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Organic Farming in Austria





SUSTAINABLE FOR NATURE AND MANKIND

Quality of life

We create and we safeguard the prerequisites for a high quality of life in Austria.

Bases of life

We stand for a preventive management and responsible use of the bases of life, soil, water, air, energy, and biodiversity.

Living environment

We support an environmentally benign development and the protection of living environments in urban and rural areas.

Food

We provide for the sustainable production in particular of safe and high-quality foodstuffs and of renewable resources.

I M P R I N T

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Ladies and Gentlemen,

More than 14 percent of Austria's farmers are already practising organic farming and more than 16 percent of the utilised agricultural area are managed according to the principles of organic farming. This makes us Europe's organic country no 1. Organic farming is therefore also the top rider of the Austrian way towards a further "greening" of agriculture, which is evident also in the high number of farmers participating in the Austrian Agri-environmental Programme ÖPUL.

Committed and future-oriented farmers and farm women, professional processing enterprises, distributors, organic farming inspection bodies and environmentally aware consumers ensure that Austria will also in the future play a leading role in this field. Austria's agricultural policy supports organic farming by means of efficient and diverse subsidies. Giving clear information to consumers is an important component of the strategy. In the final end, their decisions will be crucial for the future development of organic farming in Austria.

This brochure is to give all interested persons an insight into organic farming. In addition to a large statistical part, it answers questions like what the typical features of organic farming are, how stringently organic products are controlled, how one will know at first glance which products are organic, and where they can be bought.

Niki Berlakovich
Minister of Agriculture and the Environment

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What does “ORGANIC” mean?

Organic farming is the most environmentally compatible form of agriculture. Yet ‘organic’ means more than just farming without synthetic chemicals. A holistic philosophy and a farming cycle as complete as possible, with a diverse structure, are the principles and prerequisites of successful organic farming. The natural resources of soil and water are used in an environmentally compatible manner and are preserved for future generations.

Organic farming, therefore, is a holistic approach which takes into account the following principles:

Lowest possible use of external energy sources

Organic farming, for example, excludes the use of artificial fertilisers, the production of which consumes large amounts of energy.

Utilisation of natural self-regulating mechanisms

Diversified crop rotation, the use of beneficial species, careful soil cultivation, and homeopathy for animals ensure animal health and the ecological balance on fields.

Nourishment of the soils instead of the plants

Soil nutrients are activated through careful soil cultivation, the application of compost and well-prepared organic manure.

Fullest farming cycles possible

Farm waste products such as compost or organic manure (dung, muck, animal slurry) are recycled; if possible, no additional agricultural supplies are purchased.

Species-appropriate keeping of animals

Animal husbandry is particularly well adapted to the needs of the respective animals (no tethering, free-range exercise or grazing has to be possible). The feed has to come from organic farming.

Protection of environmental resources

By taking all these principles into account, organic farming ensures a rather careful way of dealing with natural resources and the enhancement of biodiversity.

ORGANIC protects the climate

What many consumers may not think of when purchasing organic products: By doing so, they make a contribution to climate protection. Compared to conventional agriculture, organic farming saves 60 % of the CO₂ emissions. The reason: No synthetic nitrate fertilisers are used. Moreover, due to the higher share of humus in the soil, the higher shares of area used for intermediate crops and underseeds the fixation of carbon dioxide is much more efficient.

Of course, also in the case of organic products one should pay attention to the regional origin. For when we buy organic products from overseas, the climate balance is less positive as a result of the long transport routes.

What are organic farmers allowed to do?

To remain true to the holistic approach of organic farming, organic farmers must consider the various procedures on their farms more carefully than their conventional fellow-farmers do. They must economise considerably in their use of natural resources. EU Regulations provide detailed rules saying what organic farmers are allowed to do and what is prohibited. For more comprehensive information on the EU Regulations, please see page 13.

Plant growing

Organic farmers are concerned with increasing the activity of soil life with various measures so as to preserve the natural equilibrium and the fertility of the soil.



They achieve this by preserving the **diversity of species** in **crop rotation**. For this reason a principle of organic farming is not to grow cereals on one and the same location for years, but to let a foliage plant like sunflower or pumpkin follow the “demanding” cereals. For only where a plant which needs ample nutrients from the soil is followed by a plant with lower nutrient requirements will the soil not be exhausted and remains fertile.

