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Retail Foods

Annual

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Report Highlights:
In 2009, Austrian retail food sales grew by an anemic 0.4 percent to Euro 20.8 billion (excluding sales tax). Economic growth is forecast at 2.5 percent for 2010 and this growth is supporting improved retail food sales. Food marketing trends in Austria show an increase in private labels and discounters, including even the important organic market segment. Sustainability is a common theme in Austrian food marketing, although there is no legal definition. U.S. products with good prospects include tree nuts, wine, pet foods, processed fruits and vegetables, fruit juices, snack foods, as well as health, organic, and sustainable food products.

Post:
Vienna

Executive Summary:

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SECTION I MARKET SUMMARY

Austria is a small market with slightly more than 8 million people. While Austrian consumers are getting more price-sensitive because of the global recession, living standards are still high and there is still a demand for high quality products and luxury articles, especially in the food sector. The unemployment rate compared to other European countries is low, further supporting the niche market for specialty products compared to other countries.

The Austrian economy has consistently performed better than the EU average. After a more than expected negative impact from the global down-turn in 2009 and stagnation at the beginning of 2010, the Austrian economy started recovering by the second quarter of 2010. Despite the difficult economic situation, consumer expenditures in Austria grew slightly in 2009. Consumer spending is expected to continue growing as the economy recovers. In 2009, the only sectors to experience declines in consumer spending were the alcohol, tobacco, and transportation. Food and non-alcoholic beverages showed growth. In 2009, Austrian consumer expenditures on food and beverages (non-alcoholic and alcoholic including tobacco) accounted for 14 percent of total consumer expenditures.

Consumer Expenditures Austria in Euro Per Capita - Value at Current Prices

Consumer Expenditures	2006	2007	2008	2009	2010 *	2011 *
Consumer expenditures	17,150	17,631	18,165	18,222	18,805	19,453
Consumer expenditures on food and non-alcoholic beverages	1,804	1,910	2,020	2,028	2,092	2,122
Consumer expenditures on alcoholic beverages and tobacco	538	540	548	539	549	563

* Forecast
Source: Euromonitor International

Foods and beverages from Austria, Germany, and other EU countries dominate the shelves of the country's retail outlets. The reason for this is primarily the duty-free movement of goods amongst EU members, transportation advantages, existing business ties, and the fact that legal food requirements are the same within the EU. Despite the challenges, there are some market opportunities for the United States, particularly in upper-end food products which are not locally produced.

In 2009, Austrian retail food sales grew by an anemic 0.4 percent to Euro 20.8 billion (excluding sales tax). With the recovering economy, a growth of 2.5 percent is forecast for 2010.

In total, 12,894 outlets were reported in 2009 which is a reduction of 1.2 percent from 2008. The number of outlets is expected to increase again in 2010.

The three biggest retail companies (REWE, Spar, Hofer) held over two thirds (67.7 percent) of the domestic food retail market in 2009. The retail value share of discounters was at 24 percent. The trend towards discounters continues.

Apart from Spar Warenhandels AG all leading food retailers in Austria are large and powerful German retailer groups that moved to Austria after it joined the EU in 1995. This has resulted in the decline of traditional independent retailers in Austria and a structural change in the Austrian retail landscape. Some small regional or local suppliers, with individual services like catering and delivery services, and/or special assortment like snacks, special products, and niche products are still able to survive.

REWE Austria covers mainly the eastern part of Austria and Spar the western parts. The food retail market share of REWE Austria in 2009 was 28.6 percent, the market share of Spar accounted for 23.6 percent.

The two hard discount food retailers, Hofer and Lidl, are expanding across Austria. The number of discount stores is increasing (1,267 discount outlets in 2009) with Hofer leading the way with 425 outlets. This growth for discounters is not only driven from the economic. Hard discounters in Austria are attracting customers by also offering a wide range of low-priced higher quality products, both food and non-food.

Even though some efforts have been made during the last couple of years to liberalize the Austrian retail sector, it still remains extremely traditional with a high degree of government control. Most Austrian retailers are still not allowed to open their shops on Sundays and official holidays. This rigid control restricts the competitiveness and flexibility of the retail sector. Gas station shops take advantage of an exemption in the shop opening law that allows them to sell food and sundries after regular shopping hours.

Developments in the retail food sector that can be found in many products include greater demand for health food, a greater diversification and internationalization of consumer tastes and strong demand for as much convenience as possible. Variety is another strong sales driver and packaged food manufacturers are continuing to increase variety, limited editions and seasonal products.

