrian Organic Consumption

Country: Austria

Post: Vienna

Report Category: Agricultural Situation, Agriculture in the News, Special Certification - Organic/Kosher/Halal

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Report Highlights:

Since the beginning of the COVID-19 pandemic, Austria's already high organic sales increased significantly as consumers focused even more on their diet and what they regard as healthy and sustainable. Austria remains one of the leading countries in organic production. Conventional supermarket chains are the most important outlets for organic products. There are good market prospects for U.S. organic products which are not locally produced.

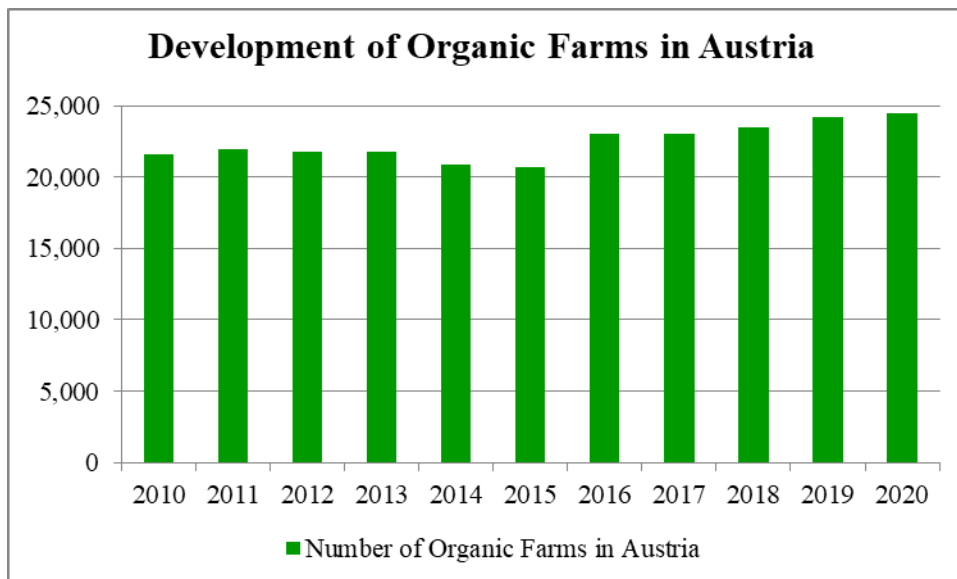
Summary

Since the beginning of the Covid-19 pandemic, Austria's already high organic sales increased significantly as consumers focused even more on their diet and what they regard as healthy and sustainable. In the first half of 2021, Agrarmarkt Austria reports an organic share of more than 11 percent of total fresh produce retail sales. During the same period, organic fresh produce sales increased by almost 17 percent. Austria remains one of the leading countries in organic production. In 2020, about 27 percent of the total agricultural area and 23 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. Conventional supermarket chains are the most important outlets for organic products. There are good market prospects for U.S. organic products which are not locally produced.

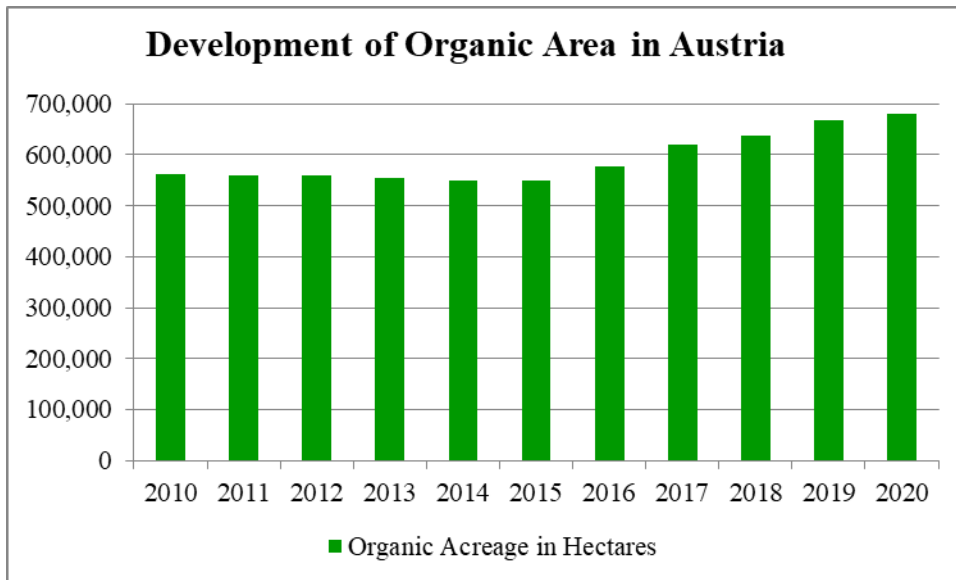
Organic Production

Austria has the highest percentage of agricultural land under organic management within the European Union. The government first recognized "organic" as a production method in 1927. Due to changing government support measures in the 1990s, a large number of farms shifted to organic production. From 2010 to 2015 there was a small decline in certified organic farms, but since 2016 the number of organic farms and organic production acreage has steadily increased. In 2020, the number of organic farms reached 24,479, or 22.7 percent of total Austrian farms. In the same year, Austrian organic acreage was reported at about 680,000 hectares or 26.5 percent of the total agricultural area.