During wintertime, or all over the year, **nitrogen-collecting plants** (lucerne, peas, clover, etc.) are grown so as to save the spreading of artificial fertilisers.

This is how fertilisation works in organic farming

Organic farmers do not apply highly soluble artificial fertilisers, but rather use organic fertilisers instead, such as dung, muck, animal slurry, or compost. In the absence of equilibrium between the different soil components, also lime and stone meal can be added to the soil. If required, also sparingly soluble fertilisers like certain types of phosphorus or potash may be used. Arable farms without livestock are particularly dependent on the cultivation of legumes in crop rotation; in addition, farmers can fertilise their fields with compost.

Natural pest control

Pests are not controlled by using synthetic chemical pesticides, but are kept at bay by supporting the ecological equilibrium. Also in this context, the **cropping system** is of great importance. If pesticides prove absolutely necessary, **natural pesticides** are applied such as mineral powder, oils in fruit cultivation, or sulphur and copper in viticulture and horticulture. In the same manner, **beneficial species** such as predatory mites are used in pest control. Organic farmers try to create favourable conditions for these species e. g. by planting hedgerows.



Weed control

In organic farming weeds are not only seen as a plague; rather, also their advantages are taken into account. Weeds serve as hiding places and areas of living for beneficial animals that live off pests. This is why weeds are also called accompanying herbage or accompanying flora. With the right choice of sites, healthy seeds, the right time for sowing, and a well-balanced cropping system heavy weed infestation is prevented in organic farming. If there are too many weeds all the same, they are removed with machines or manually.

The use of genetically modified organisms is prohibited in organic farming. All organic products are therefore produced without the use of genetic engineering.

Organic vegetables have a high nutrient content

In principle, the nutrient content of vegetables depends strongly on the respective vegetable variety. Especially organic vegetables coming from soils which have for many years been cultivated according to organic farming principles can have a higher nutrient content. This is illustrated for example by the study conducted by Professor Werner Schuphan, who tested vegetables over a period of twelve years. On average, vegetables from organic farming showed by 18 % more protein, by 28 % more vitamin C, and a by 19 % higher total sugar content. Furthermore, vegetables from organic farming contained by 77 % more iron and by 10 % more calcium.





Animal husbandry

There are multiple rules and regulations regarding animal husbandry. They refer in particular to keeping, feeding, and the prevention of diseases.

In principle, an organic farmer will keep only so many animals as he can supply with feedingstuffs from his own holding. Furthermore, the number of animals which may be kept per hectare is limited (e.g. a maximum of 2 cows or 12 fattening pigs per hectare) because animal production systems must contribute to the equilibrium of agricultural production systems by providing for the nutrient requirements of crops via fertilisation and by improving the soil's organic matter. Animal husbandry can thus help establish and maintain the **natural** soil-plant, plant-animal and animal-soil **cycle**. The concept of a cycle and the involved limitation of the number of animals rule out intensive breeding in organic farming.

The animals must be given **sufficient space** that is dry, soft, and warm. At least half of the minimum total floor area must be solid, that is, not of slatted or of grid construction. The minimum surface areas for indoor-housing are on average twice as large as those in conventional animal husbandry.

Moreover, keeping livestock tethered is forbidden and the animals must have access to pastures and open-air runs or **exercise areas**. Until 2013 exceptions to these rules may be granted provided the Index of Animal Compatibility (“Tiergerechtheitsindex”), which defines the breeding conditions compatible with each species, is complied with.

The **Index of Animal Compatibility** (TGI) is part of the Codex Alimentarius Austriacus. The TGI takes into account the following criteria: sufficient space for movement, social contact, suitability of soil, light conditions, air, and noise, as well as intensity of supervision. Organic farmers are rated for each individual criterion. If they do not reach the minimum number of points for a specific criterion, they can compensate for that deficit by achieving a higher number of points for another criterion. Tethering, for example, can be compensated by generous possibilities for free-range exercise and grazing.

Apart from that, there are numerous other rules and regulations on animal husbandry. What is new is the regulation for aquaculture.