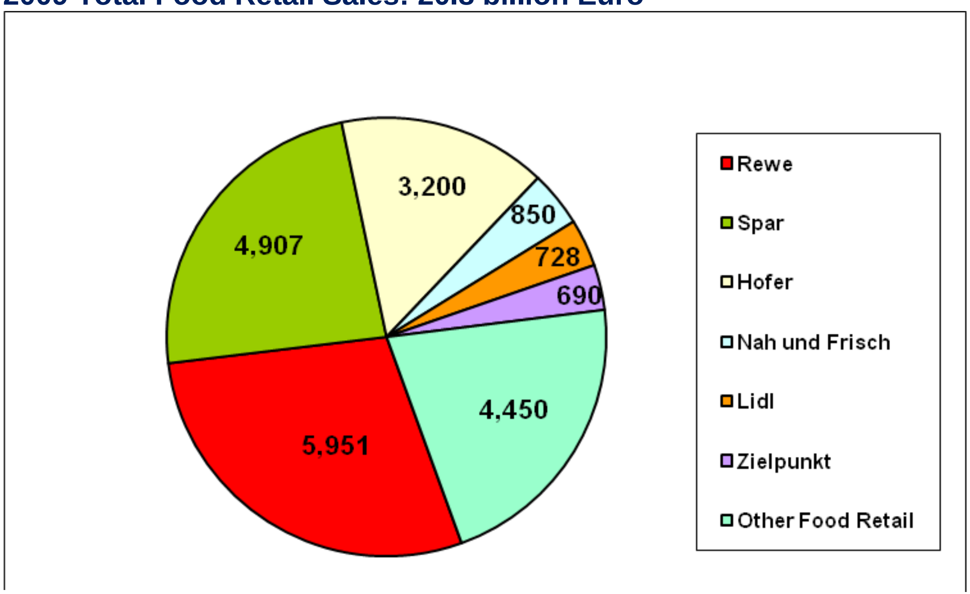
Intense competition between supermarkets/hypermarkets and discounters has led to competitors freely copying successful strategies. Non-discounting retailers are strengthening their lines of low-price products and are offering a greater selection of private labels. Discounters, on the other hand, are offering more fresh products and organic products.

Since both husbands and wives are working in many families, there is little time for cooking. As a consequence, the demand for convenience products is rising which is reflected in Austrian retail shelves. In most supermarkets, home meal replacements are offered. Furthermore, sustainable and fair trade products are growing retail food categories. Retailer chains compete for market shares by offering and promoting CO_2 saving products (e.g. Hofer labels the CO_2-savings for its organic label “Zurueck zum Ursprung” compared to conventional products). Zielpunkt introduced fair trade products as part of its fight for market share with Hofer.

Due to the low-price strategy of the food retailers and discounters, the high-profile manufacturers’ brands are losing out to private labels. The quality of the private labels continues to improve and the gap between the branded and private label products is becoming smaller. As a result, retailers’ dependence on named brand products is decreasing. In the food retail sector, Hofer, a subsidiary of Aldi, has only private label products in its product range.

In recent years, there has been an increase in the number of private labels organic foods, partly due to the common Austrian perception that organic food are healthier. The leading private labels in this product sector are “Ja Natürlich” from Rewe and “Natur pur” from Spar.

Food Retail - 2009 Retail Value excl. Sales Tax in Euro million
2009 Total Food Retail Sales: 20.8 billion Euro



Austrian Food Retail Sector Sales Value 2009 by Companies
Source: Euromonitor

Advantages	Challenges
High income level of the Austrian population and stable economy with strong purchasing power; demand for luxury products such as certain seafood	Foods containing or made from biotech products are not accepted by consumers and retailers; EU-SPS issues like hormone treated beef and chlorine sanitized poultry
Urban population growing, which boosts demand for international food	Competition from EU member states; U.S. products pay the EU duty rate (EU competitors do not pay import duty)
U.S. style food is popular, especially among the younger generation	Products must meet strict Austrian/EU/retailer requirements; U.S. organic certification is not recognized in the EU
Good reputation of certain U.S. products	Austrian buyers demand quality but also low prices

like dried fruits and nuts, seafood, wine, fresh fruits	
Growing market for organic, sustainable, health food and other innovative products	High promotion costs to increase consumer awareness; most efficient promotion (television spots) is expensive
The Austrian climate limits growing seasons and types of products grown	Highly concentrated food retail market
Good infrastructure, efficient distribution system, most importers speak English	Difficult to acquire shelf space in large supermarket chains
Only fresh water fish production (landlocked country)	Growing retailers' promotion and consumer awareness of carbon footprint results in disadvantage for products with long-distance shipping; high shipping costs
Growing interest in ethnic foods and sea foods due to rising vacations in distant and coastal areas	Lack of awareness of high U.S. quality by consumers
Growing pet food market	Retailers rarely import products into Austria, they prefer purchases from central buyers including other member states (mainly Germany)

SECTION II ROAD MAP FOR MARKET ENTRY

A. SUPER STORES, SUPERMARKETS, HYPERMARKETS OR SUPER CENTERS, CLUB WAREHOUSE OUTLETS, AND CONVENIENCE STORES

Hypermarkets

Hypermarkets are a rather small but stable food retailing channel in Austria. In 2009, there were only 87 outlets with a total sales value of 1.6 billion Euros (7.7 percent of total food retail value), which is an increase of 1 percent compared to 2008. Spar is the main competitor in the hypermarket category, holding a 75 percent value share in 2009.

