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Austria

Retail Foods

2012

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Report Highlights:
Despite the difficult economic situation in the Euro zone, Austrian food retail sales grew by 1.3 percent to 19.5 billion Euros in 2011. With the expected recovery of the economy, a slight increase in growth is forecast for 2012 and 2013. Food retail trends show an increasing number of private labels and high quality, organic, and sustainable products supermarket shelves. U.S. products with good prospects include tree nuts, wine, processed fruits and vegetables, fruit juices, snack foods, high quality beef, pet foods, as well as health, organic and sustainable food products.

Post:
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SECTION I MARKET SUMMARY

Austria is a small market with slightly more than 8 million people and has one of the world's highest living standards. According the"Better Life Index 2012," Austria is ranked number 16 among all OECD member states. Austria is a part of the EU single market but the Austrian economy tends to perform better than the EU Austria has one currency union's lowest unemployment rates.

Despite the broader economic situation in Europe, Austrian consumer expenditures have grown steadily in recent years and food and beverage sales have benefited. From 2008 to 2011, consumer expenditures on food and non-alcoholic beverages grew 5.3 percent and now account for about 13 percent of total consumer expenditures or about Euro 19,500 per capita. (Source: Euromonitor)

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

Consumer Expenditures	2008	2009	2010	2011	2012 *	2013 *
Consumer expenditures	18,258.3	18,299.7	18,906.3	19,589.8	*20,134.4*	*20,659.8*
Consumer expenditures on food and non-alcoholic beverages	1,887.3	1,901.9	1,931.9	1,987.3	*2,034.0*	*2,073.7*
Consumer expenditures on alcoholic beverages and tobacco	616.5	624.0	633.6	656.1	*658.9*	*669.8*

* 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 market opportunities for the United States, particularly in food products which do not compete with not locally produced foods and in the premium quality sector.

Austrian Food Retail Total: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	18,050.6	18,966.7	19,152.2	19,254.4	19,507.4	19,826.1
Outlets	10,507.0	10,876.0	10,734.0	10,677.0	10,444.0	10,416.0
Selling Space '000 sq m	3,517.3	3,550.3	3,550.7	3,563.9	3,586.4	3,632.1

In 2011, the Austrian food retail value grew by 1.3 percent and had sales of 19.5 billion Euros (excluding sales tax). With the expected recovery of the economy a slightly increased growth of 1.6 percent is forecast for 2012.

In total, 10,444 outlets were reported in 2011 which is a reduction of 2.2 percent from 2010. The number of outlets is expected to further decrease in 2012.

The three biggest food retail companies (REWE, Spar, Hofer) supported 71.5 percent of the domestic food retail market in 2011. The retail value share of discounters was at 26.3 percent. The trend towards discounters continues.

Apart from Spar Warenhandels AG, the leading food retailers in Austria are large and influential German retailer groups. Competition from these groups is contributing to the decline of local independent retailers in Austria and has over the years changed the structural of the Austrian retail landscape. Some small regional or local suppliers with individual services (e.g., party catering and delivery; special products) and niche products are still able to survive. Sales of traditional food retailers in 2011 only accounted for 11.6 percent of total food retail sales.

REWE Austria covers mainly the eastern part of Austria and Spar the western parts. The food retail market share of REWE Austria in 2011 was 28 percent, the market share of Spar accounted for 26.9 percent.

The two main discount food retailers, Hofer and Lidl, are expanding across Austria. The number of discount stores is increasing (in 2011: 1,256 total discount outlets) with Hofer leading the way with 440 outlets. This growth for discounters is not only driven from the economy. Discounters in Austria are attracting customers by also offering a wide range of low-priced non-food products as special sale items.

Even though some efforts have been made during the last couple of years to liberalize the Austrian retail sector, it still remains very traditional with a high degree of government control. Most Austrian retailers are still not allowed to open their shops on Sundays or on 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.