Feeding:

Animals may be fed only with organic fodder – if possible from the farmer's own production. The admixture of in-conversion feeding-stuffs (= feed material from areas that are just being converted to organic management) is permitted. On average, the formula of a ration may comprise up to a maximum of 30 % of in-conversion feed. Where in-conversion feed comes from the farmer's own holding, this percentage can be raised to 100 percent.

There are also strict rules regarding the use of additives to feeding material, processing aids for silage, or products for cleaning, where only specific products are permitted. Of course, as in conventional farming also the use of growth promoters or other substances intended to stimulate the production performance is prohibited.

Should animals fall ill, natural curative methods such as homeopathy or acupuncture must be applied whenever possible. Veterinary medicinal products may be applied only under the supervision of a veterinary. Farmers are obliged to keep exact records on the treatment of animals (medicinal products administered, disease, duration of the treatment, withdrawal period).



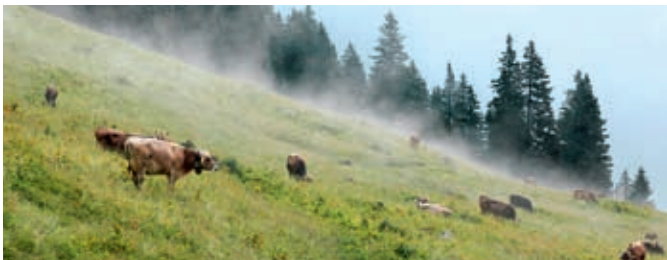


Genetic engineering – by no means in organic products

Food may be labelled “BIO” (‘organic’) only if produced without the use of genetically modified organisms (GMOs) or products manufactured on the basis of GMOs. This means also that not even the productive livestock may be fed with fodder from GMOs (e.g. from genetically modified soy) and that manufacturing aids (e.g. rennet in cheese dairies) must not originate from GMOs.

Conversion to organic farm management takes at least 2 years

For the whole field of plant production, a minimum period of 2 years is required by law until a holding can be recognised as organic farm. In the field of animal husbandry shorter conversion periods are possible as well, provided that all rules and regulations on organic animal husbandry are exactly complied with.



Are additives allowed in organic food?

Basically, organic goods must be the product of organic farming to 100 %. Since it is impossible, however, to supply all raw materials in the appropriate quality, up to 5 % of the ingredients used can be the product of conventional farming.

This means: In order for a product to be marketed as “organic”, **at least 95 %** of its agricultural ingredients must come from organic farming. (A complete list of the permissible ingredients of conventional origin can be found in the corresponding EU Regulation. They include for example cocoa butter, gooseberries, or pepper.)

Furthermore, the Regulation on organic farming features a small list of ingredients of non-agricultural origin which can also be used. These include for example pectin as a jellifying agent, or guar gum as thickener.

Flavourings or synthetic colour additives are forbidden.





How can a farmer become “ORGANIC”?

In order for a farm to label its products as “organic”, it must conclude a contract with an official control agency for organic products. This control agency registers the farm with the foodstuff authority and after a certain transitional period grants it the permission to label its products as “organic” (certification).

Extension plays an important role

Comprehensive extension and training play a particularly important role in organic farming. So it is for example a prerequisite to pass a conversion course in order to be eligible for a subsidy for organic farmers.



Farmers and farm women who want to convert to organic farming are therefore recommended to contact for a first consultation the District Chambers of Agriculture or the services for organic farmers of the Provincial **Chambers of Agriculture**. The associations of organic farmers and the Chambers of Agriculture offer extension in the field of conversion directly on the farm, as well as conversion courses, training, and excursions. In some Federal Provinces working parties of farmers are intensively supported by special advisors. This applies for example to the fields of organic vegetable growing, organic fruit growing, and organic pig keeping.

Organic farming associations

Two thirds of the approximately 20,000 organic farmers in Austria are members of one of the organic farming associations.

With their committed work in the field of marketing and the expert advice they offer to their members organic farming associations have made a significant contribution to Austria being the number-1 “eco-country” in Europe today.

With the establishment of Bio Austria in end-January 2005, the 13,000 organic farmers organised in associations decided to continue the successful way of organic farming in Austria in a new, common organisation. Bio Austria is today Europe’s biggest organic farmers’ organisation. Bio Austria cooperates intensively with all participants in the eco-networks and is available to consumers, politics and media, as well as to processors and trade both at the federal and regional level.