In 2020, some 21 percent of all arable land was dedicated to organic production (over 241,000 hectares). The most important organic crops are winter soft wheat, corn, winter triticale, and soybeans. Fodder production is also an important sector in organic farming. Organic wine and fruit production are on the rise. In 2020, about 22 percent of cattle, including dairy cattle, were raised using organic production methods. Organic pig production in 2020 only accounted for about 3 percent of all pig production, whereas 54 percent of goats, 30 percent of sheep, and 22 percent of poultry operations were organic.



Source: Federal Ministry of Agriculture, Regions and Tourism ([BMLRT](#))



Source: BMLRT

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 (a 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. Since the begin of the Covid-19 pandemic, the already high Austrian organic sales have increased significantly because Austrian consumers are increasingly focusing their diets on what they regard as healthy and sustainable. In the first half of 2021, the RollAMA reports an organic share of more than 11 percent of total fresh produce retail sales. During the same period, organic fresh produce sales increased by almost 17 percent. Organic sales in 2021 are expected to again reach a record high after already very strong increases in 2020. Top organic products in the Austrian market include bread and pastries, fresh milk and dairy products, eggs, potatoes, fresh vegetables, and fresh fruit.

Policy

Austria’s farm policy favors small-scale and sustainable agriculture. 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 these aforementioned, highly promoted concepts. The coalition currently leading the Austrian Federal Government has anchored the strengthening and further development of organic agriculture in its coalition agreement.

The "Organic Farming" measure is the most significant measure of the Austrian agricultural environmental program (ÖPUL). Slightly over a quarter of ÖPUL payments go towards organic farming. The current organic government action program is effective from 2015 through 2022.

Market Outlets

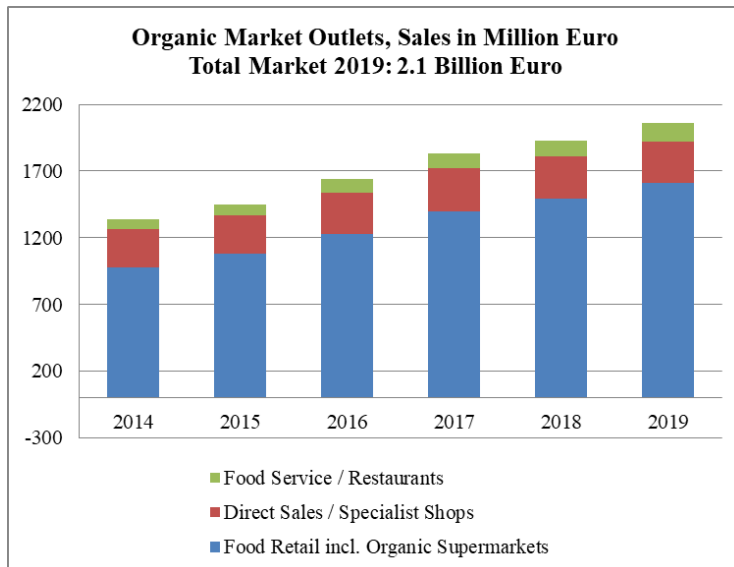
Conventional supermarket chains and discounters dominate the Austrian organic market. About two-thirds of organic sales account for this category. All big food retail chains have their own organic labels. In 1994, the food retailer [REWE group Austria](#) started with the organic brand name "ja! Natürlich" in its "BILLA" supermarket outlets https://www.billa.at/Startseite/Startseite/dd_bi_mainpage.aspx. Several supermarket chains followed this example. The second largest food retailer in Austria, "Spar," launched the brand name "Natur*pur" and the third largest 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. Food catering in the public and private sector are an additional growing marketing channel for organics.

The total Austrian organic market 2019 (latest available data) is estimated at 2.1 billion Euro.



Source: [AC Nielsen](#), AMA Marketing

Organic Seals

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 distinguish between organic and conventional products. Austria's most important trading partners on organics are its neighboring European countries. Exports mainly go to Germany, Italy, United Kingdom, and The Netherlands. Imports are increasingly coming 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 United States 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 as 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 conventionally 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 <https://ota.com/>.

In addition to 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** (<https://www.biofach.de/en>) 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.

Fruit Logistica (www.fruitlogistica.com/) 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 (both: <https://www.figlobal.com/fieurope/en/home.html>), or Vitafoods (<https://www.vitafoodsglobal.com/en/home.html>) trade shows. These shows attract many in the food processing industry.

Finally, trade shows like **ANUGA** (<https://www.anuga.com/>) or **SIAL** (<https://www.sialparis.com/>) 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 2022 USDA-endorsed shows in Europe can be found at:

<https://www.fas.usda.gov/topics/trade-shows>.

Post Contact and Further Information

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

FAS Homepage: <https://www.fas.usda.gov/>

FAS Europe www.fas-europe.org

U.S. Mission to the European Union <https://www.usda-eu.org/>

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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Attachments:

No Attachments.