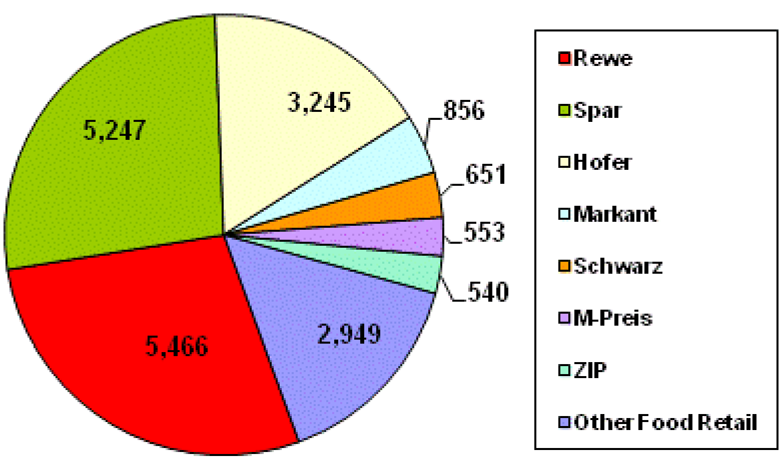
Intense competition between supermarkets/hypermarkets and discounters has lead to greater efforts to copy these key success factors. Non-discounting retailers are strengthen low-priced product lines, especially private labels. Discounters, on the other hand, have made efforts to improve by offering more fresh products and the introduction of organic and sustainable products.

Since husbands and wives work 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 increasing categories in food retail. Retailer chains make efforts to gain market share by offering and promoting CO2 saving products. For example the retailer Hofer labels the CO2-saving for its organic label “Zurueck zum Ursprung [return to the source]” compared to conventional products. In response, Zielpunkt introduced fair trade products. All major Austrian food retail chains have their own sustainability programs and logos and many have developed private label brands. The most important sustainability themes adopted in Austria are: organic, regionally produced, GHG savings, fair trade, and GMO-free.

Due to the low-price strategy of food retailers and discounters, 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.

An increase in the number of private labels in the organic food sector has also been noticeable over the past few years and this is partly due to consumers perception of organic food being more healthy and partly due to food scandals. The leading private labels in this product sector are “Ja Natürlich [yes, naturally]” from Rewe and “Natur pur [pure nature]” from Spar.

Food Retail - 2011 Retail Value excl. Sales Tax in Euro million
2011 Total Food Retail Sales: 19.5 billion Euros



Austrian Food Retail Sector

Sales Value 2011 by Companies
Source: Euromonitor

Advantages/Opportunities	Challenges/Constraints
High income level of the Austrian population and stable economy	Foods containing or made from biotech products are not accepted by consumers and retailers
Urban population growing, which boosts demand for international food	Competition from EU member states
U.S. style food is popular, especially among the younger generation	Products must meet strict Austrian/EU/retailer requirements; regional and sustainable products are highly promoted
Good reputation of certain U.S. products like	Austrian buyers demand quality but also low

dried fruits and nuts	prices
Growing market for organic, sustainable and health food products	High promotion costs to increase consumer awareness
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); 95 percent of Austrians fish and seafood consumption needs to be imported	Growing retailers' promotion and consumer awareness of carbon footprint results in disadvantage for products with long-distance shipping
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 important retailing channel in Austria. In 2011, there were 189 outlets with a total sales value of almost 2 billion Euros (10.3 percent of total food retail value), which is an increase of 2.6 percent compared to 2010. Hypermarkets profit from the consumer trend toward purchasing grocery and non-grocery items at one store. Spar is the dominate firm in the hypermarket category, holding a 73 percent value share in 2011.

Hypermarkets: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	1,778.5	1,799.4	1,871.0	1,925.1	1,975.8	2,045.3
Outlets	189.0	188.0	190.0	191.0	189.0	192.0
Selling Space '000 sq m	585.8	582.3	594.9	600.4	598.4	608.4

Source: Euromonitor

Supermarkets

Supermarkets are by far the largest food retail channel, accounting for 45 percent of food retail sales in 2011. During the same year total retail sales in supermarkets grew by 3.8 percent compared to 2010 and reached 8.8 billion Euros. The two leading supermarket chains from the REWE group and Internationale Spar Centrale BV accounted together for 91.4 percent of total supermarket sales in 2011 (REWE: 50.3 percent, Spar: 41.1 percent). The retailing leader REWE competes with its well established budget private label "Clever" whereas Spar introduced its private label "S-Budget". In addition, products labeled as sustainable, organic and GMO-free reach more and more importance to food retailers.