However, also small, partly regionally working organic farming associations (see page 32) are playing an important role in extension, marketing and consumer information.



Which rules apply?

Austria is a pioneer

Austria was the first country in the world to set official guidelines for organic farming.

In 1983, the first decrees in this respect were issued by the Federal Ministry for Health and Environmental Protection. In 1989, these were included as Chapter A 8 in the Codex Alimentarius Austriacus (Austrian food codex) and in 1991 Austria was the first nation to adopt provisions for the organic production of animal products.

EU Regulations

Ever since Austria joined the European Economic Area in July 1994, the EU Regulation on organic production of agricultural products has been applicable in Austria. The Regulation defines production, labelling, and inspection rules.

Until 2008 the rules on organic farming were covered by EU Regulation 2092/91. Since 2009 the general **Regulation No 834/2007** has applied. The provisions on implementation, that is, the details concerning implementation, have been summarised in **Regulation No 889/2008**.

For the most part the provisions of the former regulation have been incorporated. There have been some modifications as regards production; in this field for example more flexibility with respect to the principle of species-appropriate animal farming is allowed. Also in the field of labelling there are a few new provisions. Among other things, all organic products have to bear the EU eco-logo, which is just getting a new design. National eco-labels can be applied as well.

Within their national territories Member States may apply stricter rules for organic plant and animal production, provided these rules apply also to non-organic production and the marketing in other EU countries is not stopped or restricted thereby.

The consolidated versions of EU Regulations No 834/07 and No 889/08 have been published at the homepage of the Agricultural Research and Education Centre Raumberg-Gumpenstein (www.raumberg-gumpenstein.at).

Additional guidelines of associations

If an organic farm is a member of one of the associations for organic farming, for example Bio Austria, it must also comply with even stricter guidelines set by that association.

Controls

Independent control agencies

Organic farms are monitored by independent control agencies that must be approved by the Governor of each Federal Province (Food Authority). The activities of control agencies are in turn monitored by the Food Authority. Apart from the complete annual inspection of each farm, control agencies also carry out inspections without notice.

During these inspections, agencies check e.g. whether farmers are using unauthorised fertilisers or pesticides, whether animals are turned out frequently enough for exercise, or whether farmers purchased unauthorised seeds. In the case of processing enterprises, special attention is paid to checking the origin of the organic products and whether the additives used are permitted according to the provisions of the Organic Farming Regulation.

Controls of organic farms apply to the entire production process. This means that not only organic farmers but also processing companies (e.g. slaughterhouses, mills, dairies) are scrutinised.

For example, in the production of yoghurt not only the organic farmer who supplies the milk is scrutinised, but also the dairy. The latter must also prove that, for instance, strawberries in the yoghurt come from a farm which was itself checked by an authorised control agency. (If the yoghurt was packaged by yet another company, this company will be inspected as well.)





Naturally, both farmers and processing enterprises must keep records of their activities: Farmers, for example, must record all purchased inputs or present cultivation plans for the subsequent year. Processing companies must keep account of their purchases and sales (= flow quantity control).

AMA controls

If a farmers receives subsidies for organic farmers – this applies to approximately 95 percent of all organic farmers in Austria – Agrarmarkt Austria (AMA), the agency of the Ministry of Agriculture in charge of granting subsidies, carries out additional controls to make sure that the farmer complies with the legal provisions and the guidelines in connection with subsidies.

Associations and trade chains

Two thirds of the organic farms are members of organic farming associations (in particular of Bio Austria). Being a member of such an association, a farmer must comply with **even stricter guidelines** than those stipulated in the EU Regulation or in the Codex Alimentarius. This gives a farmer the right to use the association's label for his products. In such a case, the control agencies mentioned above also inspect the farmer's enterprise for compliance with the specific association guidelines.

If a product also bears the organic brand of a trade chain, this guarantees that additional measures have been taken to assure quality.

Sanctions

In case control officials really detect irregularities with a farmer who does not comply with the regulations governing organic farming, **rigorous sanctions** will follow, depending on how serious the violation is: The farmer may lose the license to sell the product in question or he may lose the general permission to label his goods “organic”. Moreover, he must perhaps **repay the subsidies** he was granted, which may lead to severe financial consequences.