Hypermarkets: Value Sales, Outlets and Selling Space 2004-2009

	2004	2005	2006	2007	2008	2009
Value sales EUR million	1,457.6	1,480.4	1,528.0	1,574.4	1,585.3	1,595.1
Outlets	85.0	94.0	91.0	88.0	87.0	87.0
Selling Space '000 sq m	328.3	375.5	384.5	360.6	356.8	356.7

Source: Euromonitor

Supermarkets

Due to the global economic down-turn total supermarket sales in 2009 increased by only 0.4 percent year-on-year. The two leading supermarket chains Billa and Spar accounted together for 72 percent of total supermarket sales in 2009 (Billa: 41 percent, Spar: 31 percent). By mid 2009, the Rewe concern acquired ADEG supermarket outlets, whereas Spar acquired 13 Zielpunkt discounter outlets to be redesigned into supermarkets. In order to react to the difficult economic situation supermarkets increasingly introduce and promote low-price private label items. The retailing leader Rewe competes with its well established budget private label “Clever”. Spar introduced its private label “S-Budget” in 2008, and already increased its offer to 100 products in 2009. With the recovering economy retail sales are expected to grow slightly over the next years.

Supermarkets: Value Sales, Outlets and Selling Space 2004-2009

	2004	2005	2006	2007	2008	2009
Value sales EUR million	7,463.3	7,521.7	7,884.8	8,336.2	8,462.2	8,495.5
Outlets	2,393.0	2,485.0	2,597.0	2,615.0	2,626.0	2,632.0
Selling Space '000 sq m	1,345.8	1,433.5	1,550.2	1,591.3	1,629.6	1,637.3

Source: Euromonitor

Discounters

In Austria discounters represent the second most important retail channel after supermarkets. In 2009, sales of discounters accounted for 23 percent of total food retail sales. Despite the unfavorable economic situation, discounters experienced a value growth of 2 percent in 2009. This is due to both attractive prices for price-sensitive, recession wary consumers and due to the increasing range of organic and quality products offered for budget consumers seeking quality. Hofer is by far the leading discounter with a value share of 63 percent. Hofer's private organic label "Zurueck zum Ursprung" ("back to the source") became an overall success story. Discounters increasingly compete with organic, fair-trade and quality products. All Austrian discounters are German-owned.

Discounters: Value Sales, Outlets and Selling Space 2004-2009

	2004	2005	2006	2007	2008	2009
Value sales EUR million	4,039.7	4,372.3	4,565.5	4,756.8	4,910.8	5,011.4
Outlets	1,017.0	1,105.0	1,153.0	1,206.0	1,244.0	1,267.0
Selling Space '000 sq m	608.9	681.2	720.8	762.6	799.2	821.0

Source: Euromonitor

Convenience Stores

The bad economic situation effected convenience stores sales the most. In 2009, convenience stores turnover decreased by 4 percent. For the next coming years only marginal growth is forecast. Supermarkets and discounters are more and more taking over the traditional neighbourhood stores. In 2009, Nah & Frisch was the leading convenience brand with a value share of 37 percent, followed by Billa (23 percent), ADEG (22 percent), and Spar (14 percent). During the same period, the convenience distribution channel accounted for 5.2 percent of total food retail.

Table 1 Convenience Stores: Value Sales, Outlets and Selling Space 2004-2009

	2004	2005	2006	2007	2008	2009
Value sales EUR million	1,353.3	1,253.3	1,205.5	1,154.1	1,118.1	1,076.7
Outlets	1,931.0	1,731.0	1,651.0	1,547.0	1,472.0	1,435.0
Selling Space '000 sq m	383.5	353.2	341.1	334.3	321.4	313.9