Supermarkets: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	7,595.5	8,185.5	8,293.7	8,500.5	8,823.4	9,107.5
Outlets	2,693.0	3,080.0	2,962.0	2,947.0	2,949.0	2,967.0
Selling Space '000 sq m	1,514.7	1,511.6	1,484.9	1,504.4	1,531.7	1,558.1

Source: Euromonitor

Discounters

In Austria, discounters represent the second most important retail channel after supermarkets. In 2011, sales of discounters accounted for 26.4 percent of total food retail sales. As a result of weaker demand from low income buyers and increased price competition, discounters experienced a sales decrease of 0.4 percent in 2011. Hofer is by far the leading discounter with a value share of 63.2 percent in 2011. Hofer’s private organic label “Zurueck zum Ursprung” (“back to the source”) was, however, a success story. Discounters increasingly compete using organic, fair-trade and high quality products. All discounters in Austria are German-owned.

Discounters: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	5,002.2	5,306.0	5,312.8	5,159.7	5,138.6	5,125.4
Outlets	1,216.0	1,264.0	1,276.0	1,251.0	1,256.0	1,263.0
Selling Space '000 sq m	757.9	801.1	813.4	805.6	812.8	818.4

Source: Euromonitor

Convenience Stores

In 2011, the convenience distribution channel accounted for only 2.8 percent of total food retail. During the same period, convenience stores turnover increased by 1.7 percent. For the coming years, further growth is forecast to be low. In 2011, Nah & Frisch was the leading convenience brand with a value share of 68.9 percent, followed by Spar (30.3 percent).

Convenience Stores: Value Sales, Outlets and Selling Space 2007-2012

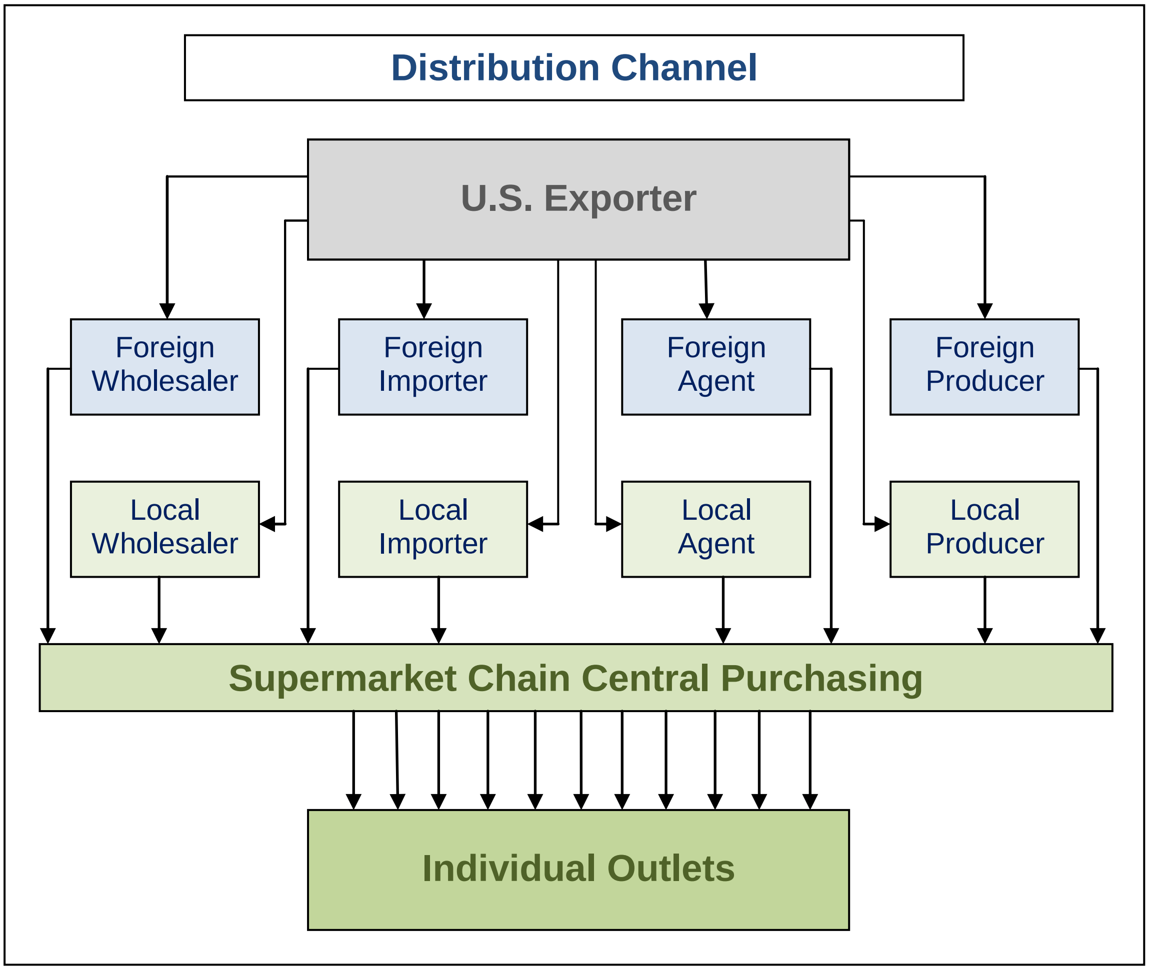
	2007	2008	2009	2010	2011	2012
Value sales EUR million	568.1	577.6	582.1	570.0	579.6	590.1
Outlets	888.0	875.0	869.0	845.0	854.0	866.0
Selling Space '000 sq m	194.5	192.0	190.9	184.9	187.0	189.6