Labelling

In Austria, organic products can be identified by the following indication: **“aus biologischer Landwirtschaft”** (from organic farming). Instead of “biologisch” (organic), producers may also label their goods as “organisch-biologisch” (organic-biologic), “biologisch-dynamisch” (organic-dynamic), or “ökologisch” (ecological). In addition to these labels, the term **“Bio”** (organic) can be used. The term used in Germany is “aus ökologischem Landbau” (from ecological farming).

Attention: Products with the following indications are NOT organic: “naturnah” (close to nature), “umweltschonend” (environmentally friendly), “kontrolliert integriert” (controlled-integrated), “chemiefrei” (not containing chemicals), “alternative” (alternative), etc.

Apart from the label, packaging must also feature the **number of the control agency**.





Organic products may bear the label “aus biologischer Landwirtschaft” (from organic farming) only if they are the product of organic farming to 100 %. The portion of some conventional products, listed in the Regulation, may be up to 5 % (see also p. 10).

Since 2009 the pack of an organic product also has to bear the **EU label for organic production** (see below) as well as the information whether the food was produced in or outside the European Union. At the moment, a new design is being created for the EU label for organic production; it is to be completed in July 2010.

If less than 95 percent of the food consist of organic products, the indication “organic” may be given exclusively in the list of ingredients. On the back of a muesli pack, for example, you would read: “Hafer – biologisch erzeugt” (oats – from organic production). The front side of the package must not show the word “Bio” (organic).

In a few words: This is how you can identify products from organic production:

1. Label “aus biologischer Landwirtschaft” (from organic farming).
2. The abbreviation “BIO” (organic) may be printed on the pack.
3. Code number (e.g. B. AT-N-01-BIO) of the control agency must be given.
4. The product must bear the EU logo for organic products (see below).
5. In addition, the AMA label for organic farming or the brand of the producer of the organic product may be printed on the pack.

AMA label for organic farming – security at first glance

In order to make sure that the consumer can identify foodstuffs from organic farming at first glance, AMA Marketing I.I.c. has created the AMA organic label. This label exists in two variations. It applies to both forms that the product has to be made completely of raw materials from organic farming.



The **AMA label without indication of origin** does not give any reference to the regional origin. This is for example the case with organic products which consist of different components of raw materials which are produced in different countries.

This label is often used also for organic products – in particular fresh products such as fruit and vegetables – which, in different seasons, originate from different countries.



In the case of the **AMA organic label with indication of origin "Austria"** all raw materials must originate entirely from Austria, if they can be produced in our country. If this is not the case, the share of components of raw materials which cannot be produced in Austria must not exceed the tolerance limit of one third.

An example: For banana yoghurt the organic milk must always originate at 100 % from Austria, whereas the organic bananas, which make up 7 %, may originate from another country.

EU label for organic farming – soon with a new design



Since 2009 organic products also have to bear the EU logo for organic products with the indication "ökologischer Landbau" or "biologische Landwirtschaft" (both: from organic farming) or a translation of this indication in another official EU language. By means of this logo organic products from other EU countries can easily be identified.

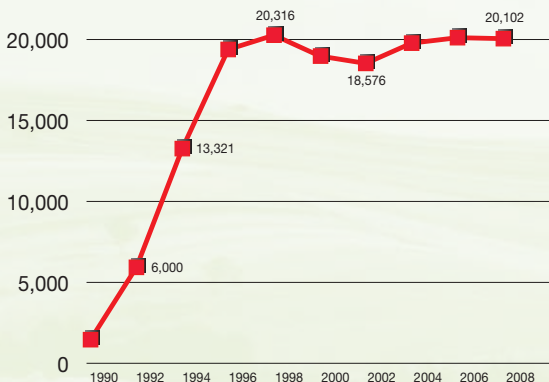
As from mid-2010 the EU logo for organic products will have a new design. The EU Commission invited to an international contest and encouraged all design and art students to take part.

14 percent organic farmers

There are presently **about 20,000 organic farmers** in Austria. 14 % of all farmers are thus organic farmers. 16 % of the utilised agricultural area – that is: 383,756 hectares not including alpine pastures – are managed according to the criteria of organic farming.