Source: Euromonitor

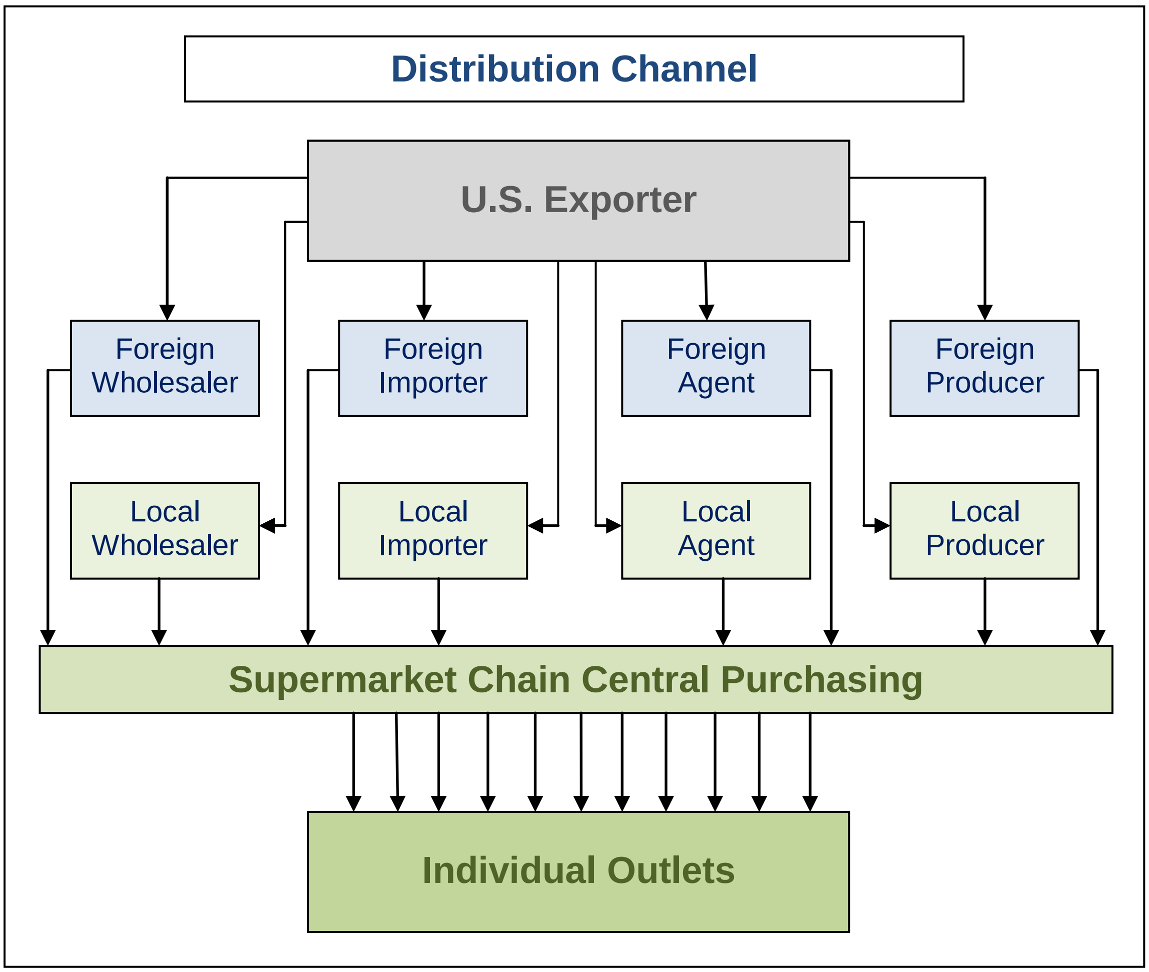
Entry Strategy

The common way to approach importers is by offering them products by fax, mail or email.

U.S. traders participating in European food fairs are encouraged to invite Austrian traders to their booths. One or more employees of the larger Austrian trade companies always attend the international food fairs in Cologne (ANUGA) and Paris (SIAL). In addition, Austrian food traders usually visit the food fairs in Brno, Czech Republic and Budapest, Hungary. As the above-mentioned fairs are large and close, Austrians rarely go to U.S. food trade shows.

The best way for U.S. products to enter the Austrian market is through agents with good relations with the supermarket chains. Some of the big chains import their products directly (mostly via Germany).

Market Structure



In general, retailers buy through local and foreign importers, local and foreign wholesalers, local and foreign agents, and directly from local and foreign producers. The foreign sources are mainly German ones.

The above distribution pattern applies particularly to supermarket chains. Large supermarket chains have their own warehouses from which the products are distributed to retail outlets.

Smaller companies or individual shops buy predominantly from wholesalers and to a lesser extent from producers.

Certain food chains buy some products from their mother company abroad or together with foreign companies. Some food chains own plants where certain products are manufactured.

There are importers specialized in some products or product groups and importers dealing with a large range of foods and beverages. Imported products are distributed nation-wide through their own sales force or through a network of other companies.

Direct sales to the central purchasing department of one of the large supermarket chains is the most desirable avenue, but at the same time, the most difficult way for U.S. exporters to enter the country's market.

Company Profiles

Retailer Name & Outlet Type	Brands *1)	Owner-ship 2010 *1)	Sales excl. Sales Tax (Euro million) 2009 *2)	No. of Outlets 2009 *2)	Locations (city/ region)	Purchasing Agent Type
Rewe Supermarkets Superstores, Discount-Supermarkets	Billa, Merkur, Penny, ADEG	REWE group Germany	5,951	2,014	Most areas	Direct, Importer, Wholesaler
Spar Supermarkerts, Superstores, Hypermarkets	Spar, Eurospar, Interspar, Maximarkt	Spar Oesterr. Waren-handels AG Austria	4,907	1,438	Most areas	Direct, Importer, Wholesaler
Hofer Discount-Supermarkets	Hofer	Aldi Group Germany	3,200	425	Most areas	Mother company Aldi, Direct, Importer, Wholesaler
Nah und Frisch Supermarkets	Nah und Frisch	Markant AG Switzer-land and Austrian share-holders	850	776	Most areas	Direct, Importer, Wholesaler
Zielpunkt Discount Supermarkets	Zielpunkt	BLUO SICAV-SIF Luxem-bourg	690	350	Most areas	Direct, Importer, Wholesaler
Lidl Discount Supermarkets	Lidl	Lidl & Schwarz Group Germany	728	180	Most areas	Direct, Importer, Wholesaler

Sources: *1) Cash Almanach and Euromonitor, *2) Euromonitor

B. GAS STATION MARTS, KIOSKS

There are kiosks connected with cinemas, theaters and stadiums, which sell only sandwiches and snacks. This is also the case for the majority of train station kiosks. Only a few of them at the main stations have a larger product line.

