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Market Brief - Sector

Austria : Ready to Eat Dishes

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Vienna [AU1], AU

Ready to Eat Meals

Summary

Ready-to-eat meals have been continuously trending up in recent years. There is still growth potential for such meals in dry form in plastic bags or plastic cups and in wet form intended for refrigeration. The major part of the market is covered by domestic products. Rising interest in ethnic foods should enable exports of U.S. products to Austria. Exports of products containing meat and/or poultry will be possible after an agreement between the U.S. and the EU is achieved.

Consumption Trends

Rising incomes, high employment rate, and increasing number of households with singles, who do not want to cook for one person, has resulted in a steady rise in consumption of ready-to-eat meals (RTEMs). However, tendencies in subsectors of RTEMs have been varying. The “classical” convenience RTEMs, i.e. the wet RTEMs in cans, have been losing significance. In 1997, the turnover of these products declined 5.5% to around AS 220 million whereas that of products of more modern technologies increased considerably. The latter include dry, chilled and frozen products.

With improving food technology, consumer expectations in convenience products have increased significantly. Austrians desire quality which corresponds as much as possible to fresh meals of national and international cuisine. It should be tasty and in addition healthy. Slight deviations from normal specific flavor, like scorching or any other foreign flavor, are not accepted any more.

Preferences are given to meals without certain food additives such as artificial flavors, artificial dyes, and preservatives. However, in long shelf life dishes not intended for refrigeration, such products are frequently used.

The spectrum of RTEMs offered has been widened each year. It includes entrees and desserts, meat and vegetarian dishes in preparations ranging from traditional household meals to ethnic foods. Given the conservative taste of most Austrians, the traditional indigenous cuisine prevails among RTEMs. It includes dishes such as stewed pork or beef, filet with cabbage or lentils and various chicken preparations. However, due to booming foreign travel, and the immigration of different ethnic groups, rising numbers of Austrians have become acquainted with and interested in foreign dishes. Previously, mainly Chinese cuisine was known; however, Indian and finally Latin American dishes have been catching up.

Domestic Market and Competition

The turnover of RTEMs reached AS 615 million in 1997/98 (frozen RTEMs not included). With 36% of the total RTEM turnover, chilled meals have become the largest sub sector. The share of

wet RTEMs accounted for 31% and that of dry RTEMs was 33%. The sale of dry RTEMs increased one third compared to the preceding year. Nevertheless, in the long term, market experts see the greatest growth potential in chilled meals.

The large growth potential of the chilled RTEM sector has been used by the retail trade for its own house branded products. Thus, the market leader with chilled RTEMS is not a traditional brand name producer but the supermarket group “Billa” with its house brand “Chef Menu”. An other large supermarket chain “Julius Meinl” is selling successfully its brand “Fresh on the Table”.

Although glass containers are very appealing to consumers their use with RTEMs has declined. In recent years, plastic plates with dividers, where the different parts of a meal can remain separated, have become popular. The content is usually one portion of 370 grams. Cans are usually 400 and 800 grams. Liquid products such as soups and sauces are in general in plastic bags. Dry products are available in plastic bags and plastic cups. According to a poll, 70% of the population prefers packages with 2 separate portions.

Main offerers of RTEMs on the Austrian Market are the following companies:

Bracharz & Kerber with the brand “Don Giovanni’s” is strong on the chilled pasta sector. In addition they offer cheese meals. Labels on B & K articles point out that no dyes and preservatives have been used. The B & K share is 25 - 30% of the total chilled RTEM market.

Erasco has mainly one pot meals. According to its distributor in Austria, Appelt, they have gained market shares in recent years.

Felix produces primarily canned RTEMs where it has a share of 16% of the total RTEM market. Felix offers 10 RTEMs, predominantly national specialities.

Food Garden is specialized on vegetarian meals whereby soybean products play an important role. This brand is primarily sold in drug stores and health stores.

Inzersdorfer has a wide assortment of national and international meals on the canned, plate, and chilled sector. With a market share of 72%, Inzersdorfer is market leader on the canned RTEM sector. In addition, Inzersdorfer is the largest producer of branded chilled RTEMs.

Knorr is the market leader with dry RTEMs (75% of the total dry RTEM market). Its program includes 33 different types, predominantly noodle and rice dishes.

Master Foods: Uncle Ben’s has become a significant brand in the RTEM sector. In the rice RTEM subsector, Master Foods covers 40%.

Nestle has a long tradition on the Austrian market. Under its brand name “Maggi”, dry products of conventional Austrian, Italian, and Asian cuisine are sold.

The major share of RTEMs are produced in Austria, imports are estimated at less than 10%. Among foreign suppliers, Germany and Italy with pasta products are probably the strongest ones.

So far the U.S. has not been represented on the Austrian RTEM market. However, there should be a niche for dry and canned U.S. ethnic foods. The main competitor for U.S. RTEMs are domestic products.

Distribution Channels

Most RTEMs are produced within the country and sold directly or through agencies, and to a lesser extent, to retailers. In addition, the industry produces on a contract basis for the larger retail chains who sell it under their house names. The relatively small imports are also made directly by the large food chains or by wholesalers.

Pricing

Wholesale prices are not available. Retail prices range from AS 37.90 (sweet sour chicken) to AS 39.90 (stewed beef) for long shelf life dishes in plastic plates; AS 19.90 (stuffed paprika) to AS 27.90 (stewed beef) for cans of 400 g; and AS 23.90 (168g spaghetti) to AS 24.90 (143 g ravioli) for dry products in plastic bags.