With 19 hectares the average size of (subsidised) organic farms is a little above the average of all Austrian holdings (17 hectares).

Rising Numbers of Organic Farms in Austria



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Source: Federal Ministry of Health and food authorities

The development of organic farming

In Austria, the **boom in organic farming** took place in the **early nineties**. Between 1990 and 1994 the number of organic farms increased more than eight-fold. In 1995, Austria's accession to the European Union and the associated subsidies encouraged about 5,000 farmers and farm women to switch to organic management. Furthermore, supermarket chains began to sell organic foods.

At the start, the fast development of organic farming took place primarily in **western Austria** and in grassland areas. The reason behind this is obvious: Grassland management is traditionally very extensive in Austria, making it more easily convertible to organic management than holdings with intensively managed arable land or specialised crops.



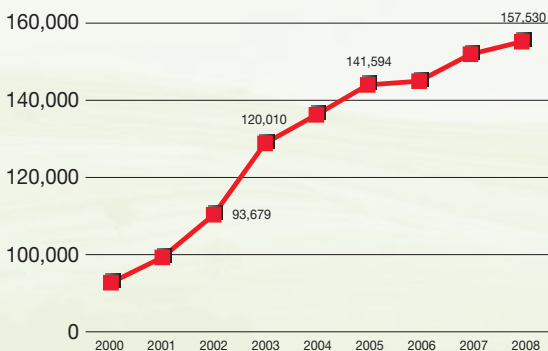
As from the year 2000, arable areas experienced an **organic boom in Austria**. Between 2000 and 2005 Austria's area under organic farming increased from approximately 70,000 hectares to more than 140,000 hectares, and thus more than doubled. However, as from 2006 the extension of organic farming areas slowed down compared to the preceding years. In 2008 157,530 hectares of arable land were managed according to the principles of organic farming.

Taking everything into account (grassland, arable land and special crops) **383,756 hectares** of land were used for organic farming in 2008 (not including alpine pastures).

The number of **organic farms** has now been stable for several years at the high level of approx. **20,000**.

Rise in organic crop land in Austria*

(in hectares)

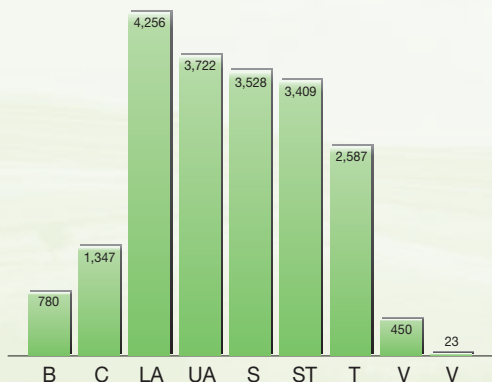


*) of the organic farms subsidised under IACS

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Source: Federal Ministry of Agriculture, Forestry, Environment and Water Management

Organic farms by Federal Provinces in 2008



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Source: Federal Ministry of Health, Ministry of Life

Compensations for services rendered

In 2008 19,074 organic farmers and farm women received compensations under the national measure “Organic farm management” of the Austrian Agri-environmental Programme ÖPUL; these compensations amounted to **88.5 million euro**.

Altogether **139 million euro**, or 26 %, of the total ÖPUL funds were paid to organic farmers. In addition, subsidies are granted also from other sources. For example, organic farmers get approximately 20 % of the funds from the investment subsidy for stables particularly well-suited for animals. Compensations for services rendered are funded by the European Union, the Federal Government and the Federal Provinces.

Austria in comparison

As 14 % of Austria's agricultural enterprises are organic farms and 16 % of the utilised agricultural area are managed according to organic farming criteria, Austria, in relative terms, ranks first among the European countries in this sector.

In absolute figures Spain with almost 1.3 million hectares of land under organic farming (5 % of the utilised agricultural area) is now leading in Europe. The highest number of organic farms (45,231) is found in Italy, where 2.6 % of all agricultural holdings are organic farms.