The most important non-conventional shops are gas station marts, which belong to big gas station chains but are rented to individuals.

Gas station convenience markets take advantage of an exemption in Austria's 'blue laws' that allows them to sell food and sundries after mandated shop closing times. Apart from a small number of food retail outlets in the capital Vienna, gas station shops are the only outlets open during night, on Sundays and on official holidays. Extended opening hours are the major force behind food purchases as gas station shops. In order to attract consumers, gas station shops have increased their range of products, including premium and organic products. In 2009, and contrary to overall convenience store sales, gas station shops turnover increased by 3 percent. Although prices are significantly higher than in other food retail outlets, a further but smaller increase is estimated for the next years.

Gas Station Marts: Value Sales, Outlets and Selling Space 2004-2009

	2004	2005	2006	2007	2008	2009
Value sales EUR million	748.2	780.5	810.9	842.0	870.1	891.8
Outlets	1,745.0	1,813.0	1,856.0	1,911.0	1,961.0	2,006.0
Selling Space '000 sq m	84.9	89.4	92.1	95.2	98.3	101.0

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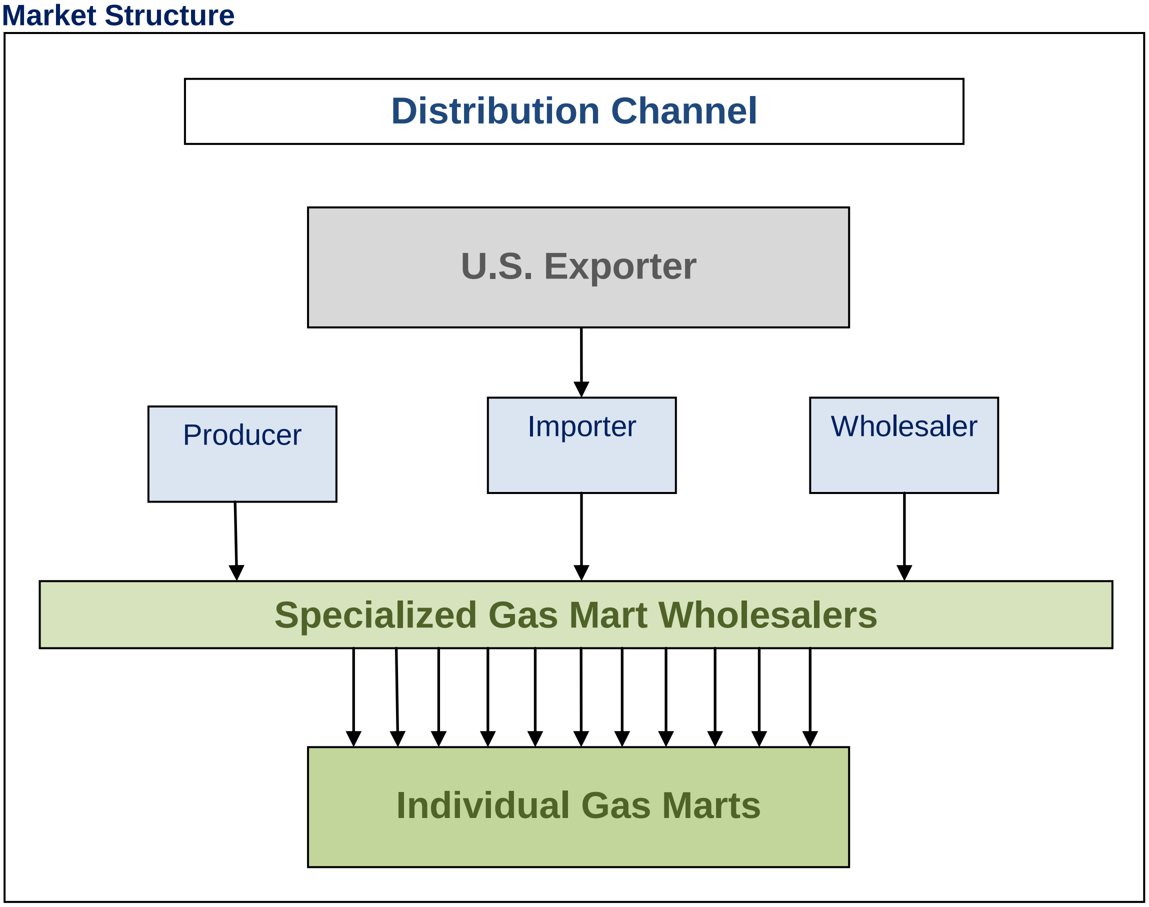
Entry Strategy

All offers should be directed to the wholesalers who forward and discuss these offers with the gas station marts.

Market Structure



Generally, foods and beverages are obtained from wholesalers, which have a special branch for serving gas station marts. The main companies are Lekkerland, Kiennast, and Kastner. Lekkerland is by far the largest company.

Since gas station marts determine the products to be placed on shelves of their company stores, it makes no sense to offer any products to individual gas shops.