Source: Euromonitor

Entry Strategy

An established way to meet Austrian food importers is to attend major European food trade shows. Such as ANUGA in Cologne and SIAL and in Paris. The USDA/FAS office in Vienna is able to help identify potential buyers for U.S. food and farm products (please see: www.usda-mideurope.com).

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 2011 *1)	Sales excl. Sales Tax (Euro million) 2011 *1)	No. of Outlets 2011 *1)	Locations (city/ region)	Purchasing Agent Type
Rewe Supermarkets Superstores, Discount-Supermarkets	Billa, Merkur, Penny, ADEG AGM Sutterluetty, Magnet	REWE Inter-national AG	5,466	1,985	Most areas	Direct, Importer, Wholesaler
Spar Supermarkerts, Superstores, Hypermarkets	Spar, Eurospar, Interspar Maximarkt	Spar Oesterr. Waren-handels AG Austria	5,247	1,470	Most areas	Direct, Importer, Wholesaler
Hofer Discount-Supermarkets	Hofer	Aldi Group Germany	3,245	440	Most areas	Mother company Aldi, Direct, Importer, Wholesaler
Markant Supermarkets	Nah und Frisch, Unimarkt	Markant AG Switzer-land and Austrian share-holders	856	782	Most areas	Direct, Importer, Wholesaler
ZIP Discount Supermarkets	Zielpunkt	ZIP Waren-handel AG	540	301	Most areas	Direct, Importer, Wholesaler
Lidl Discount Supermarkets	Lidl	Schwarz Beteili-gungs GmbH	651	200	Most areas	Direct, Importer, Wholesaler

Source: *1) Euromonitor

B. GAS STATION MARTS, KIOSKS

There are kiosks connected with cinemas, theaters and stadiums, which sell 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 marts take advantage of an exemption in the shop opening law that allows them to sell food and sundries after the strictly regulated shop opening hours. 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 official holidays. Extended opening hours are the major reason for consumers to buy at gas station shops. In order to attract consumers, gas station shops increase their range of products including premium and organic products. Because prices are significantly higher than in other food retail outlets in combination with the bad economic situation gas station shops faced a decline of in sales in 2011 by 9.6 percent but is estimated to recover in the coming years.

Gas Station Marts: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	747.5	759.4	774.6	795.8	718.8	729.0
Outlets	1,641.0	1,652.0	1,685.0	1,720.0	1,508.0	1,517.0
Selling Space '000 sq m	84.9	85.6	88.7	94.2	86.5	92.8