Organic farming in Europe in 2007/2008*

Country	Areas under organic farming		Number of organic farms	
	Hectares	%	Absol. figures	%
Belgium	32,628	2.37 %	821	1.59 %
Bulgaria	13,646	0.26 %	240	0.04 %
Denmark (2008)	160,789	6.04 %	2,751	5.70 %
Germany (2008)	911,385	5.38 %	19,824	5.22 %
Estonia	79,530	8.77 %	1,220	4.40 %
Finland	148,760	6.49 %	4,406	n.a.
France	557,133	1.88 %	11,978	2.11 %
Greece	278,397	3.33 %	23,769	2.85 %
Great Britain (2008)	676,387	3.87 %	5,506	1.92 %
Ireland (2008)	44,600	1.08 %	2,574	1.94 %
Italy	1,150,253	9.05 %	45,231	2.62 %
Latvia	150,505	8.48 %	4,120	3.63 %
Lithuania	120,418	4.55 %	2,855	1.13 %
Luxembourg	3,380	2.58 %	81	3.31 %
Malta	12	0.12 %	30	0.27 %
Netherlands (2008)	50,435	2.61 %	1,473	1.96 %
Austria (2008)	383,756	16.3 %**	20,102	13.7 %**
Poland	285,878	1.85 %	11,887	0.48 %
Portugal	233,475	6.35 %	1,949	0.60 %
Romania (2008)	148,570	1.00 %	2,238	0.05 %
Sweden	248,104	7.96 %	3,028	3.99 %
Slovakia	117,906	6.27 %	280	0.41 %
Slovenia	29,322	6.00 %	2,000	2.59 %
Spain (2008)	1,317,752	5.24 %	21,291	1.97 %
Czech Republic (2008)	341,632	8.02 %	1,946	2.30 %
Hungary	122,270	2.89 %	1,242	0.17 %
Cyprus	2,322	1.53 %	305	0.68 %
Total (EU-27)	7,597,515	4.12 %	193,042	1.34 %

*) Statistics include farms in conversion.
All data from 2007, except those marked 2008.

**) Percentage rates are based on IACS data.

Last update: May 2009

Source: Research Institute of Organic Agriculture (FiBL) in coop. with the German Central Market and Price Report Office (ZMP), www.fibl.org, www.organic-europe.net/europe_eu/statistics.asp

“Organic” also globally advancing

In 2006 **30.4 million hectares** of land were under organic farming worldwide. Australia alone has 12.3 million hectares of land under organic farming, China 2.3 million hectares, Argentina 2.2 million hectares, and the U.S.A. 1.6 million hectares. In 2006 the area under organic farming increased by 1.8 million hectares (Source: Study by IFOAM and FiBL).

Market for organic products – Sales figures and purchasing behaviour

Why do consumers buy organic products?

Asked for the reasons why they buy organic products, most consumers (50 %) spontaneously mention “healthy nutrition” as the most important criterion. 13 % mentioned “no chemical additives” as an important motive to buy “organic”, 9 % “better taste”, and another 9 % “support to farmers”.

Consumers of organic products are certain that animals are kept in a way compatible with their species and that they themselves make an important contribution to an intact, diverse countryside. They also make a contribution to the protection of our climate. And: Consumers can be sure that even in the future genetic engineering will not be applied in the production of organic foodstuffs.

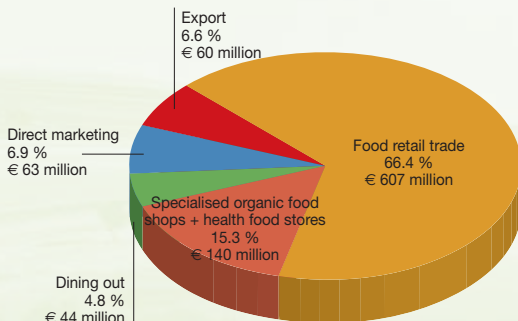
Organic food sales & Where do consumers buy?

In 2008 the share of organic products in the **total food sales** amounted to about 6 % in Austria. In absolute figures, according to estimates by Bio Austria, these are approx. 900 million euro.

66 % of the sales are earned in the food retail trade, 15 % in specialised organic food shops. Central kitchens and the gastronomy account for 5 %, direct marketing for 7 % and another 7 % of the organic products turnover are achieved via exports.