The food and beverage sales of gas station shops, which already cover a relatively large share of the Austrian food market, are growing. Among U.S. products, snacks, particularly dried fruits, nuts and various mixtures of these products have the best market opportunities.

Company Profiles

Retailer Name	Shop Name	Owner-ship 2010 *1)	Sales excl. Sales Tax (Euro million) 2009 *2)	No. of Outlets 2009 *2)	Locations (city/ region)	Purchasing Agent Type
OMV	VIVA Shop, OMV Shop, Avanti Shop	OMV Aktien-gesellschaft Austria	215	541	Most areas of Austria	Wholesaler
Shell	Shell Shop, Shell Select Shop	Royal Dutch Shell Group The Netherlands	184	299	Most areas of Austria	Wholesaler
BP	BP Shop	British Petroleum Co Plc United Kingdom	162	340	Most areas of Austria	Wholesaler
AGIP	CiaoAgip Shop	ENI spa Italy	81	180	Many areas of Austria	Wholesaler
Esso	Esso Snack & Shop	ENI spa Italy	64	165	Many areas of Austria	Wholesaler
Billa	Billa Stop & Shop (Shops at Jet gas stations)	Rewe Group Germany	44	90	Many areas of Austria	As Billa super-markets
Avia	Avia Shop	Avia International Switzerland	19	54	Various areas of Austria	Wholesaler

Sources: *1) Cash Almanach and Euromonitor, *2) Euromonitor

C. TRADITIONAL MARKETS – "MOM AND POP" SMALL INDEPENDENT GROCERY STORES AND WET MARKETS

These shops cover only a small percentage of the food market in Austria and their share appears to be in permanent decline. In addition, they offer extremely limited opportunity for sales of imported U.S. products.

Mom and Pop shops buy only through wholesalers.

SECTION III COMPETITION

Austrian total food (raw and processed food including agricultural commodities) and beverage imports in 2009 accounted for $ 10.6 billion of which the U.S. share was about 1 percent. In total 84 percent of all imported agricultural products came from the EU and 78 percent of all exported goods were delivered to EU Member States. The major trading partner is Germany, followed by Italy.

From the United States, Austria imported in 2009 $ 78 million worth of food and agricultural products not including significant and steadily increasing transshipments from other EU countries. Major import items from the United States included food preparations, tree nuts, processed fruits and vegetables, wine, pet foods, and fish and seafood products. As a member of the European Union, Austria has the same wide range of U.S./EU contentious agricultural trade issues. Long transportation time lags for U.S. commodities and duty free imports from EU countries limit food imports. Despite the challenges, there are some market opportunities for the United States, particularly in food products which are not locally produced and in the prime quality sector.

Since EU accession in January 1995, the Austrian food processing industry has faced great economic difficulties. Products of larger food manufacturers of other EU countries are more competitive and have been coming in increasing volumes into Austria. The strongest and most competitive branch within the Austrian food industry is the juice industry.

Austria is a net exporter of beef and has sufficient pork production. Nevertheless some quantities are imported each year from Germany, the Netherlands and Hungary. There is some market in top end restaurants for U.S. grain fed beef but U.S. beef must meet the terms of an EU-wide quota.

There is a rising demand for poultry meat, both broiler and turkey meat. Relatively large imports of poultry (85,214 MT in 2009) are carried out each year. The main suppliers are Germany, Hungary and Poland. U.S. poultry exports would be competitive to meet Austria’s rising demand if the EU approved U.S. poultry slaughter plants and processing practices.

Dairy exports are larger than imports. In 2009, imports of dairy products (including cheese) were at 315,500 MT, whereas exports added up to 1,138,200 MT. However, imports include predominantly fresh cheese and butter. Larger quantities are imported from Germany, Poland, Italy, and Netherlands.

Egg imports by value ($ 90 million, 2009) are almost four times as high as exports ($ 25 million, 2009). Almost half of the imports are eggs without shell and processed egg products like egg powder coming primarily from Germany and Netherlands. Relatively large shares of imported shell eggs are hatching eggs. The United States contributes with 2.1 percent to imported egg products.

Domestic fish production is marginal and limited to trout and carp. Since the country is landlocked, all marine fish, shellfish and crustaceans must be imported. Total seafood imports in 2009 were valued at $ 404 million. Due to transshipment within the EU, the real value of imports is thought to be much higher. From 2005 to 2009, imports from the U.S. increased by 171 percent in value. The main seafood items from the U.S. include fresh/frozen fish and prepared seafood products. The Austrian market offers small but lucrative opportunities for U.S. exporters due to geographical separation but there is competition from lower tariffs for EFTA members (Iceland and Norway) and free imports from other EU members with large seafood industries such as Germany, Denmark, Netherlands, and Sweden. However, since demand for luxury products is growing, sales growth potential exist for U.S. seafood such as salmon, lobster, crab, shrimp and related preserved fish products. A good potential market should also exist for catfish and catfish products.

For U.S. exporters, Austria's dried and processed fruit and vegetable sector and tree nuts imports are interesting. The import value for processed fruit and vegetables in 2009 was $ 670 million. Total import value for tree nuts in 2009 was at $ 81 million. The United States is the third most important supplier of tree nuts to Austria.