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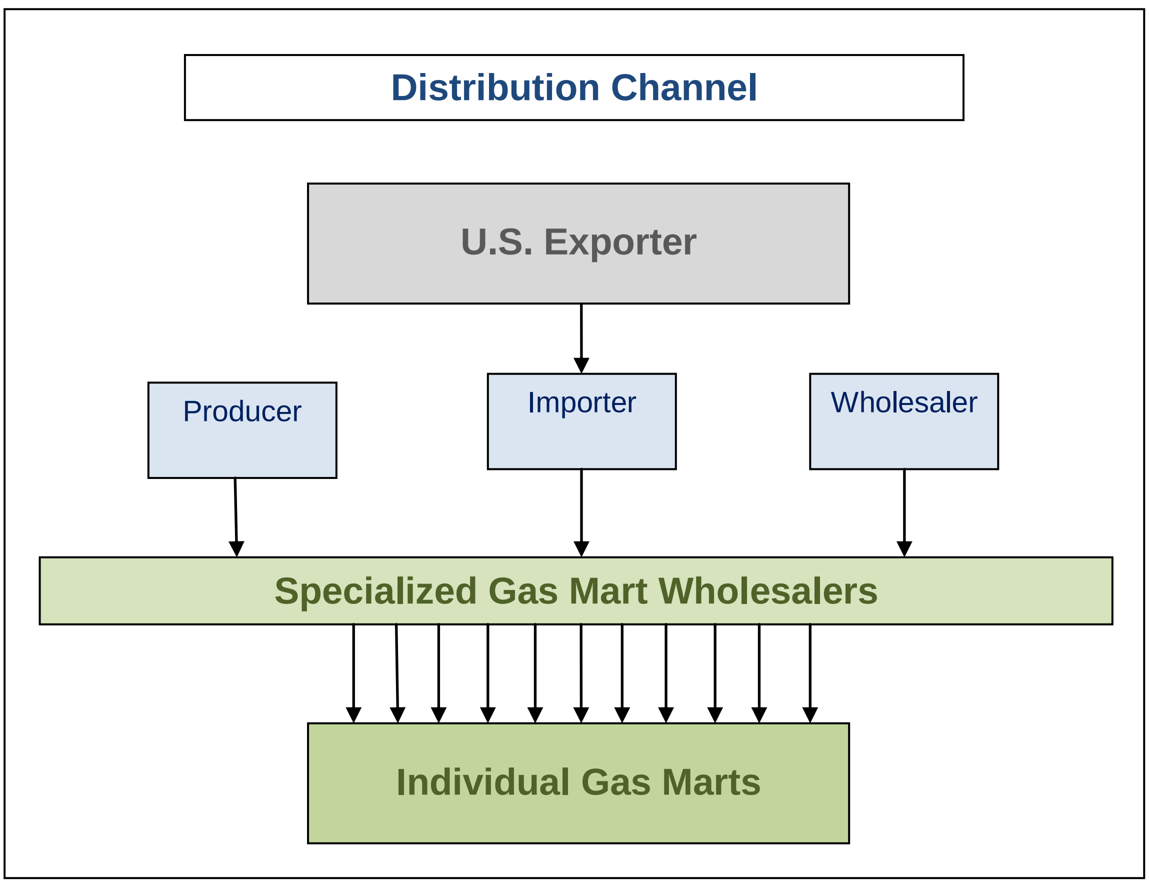
Entry Strategy

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) 2011 *1)	No. of Outlets 2009 *1)	Locations (city/ region)	Purchasing Agent Type
OMV	VIVA Shop, OMV Shop	OMV Aktien-gesellschaft Austria	169	399	Most areas of Austria	Wholesaler
Shell	Shell Shop, Shell Select Shop	Royal Dutch Shell Group The Netherlands	177	284	Most areas of Austria	Wholesaler
BP	BP Shop	British Petroleum Co Plc United Kingdom	166	352	Most areas of Austria	Wholesaler
AGIP	CiaoAgip Shop	ENI spa Italy	122	280	Many areas of Austria	Wholesaler
REWE	Billa Stop & Shop (Shops at Jet gas stations)	Rewe Group Germany	56	109	Many areas of Austria	As Billa super-markets
Avia	Avia Shop	Avia International Switzerland	20	56	Various areas of Austria	Wholesaler
Spar	Spar Express (Shops at Shell gas stations)	Internationale Spar Centrale BV				

Sources: *1) Euromonitor

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

Traditional Food Retail: Value Sales, Outlets and Selling Space 2007-2012

	2007	2008	2009	2010	2011	2012
Value sales EUR million	2,358.9	2,338.9	2,317.9	2,303.3	2,271.1	2,229.0
Outlets	3,880.0	3,817.0	3,752.0	3,723.0	3,688.0	3,611.0
Selling Space '000 sq m	379.5	377.7	378.0	374.5	369.9	364.9

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.

