Austria is one of the leading countries in organic production and consumption. In 2016, about 21 percent of the total agricultural area and 18 percent of all farms were under organic management. Austrians rank number six in per capita expenditures on organic products. Organic expenditures per household rose by 29 percent between 2011 and 2015. Most important organic outlets are conventional supermarket chains. There are good market prospects for U.S. organic products which are not locally produced.
Organic Production

Organic farming has great importance within Austria. Austria has the highest percentage of agricultural land under organic management in Europe (after the small country Liechtenstein) and organic production has been a recognized production method since 1927. Due to government support measures, a steep increase of number of farms that shifted into organic production took place in the 1990s and remained at a high level. In 2016, there were about 21,000 certified organic farms, which compare to 18 percent of all Austrian farms. In the same year, Austrian organic production took place on approximately 552,000 hectares; this corresponds to 21 percent of the total agricultural area.

In 2015, 14.4 percent of all crop acreage accounted for organic production (almost 194,000 hectares). Most important organic crops are winter soft wheat, grass-clover ley, rye, and corn. Increasing acreage is reported for durum wheat, emmer wheat, buckwheat and lentils. In addition organic wine and sugar production are on a rising trend. During 2015, about 17 percent of cattle including dairy cattle were organic. Organic pig production in 2015, only accounted for one percent of all pig production, whereas 50 percent of goats, 27 percent of sheep, and 15 percent of poultry were organic.

* Estimate

Source: Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW)
Organic Consumption

Not only organic production is on a high level in Austria; consumption is also high. Per capita expenditures of organic sales in Austria rank number six in the world (Source: Research Institute of Organic Agriculture - FiBL). Organic food products have developed from a niche market to having a significant market share. According to RollAMA analysis (quarterly agricultural and food marketing study conducted by keyQuest by order of Agrarmarkt Austria Marketing – “AMA” Marketing) almost all Austrian households purchase organics occasionally. Frequency of organic purchases and quantity of organic purchases per Austrian household are constantly rising. Between 2011 and 2015, organic expenditures per household increased by 29 percent. Except for meat and meat products organic purchases in Austrian food retail are on a rising trend (Source: RollAMA). The Austrian agriculture ministry (BMLFUW) estimates that about 10 percent of all food retail sales are organic. Most favored organic products by Austrian consumers are bread and pastries, fresh milk and dairy products, eggs, potatoes, fresh vegetables and fruits.

Policy

Austria’s farm policy favors small-scale and sustainable agriculture. Austria supports EU policies that limit subsidies for large farms, that are linked to environmental programs, and that promote lifestyle concepts such as “sustainable”, “organic”, “range fed,” and “alpine” 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 the afore mentioned highly promoted concepts. The Austrian Federal Government has anchored the strengthening and further development of organic agriculture in the coalition agreement. In Austria, organic farming has received financial support since the 1990s. The “Organic Farming” measure is considered to be the most significant measure of the Austrian agricultural environmental program (ÖPUL). Slightly over a quarter of the ÖPUL payments are being
used for organic farming (97.7 million Euros in 2015). The current organic government action program is effective from 2015 through 2020.

**Market Outlets**

Conventional super market chains and discounters dominate the Austrian organic market. Two thirds of organic sales account for this category. All big food retail chains have their own organic labels. In 1994, the food retail **REWE group Austria** started with the organic brand name “ja! Natürlich” in its supermarket outlets “BILLA” and “Merkur”. Several supermarket chains followed this example. The second large food retailer in Austria “**Spar**” launched the brand name “Natur*pur” and the third big 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. Catering in the public and private sector are an additional growing marketing channel for organics.

**Organic Seals**

The 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
Prices

Prices for organic food products compared to corresponding conventional products vary depending on the commodity.

![Organic Consumer Prices Compared to Conventional, 2015](chart.png)

Source: RollAMA

Trade

There is hardly any reliable estimate for Austrian trade volume of organic products. The tariff codes of the European Union do not include a distinction of organic products. Most important trading partners on organics are the neighboring European countries. Exports mainly go to Germany, Italy, United Kingdom, and The Netherlands whereas imports more and more also come 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 USA and the EU can recognize each other’s systems and work together across borders.

U.S. Market Opportunities

For many commodities Austria and the European Union are largely self-sufficient in organic production. 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. 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 conventional 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.

Related Reports


The organic arrangement between the U.S. and the EU in combination with growing demand for organic products in the EU creates opportunities for U.S. companies. Export opportunities are to be found in fresh produce, dried fruit and nuts, specialty grains and processed products.


The first eleven months of 2013 (January through November), the United States exported $7.6 million worth of organic products covered under the organic HS codes to the European Union. This is an increase of 55 percent compared to the same period in 2012. This report includes an update on EU-U.S. trade of organic products where an HS code for “certified organic” fresh or processed agricultural products has been introduced. The report does not cover the entire EU-U.S. organic trade but the sta...