Austria has a high share of domestic wine consumption. However, there is some demand for premium as well as inexpensive "new world" wines offered at supermarkets and discounters. Of total wine imports, amounting to $ 232 million in 2009, the U.S. share was about 2 percent. Main competitors include Italy, France, Germany, Spain, and Australia.

Organic sales, with strong government support for domestic production, has grown steadily in Austria over the past few decades. Total organic fresh produce sales are estimated to be 180 million Euro. Already over 5 percent of total retail sales are organic. There is demand for U.S. organic products (nuts, dried fruits, etc.) and other niche products like health food, and sustainable products.

Pet foods imports in 2009 valued $ 168 million. The increasing Austrian dog and cat population boosts the demand for pet foods. In general, the major share comes from other EU countries. The predominant EU supplier is Germany. Around 2% comes from the US.

Austrian Food Imports by Value 2009
(In Millions of U.S. Dollars)

	Imports from the World	Major Supplying Countries	Market Share of Major Supplying Country %	Imports from the U.S.	U.S. Market Share %
CONSUMER-ORIENTED AGRIC. TOTAL	7,991	Germany Italy Netherlands Switzerland	42.7 12.1 8.5 4.0	48.6	0.61
Snack Foods (Excl. Nuts)	742	Germany Netherlands Belgium Italy	61.3 7.1 6.5 5.0	1.9	0.26
Breakfast Cereals & Pancake Mix	63	Germany Switzerland Netherlands	81.8 3.2 2.9	0.1	0.17
Red Meats, Fresh/Chilled/Frozen	646	Germany Netherlands Italy	69.2 7.1 5.1	1.6	0.25
Red Meats, Prepared/Preserved	273	Germany Italy Hungary Slovenia	50.3 20.1 8.0 5.3	0.0	0.01
Poultry Meat	296	Germany Hungary Poland Italy	46.9 21.3 7.4 6.8	0.0	0.00
Dairy Products (Excl. Cheese)	598	Germany Netherlands Poland Czech Republic	61.6 6.6 5.6 5.3	0.0	0.00
Cheese	414	Germany Italy	58.3 14.6	0.0	0.00

		France Switzerland	7.2 4.6		
Eggs & Products	90	Germany Netherlands Italy Hungary Argentina	35.9 20.6 11.0 7.1 5.6	1.9	2.14
Fresh Fruit	650	Spain Italy Costa Roca Germany Ecuador	22.0 18.9 10.2 8.8 6.6	0.4	0.06
Fresh Vegetables	468	Italy Germany Spain Netherlands Hungary	25.9 20.5 16.4 9.9 6.1	0.1	0.02
Processed Fruit & Vegetables	670	Germany Netherlands Italy Turkey	26.0 11.9 11.4 8.2	7.3	1.10
Fruit & Vegetable Juices	256	Germany Poland Italy Brazil Hungary	17.9 14.7 13.0 12.0 10.9	2.1	0.82
Tree Nuts	81	Italy Germany United States Turkey	21.7 19.5 12.9 11.8	10.4	12.92
Wine & Beer	300	Italy Germany France Spain	33.5 24.8 19.8 5.7	4.5	1.50
Nursery Products & Cut Flowers	430	Netherlands Germany Italy	59.5 26.2 5.3	0.3	0.06
Pet Foods (Dog & Cat Food)	168	Germany Liechtenstein France Hungary	46.1 17.2 14.0 8.2	3.9	2.30
Other Consumer Oriented Products	2,052	Germany Switzerland Italy Netherlands	49.2 11.7 11.5 4.3	14.0	0.68
FISH & SEAFOOD PRODUCTS TOTAL	404	Germany Netherlands Denmark Italy	39.4 10.8 6.5 5.8	2.3	0.56
Salmon	48	Germany Norway Poland Denmark	39.7 23.5 14.9 13.5	0.7	1.49
Crustaceans	52	Germany	40.1	0.1	0.25

		India Bangladesh Denmark France	8.7 8.6 6.9 5.2		
Groundfish & Flatfish	14	Netherlands Germany Italy Denmark Spain	34.8 27.8 8.3 3.1 5.4	0.0	0.00
Mollusks	13	Italy Germany Netherlands New Zealand China Denmark	22.2 22.1 10.4 7.7 6.0 5.5	0.1	1.06
Other Fishery Products	277	Germany Netherlands Italy Denmark	40.7 12.8 6.4 5.3	1.3	0.47
AGRICULTURAL PRODUCTS TOTAL	10,644	Germany Italy Netherlands Hungary	39.7 11.2 8.1 4.6	77.9	0.73
AGRICULTURAL, FISH & FORESTRY TOTAL	13,609	Germany Italy Netherlands Czech Republic Hungary Switzerland	40.6 9.5 6.9 5.1 4.5 3.0	92.3	0.68

Source: Global Trade Atlas

SECTION IV BEST PRODUCT PROSPECTS

Product Category	Total Austrian Imports 2009 in 1000 of U.S. $ *)	Austrian Imports from the U.S. 2009 in 1000 of U.S. $ *)	U.S. Import Growth 5 Years (2005-2009) *)	Market Attractiveness for USA
Fish and Seafood Products	403,869	2,279	171 %	The Austrian market offers small but lucrative opportunities for fish and seafood products. Fish consumption in Austria is growing as consumers associate fishery products with a modern healthy diet. Domestic fish production is marginal and limited to fresh water fish like trout and carp. Due to transshipment within the EU, the real value of imports from the United States is thought to be much higher than indicated in customs statistics. Best prospects for U.S. fish and seafood exports are salmon, lobster, shrimps, crabs, caviar substitutes, catfish and scallops.