Traditional food retailers and Mom and Pop shops buy only through wholesalers.

SECTION III COMPETITION

Austrian total food (raw and processed food including agricultural, fishery and forestry commodities) and beverage imports in 2011 accounted for $ 16.5 billion of which the U.S. share was about 1 percent. In total 83.3 percent of all imported agricultural products came from the EU and 75 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 2011 $ 107 million worth of food, agricultural, fishery and forestry products not including significant 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 US/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 large 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 for U.S. high quality hormone free beef.

There is a rising demand for poultry meat, both broiler and turkey meat. Relatively large imports of poultry (90,333 MT in 2011) 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.

Dairy and dairy products exports are larger than imports. In 2011, imports of dairy products (including cheese) were at 336,338 MT, whereas exports added up to 1,228,779 MT. However, imports include predominantly fresh cheese and butter. Larger quantities are imported from Germany, Netherlands, and Italy.

Egg and egg products imports by value ($ 89.6 million, 2011) are almost four times as high as exports ($ 25.9 million, 2011). About 35 percent of the imports are eggs without shell and processed egg products like egg powder coming primarily from Italy, Germany and Netherlands. Relatively large shares of imported shell eggs are hatching eggs. The United States contributes with 1.8 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 crustacea must be imported. Total seafood imports in 2011 valued at $ 460 million. Due to transshipment within the EU, the real value of imports is thought to be much higher. 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. Challenges for U.S. exporters are the geographical separation, 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, some sales prospects exist for U.S. seafood such as salmon, lobster, crab, shrimp, caviar and related preserved fish products. A good potential market should also exist for catfish and catfish products, fresh and breaded.

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 2011 was $ 770 million. Total import value for tree nuts in 2011 was at $ 121 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 and beer imports, amounting to $ 333 million in 2011, the U.S. share was about 1.6 percent. Main competitors include Italy, France, Germany, Spain, and Australia.

The development of organic sales in Austria is a steadily upward one. Total organic fresh produce sales are estimated to value about Euro 180 million. Already over 5 percent of total retail sales consist of organic products. 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 2011 valued $ 198 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 1.2 percent comes from the US.

Austrian Food Imports by Value 2011
(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	41.9 12.7 8.0 4.0	56.3	0.62
Snack Foods (Excl. Nuts)	805	Germany Belgium Netherlands Italy	60.3 6.8 6.2 5.4	1.4	0.17
Breakfast Cereals & Pancake Mix	69	Germany France Poland	72.1 5.8 4.0	0.0	0.01
Red Meats, Fresh/Chilled/Frozen	741	Germany Netherlands Italy	68.1 9.2 3.4	4.1	0.55
Red Meats, Prepared/Preserved	334	Germany Italy Hungary Slovenia	49.9 18.4 10.0 5.5	0.2	0.05
Poultry Meat	357	Germany Hungary Poland Italy	44.1 24.5 8.4 6.5	0.0	0.0

Dairy Products (Excl. Cheese)	447	Germany Netherlands Belgium Czech Republic	68.4 5.8 3.8 3.6	0.2	0.05
Cheese	489	Germany Italy France Netherlands	55.4 15.1 8.8 5.1	0.0	0.0
Eggs & Products	90	Germany Hungary Italy Netherlands France	33.3 17.9 9.6 9.4 7.9 5.0	1.6	1.8
Fresh Fruit	702	Italy Spain Germany Costa Roca Ecuador	22.6 20.1 9.2 8.3 6.6	0.5	0.07
Fresh Vegetables	532	Italy Germany Spain Netherlands Hungary	30.6 19.3 16.3 8.7 5.8	0.0	0.01
Processed Fruit & Vegetables	770	Germany Italy Netherlands Turkey	23.3 12.9 10.8 9.4	5.6	0.73
Fruit & Vegetable Juices	359	Poland Germany Italy Brazil China	21.6 12.8 12.5 11.6 8.0	3.8	1.07
Tree Nuts	121	Italy Germany United States Turkey	21.9 14.5 11.2 11.2	13.5	11.17
Wine & Beer	333	Italy Germany France Spain	38.1 19.9 18.1 5.5	5.2	1.56
Nursery Products & Cut Flowers	458	Netherlands Germany Italy	56.5 27.7 6.3	0.0	0.0
Pet Foods (Dog & Cat Food)	198	Germany France Liechtenstein Hungary	51.5 12.6 10.4 5.9	2.3	1.18
Other Consumer Oriented Products	2,304	Germany Switzerland Italy France	49.8 12.7 11.1 4.3	17.8	0.77
FISH & SEAFOOD PRODUCTS TOTAL	460	Germany Netherlands Norway	34.0 11.3 6.2	5.3	1.14