Packaging and Labeling Requirements

- Name under which the product is sold
- Ingredients, including food additives, in descending order
- Net weight or quantity in metric units
- Expiration date (day/month/year)
- Lot number (producer, manufacturer, packer, or first wholesaler)
- Name or firm name and address of the manufacturer or packer, or first wholesaler
- Place of origin, including any particulars needed to clarify to consumers the true origin of the foodstuff
- Nutritional labeling (per the Austrian Ordinance on Labeling of Nutritional Values, Federal Gazette 896/1995): nutritional value including content of protein, carbohydrates, fat, fiber, minerals and vitamins. This regulation is compulsory if a nutritional claim appears on the label, in presentation, or in advertising, with the exception of generic advertising. Nutritional claims permitted are limited to those related to energy values and the following nutrients: protein, carbohydrates, fat, fiber, sodium, and prescribed vitamins.

Health claims and any health-related information on a food product requires registration of the product at the Federal Chancery.

Food products can enter the country with standard U.S. labels or can be unlabeled, but before

distribution they must be labeled in accord with local requirements. Stick-on labels meeting local requirements are permitted. Labeling must be in the German language.

Import Regulations

Imports of prepared meals containing meat or poultry require an import license from Agricultural Market Austria and the veterinary authority. The importer has to apply for these licenses. Due to the pending case concerning veterinary equivalency between the U.S. and the EU, at present no license for processed meat and poultry products can be obtained. RTEMs not containing meat products do not require an import license.

As concerns food additives, the following regulations have to be observed:

Directive 94/35/EC on sweeteners (Suessungsmittelverordnung, Federal Gazette # 547/1996 and 680/1996) sets conditions for the use of permitted sweeteners e.g. sorbitol, saccharine, etc.

Directive 94/36/EC on colors (Farbstoffverordnung, Federal Gazette # 541/1996) establishes a list of permitted colors and conditions of use (including maximum levels of use in particular foodstuffs), a list of foodstuffs in which colors may not be used, and a list of colors permitted for certain uses only.

Directive 95/2/EC on food additives other than colors and sweeteners (special miscellaneous directive) establishes a listing of generally permitted additives, conditionally permitted preservatives and antioxidants, anti-caking agents, emulsifiers, stabilizers etc.

The import duty depends on the composition of the dish and therefore varies significantly.

List of Importers

Company: ADEG Handels AG - Food Retailer-Supermarket Chain
Title: Dkfm. Gaudenzdorfer Guertel 41-45
Contact: Guenther Mitteregger A-1220 Vienna, Austria
Position: Vorstandsmitglied
Fax: 43-1-813-2529
Tel: 43-1-811-460

Company: Billa Warenhandels AG. -Food Retailer-Supermarket Chain
Title: Mr. Billastrasse (Industriezentrum)
Contact: Veit Schalle A-2351 Wr Neudorf
Position: Generalbevollmaechtigter Austria
Fax: 43-2236-600228
Tel: 43-2236-6000

Company: HOFER KG- Food Retailer-Supermarket Chain

Title: Mgr.
Contact: Tuman A-4642 Sattledt
Position: Mr. Austria
Fax: 43-7244-800046
Tel: 43-7244-08000

Company: Klaus Loesch, GesmbH, Bio-Quelle
Title: Mr. Haager Strasse 44a
Contact: Klaus Loesch A-4400 Steyr, Austria
Position:
Fax: 43-7252-62388
Tel: 43-7252-62388

Company: Julius Meinl AG- Food Retailer-Supermarket Chain
Title: Dr. Julius Meinl Gasse 3-7
Contact: Ferdinand Hacker A-1160 Vienna, Austria
Position: General Manager
Fax: 43-1-488-601-477
Tel: 43-1-488-60510

Company: Maximarkt GesmbH - Supermarket
Title: Dkfm Backermuehleweg 61
Contact: Johann Rohregger A-4034 Linz
Position: Geschaefsfuehrer Austria
Fax: 43-732-80811216
Tel: 43-732-808110

Company: M-Preis Warenvertriebsgesellschaft
Title: Mag. Landstrasse 16
Contact: Anton Moelk A-6176 Voels, Austria
Position:
Fax: 43-3512-30-445515
Tel: 43-3512-304455

Company: Pfeiffer Grosshandel
Title: Mag. Egger-Lienz Strasse 15
Contact: Georg Pfeiffer A-5040 Traun
Position: Director Austria
Fax: 43-722-93113269
Tel: 43-722-931130

Company: Spar Oesterr. Warnehandels AG - Food Retailer-Supermarket Chain
Title: Dr. Europastrasse 150
Contact: Gerhard Drexel A-4050 Traun, Austria
Position: Director
Fax: 43-6624-470505
Tel: 43-6624-470

Company: VOG Einfuhr & Grosshandel
Title: Mr. Baeckermuehlweg 44
Contact: Otto Bruckner A-4020 Linz
Position: Vorstandsvorsitzender Austria
Fax: 43-7323-738207
Tel: 43-7323-7380

Company: ZEV Markant Zentrale Einkaufs-Vertriebs GesmbH
Title: Dir. Leopoldgasse 4/1
Contact: Dieter Weihs A-1025 Vienna
Position: General Manager Austria
Fax: 43-1-214569634
Tel: 43-1-2145695