Tree Nuts	80,837	10,445	14 %	The United States is the third most important supplier of tree nuts to Austria. Most tree nuts are used as ingredients by the food processing sector. Almonds are the most important commodity within this category. Further products with good sales potential include walnuts, pistachios, pecans, and hazelnuts.
Wine and Beer	299,540	4,507	24 %	Austria has traditionally a high share of domestic wine consumption. However, good prospects exist for "new world wines" including those from the United States. In 2009, the United States was the sixth most important supplier of wine (by value) in Austria. U.S. wine sales increased in retail stores including discounters who mainly carry inexpensive U.S. wines.
Pet Foods	167,724	3,858	34 %	Since dog and cat population in Austria is steadily increasing, the demand for dog and cat food is also rising. Austrian companies dominate the pet food market, however, U.S. pet food and ingredients have good market prospects.
Pro-cessed Fruits and Vegetables	669,564	7,346	35 %	Austrian imports of processed fruits and vegetables – mainly prepared nuts/seeds and dried fruits – are constantly growing. Those products are mostly used as ingredients by the food-processing sector for the production of pastries and breakfast cereals. Dried fruits and prepared nuts are also popular as a snack.
Fruit and Vegetable Juices	256,212	2,109	27 %	A very strong fruit juice industry makes Austria one of the most important juice importers worldwide. The demand for fruit juices has been steadily growing over the past years. Good opportunities for U.S. fruit juices in the Austrian market are citrus and cranberry juices.
Snack Foods (Excl. Nuts)	742,290	1,905	36 %	The Austrian demand for healthy, organic, innovative, and exotic snacks continues to grow.
Red Meats Fresh/ Chilled/ Frozen	645,856	1,589	5,197 %	Limited but lucrative opportunities exist for U.S. hormone free high quality beef, game and exotic meat for the upper scale gastronomy.

Category A: Products Present in the Market That Have Good Sales Potential

- Tree nuts
- Wine
- Pet foods
- Processed fruits and vegetables
- Fruit juices
- Snack foods

- Health food, organic food, sustainable food products
- Convenience food, ready meals
- Non-biotech products

Category B: Products not present in Sufficient Quantities but That Have Good Sales Potential

- Cranberries and cranberry products (jam, juice)
- Pecans
- Seafood and seafood products
- Hormone free high quality beef
- Game and exotic meat

Category C: Products not Present because They Face Significant Barriers

- Beef and beef preparations from cattle raised with hormones (hormone ban)
- Poultry (chlorine sanitized poultry may not enter the EU)
- Food and food products deriving from or containing biotech crops (Austria is very biotech hostile)

SECTION V POST CONTACT AND FURTHER INFORMATION

U.S. Embassy
Department of Agriculture
Boltzmanngasse 16
A-1090 Wien
Phone: + 43 (1) 31 339 ext. 2364 or 2293
Fax: + 43 (1) 310 8208
e mail: agvienna@fas.usda.gov
website: http://www.usda-mideurope.com (coming up in January 2011)
FAS web site: http://www.fas.usda.gov

Other Useful Addresses

Wirtschaftskammer Oesterreich (Austrian Economic Chamber)
Bundesgremium Lebensmittelhandel (Federal Board of Food Retail)
Wiedner Hauptstr. 63
A-1045 Wien
Phone: + 43 (5) 90 900 - 3000
Fax: + 43 (5) 90 900 - 290
Website: http://wko.at/lebensmittelhandel

Bundesministerium für Gesundheit
(Federal Ministry of Health)
Radetzkystraße 2
1030 Wien
Tel. +43-1/711 00-0
Fax +43-1/711 00-14300
Website: http://www.bmgfj.gv.at

Agrarmarkt Austria (AMA)

(Agricultural Market Austria)
Dresdnerstr. 70
A-1200 Wien
Phone: + 43 (1) 33 151 - 0
Fax: + 43 (1) 33 151 299
Email: office@ama.gv.at
Website: http://www.ama.at

Related Reports

Country	Date	Report No.	Title
Austria	11/23/2010	AU1008	Exporter Guide
EU27	9/18/2009	E49057	FAIRS Certificate Report
Austria	8/17/2009	AU9010	FAIRS Country Report
EU-27	8/7/2009	E48058	FAIRS Country Report
Austria	5/7/2009	AU9007	Food Processing Sector
Austria	12/30/2008	AU8015	Food Retail Report

Exchange rate 2009= 1 US$ = 0.719 Euro

Source for foreign trade statistics: Global Trade Atlas
Source for market statistics: Euromonitor