		Denmark	5.3		
Salmon	60	Germany Norway Poland Denmark	30.7 29.1 19.3 7.0	1.0	1.73
Crustaceans	60	Germany Bangladesh Vietnam Thailand	34.9 9.4 7.9 6.3	0.0	0.06
Groundfish & Flatfish	13	Netherlands Germany Denmark Italy Spain	35.3 24.5 7.9 7.1 5.1	0.0	0.1
Molluscs	15	Germany Italy China New Zealand Netherlands Denmark	27.5 16.7 6.9 6.8 6.6 5.8	0.6	4.2
Other Fishery Products	311	Germany Netherlands Italy Denmark	35.1 13.7 5.3 4.8	3.5	1.13
AGRICULTURAL PRODUCTS TOTAL	12,864	Germany Italy Netherlands Hungary	37.4 11.7 7.5 5.7	85	0.66
AGRICULTURAL, FISH & FORESTRY TOTAL	16,499	Germany Italy Netherlands Hungary Czech Republic	38.0 9.8 6.4 5.6 5.4	107	0.65

Source: Global Trade Atlas

SECTION IV BEST PRODUCT PROSPECTS

Product Category	Total Austrian Imports 2011 in 1000 of U.S. $ *)	Austrian Imports from the U.S. 2011 in 1000 of U.S. $ *)	Market Attractiveness for USA
Fish and Seafood Products	459,680	5,258	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. In recent years the demand for frozen U.S. pollack filets has increased

			significantly.
Tree Nuts	120,821	13,493	In 2011, the United States was the second most important supplier of tree nuts by quantity 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	333,107	5,206	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 2011, the United States was the eighth 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	198,366	2,338	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.
Processed Fruits and Vegetables	770,049	5,646	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	359,372	3,839	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)	804,699	1,381	The Austrian demand for healthy, organic, innovative, and exotic snacks continues to grow.
Red Meats Fresh/ Chilled/ Frozen	741,323	4,062	Limited but lucrative and increasing opportunities exist for U.S. hormone free high quality beef, game and exotic meat for the upper scale gastronomy.
Eggs & Products	89,650	1,616	The United States is Austria’s number one supplier of albumins and albumin derivates which are used in the food processing industry. In the last two years (2008 to 2011) Austrian imports of this category from the United States increased by 90 percent.

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
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.bmgf.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

Annex I – Related Reports

Related Reports
Road Map to the Austrian Market|Exporter Guide|Vienna|Austria|12/10/2012 Given the recession in the Euro area the Austrian economy performs relatively well. Austrian consumer expenditures have grown steadily in recent years and food and beverage sales have benefited. Although products from Austria, Germany, and other EU countries dominate the Austrian food retail shelf space, there are good market opportunities for U.S. products, particularly at the upper end of the market. Consumer-oriented food and beverage products remain the most important agricultural imports... Exporter Guide_Vienna_Austria_11-21-2012
Using 'Sustainability' to Market U.S. Foods In Europe|Special Certification - Organic/Kosher/Halal Retail Foods Market Promotion/Competition|Vienna|EU-27|11/7/2012 This report provides information and analysis for U.S. food and agricultural exporters on the topic of 'sustainability'. Using 'Sustainability' to Market U.S. Foods In Europe_Vienna_EU-27_11-2-2012
An Overview on the Austrian Food Processing Sector|Food Processing Ingredients Sector|Vienna|Austria|1/11/2012 The Austrian food processing industry plays a major role in the Austrian economy. The food processing industry serves a market of 8.3 million people and represents the fifth largest industrial sector within all Austrian industrial processing sectors. Total sales in 2010 were $ 9.3 billion compared to $ 7.3 billion in 2001. U.S. products with good prospects include tree nuts, wine, pet foods, processed fruits and vegetables, fruit juices, snack foods, convenience foods as well as health, organ... Food Processing Ingredients_Vienna_Austria_1-5-2012
FAIRS Export Certificate Report|FAIRS Export Certificate Report|Vienna|Austria|2/24/2011 This report covers only specific export certificate requirements by Austria, which are different from EU requirements. Food and Agricultural Import Regulations and Standards - Certification_Vienna_Austria_1-12-2011
FAIRS Country Report|FAIRS Country Report|Vienna|Austria|1/28/2011 This report outlines specific requirements for food and agricultural products imports into Austria. Austria as a member of the European Union follows the EU directives and regulations. It is recommended that this report be read in conjunction with the EU-27 Food and Agricultural Import Regulations and Standards. Food and Agricultural Import Regulations and Standards - Narrative_Vienna_Austria_1-12-2011
EXPORTING PET FOOD TO THE EU|FAIRS Subject Report|Brussels USEU|EU-27|8/10/2012 In the EU, pet food is not regulated by one specific piece of legislation. Exports of U.S. pet food are subject to both the EU's feed marketing legislation and veterinary legislation. U.S. pet food exporters must verify the full set of import requirements with their EU customers. This report provides an overview of EU legislation relating to imports of pet food. EXPORTING PET FOOD TO THE EU_Brussels USEU_EU-27_8-7-2012
NEW EU FRUIT JUICE LABELING RULES|FAIRS Subject Report|Brussels USEU|EU-27|6/12/2012 New EU rules for the labeling of fruit juices and fruit nectars are being introduced by Directive 2012/12/EU. The new rules also apply to imports of fruit juices and similar products from the U.S. This report provides an overview of the main changes introduced by the new directive.

NEW EU FRUIT JUICE LABELING RULES_Brussels USEU_EU-27_5-31-2012
FAIRS Subject Report|Brussels USEU|EU-27|1/18/2012 European Parliament and Council Regulation 1169/2011 on the provision of food information to consumers was published in Official Journal L 304 of November 22, 2011. This regulation establishes new horizontal food labeling requirements and most provisions will apply from December 13, 2014. The key elements of the new EU food labeling rules include the mandatory nutrition declaration, the extension of country of origin labeling to fresh meat of swine, sheep, goats and poultry, a minimum font si... NEW EU FOOD LABELING RULES PUBLISHED_Brussels USEU_EU-27_1-12-2012
FAIRS Country Report|FAIRS Country Report|Brussels USEU|EU-27|1/5/2012 This report updates each of the nine sections and provides an overview of food laws currently in force in the EU-27. In order to facilitate the reading of this report, updates specific to 2011 have been highlighted. European Commission proposals/initiatives which may have an impact on U.S. exporters are also included. Information published on the USEU/FAS website will be transferred to a new website in the first half of 2012. Food and Agricultural Import Regulations and Standards - Narrative_Brussels USEU_EU-27_1-4-2012
|FAIRS Subject Report|Brussels USEU|EU-27|8/23/2011 The European Commission published a proposal to revise the legislative framework currently in place for dietetic foods. This proposal will have a direct impact on specialized dietetic food producers. Although the proposal does not ban any products, products will need to be re-labeled or reformulated. The deadline for submitting comments under the WTO TBT Agreement is October 20, 2011. COMMISSION PROPOSES TO ABOLISH CONCEPT OF DIETETIC FOODS_Brussels USEU_EU-27_8-4-2011
|Trade Policy Monitoring FAIRS Subject Report Biotechnology and Other New Production Technologies|Brussels USEU|EU-27|5/18/2011 This report explains what nanotechnology is, how it is used, what the concerns are and how it is or will be assessed and regulated in the EU with regard to its use in food. Nanotechnology in Food - current status in the EU _Brussels USEU_EU-27_5-6-2011
FAIRS Export Certificate Report|FAIRS Export Certificate Report|Brussels USEU|EU-27|4/26/2011 This guide provides an overview of export health certificates needed for exporting plants, animals, foods and other animal origin products to the EU. U.S. regulatory agencies have been informed of the wide range of certificates changes that have occurred in the past months and have updated their export manuals to reflect those changes. A major change concerns the use of new EU dairy certificates and the shift towards electronic documents for dairy products. However, several other certificates... Food and Agricultural Import Regulations and Standards - Certification_Brussels USEU_EU-27_3-23-2011

Exchange rate 2011: 1 US$ = 0.7188 Euro (Source: Oanda.com)

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