Turnover in Organic Farming in Austria 2008



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Source: FIBL – Agricultura – Bio Austria March 2009 / Estimations
Total turnover: € 914 million

In 2008 for the first time a **very small decrease** was recorded in food retail trade. Especially in the field of eggs and milk market shares were lost. Nevertheless experts recommend not to overvalue the loss of market shares and rather call it a consequence of the greater differences in prices at the time of the comparison with conventional products.



Share of the individual organic products in the total turnover of fresh organic products* in food retail trade 2008

Milk, natural yoghurt	19 %
Fruit yoghurt etc.	7 %
Cheese	9 %
Butter	4 %
Eggs	8 %
Meat	8 %
Sausages	7 %
Fresh fruit	15 %
Fresh vegetables	13 %
Potatoes	4 %
Convenience food	3 %
Frozen and sterilized fruit and vegetables	3 %

* Statistics cover only food retail trade (that is, supermarket chains).
The top seller organic cereals products (bread, baker's ware, flour, noodles etc.) have not been taken into account. According to rough estimations the share of organic bread and baker's ware in the overall market is approximately 20 %.

Source: RollAMA / AMA Marketing GesmbH

Supply and demand

The supply / demand ratio **differs** widely with the individual product groups. Whereas in the case of organic milk supply still slightly exceeds demand, exactly the reverse is true for organic pork and organic poultry meat as well as for the entire range of organic plant products (in particular fruit and vegetables). In other words: Demand partly markedly exceeds supply in these sectors. It is therefore important to **continuously develop the supply side**.

The success story of organic farming in Austria

Austria is Europe's organic country no 1. Austria ranks first both as regards the share of organic farms and with respect to the share of area under organic farming.



Why is organic farming so successful?

Austria's first organic farm was established **as early as in 1927**. The method of "organic-dynamic" production then applied was based on the findings of the researcher and philosopher Rudolf Steiner. In the forties, the "organic-biologic" method by Hans Müller became more popular. Unlike farms applying organic-biologic methods, organic-dynamic farming for example takes into account the constellations of the stars and the moon.

Until well into the eighties, however, only few farmers applied organic methods. The **big boom** in organic farming took place **in the early nineties**. The great success of organic products in Austria can be attributed first and foremost to the following factors:

1. The idealism and commitment among organic farmers

Running an organic farm means more work, higher risk, lower yields, and better knowledge about the causes and effects in agriculture – coping with this situation requires particular commitment and idealism. Austria's organic farmers have demonstrated that they are willing to make an effort to even enhance the trend towards ecological practices in agriculture.

2. Subsidies for organic farming

Since 1991 Austria has granted subsidies for organic farming. The introduction of this form of government aid was a major contribution in restructuring agriculture on the basis of ecological criteria. After joining the EU, Austria has been able to further increase its aid to organic farmers within the framework of the European Union's agri-environmental aid programmes. In 2008, Austria's organic farmers received almost 140 million euro from the overall Agri-environmental Programme ÖPUL as a compensation for their services.

3. Trade chains join in

Another major impulse was given to the rapid development of organic farming by large trade chains which began marketing organic products in 1995. For the first time large portions of the population were able to purchase products of organic farming in stores other than in specialised organic shops frequented by staunch eco-fans. This clearly demonstrates the **Austrian philosophy**: Contrary to many other European countries, organic products in Austria are not meant to be niche products. The objective is rather to make this most ecologically compatible form of land use **as wide-spread as possible**.

4. Ecological awareness among consumers

Another important role in the success story of organic products was certainly the ecological awareness of consumers. It was their willingness to contribute to preserving a healthy environment – and to their own health – and to accept higher prices for organic products that encouraged trade chains to begin selling organic products.



What will be the future of organic farming?

Although in 2008 the organic products market stagnated for the first time in Austria, experts predict an upward trend also for the future. The financial crisis and rising oil prices are considered to slow down the development. As opposed to this, the trend towards greater sustainability and the climate discussion have a stimulating effect.

Objectives

Policy in Austria is aware of its responsibility and creates framework conditions which ensure growth of organic farming. For example, the Federal Ministry of Agriculture, Forestry, Environment and Water Management regularly invites to “bio-inquiries” to discuss this complex topic with those participating. The results are also incorporated into organic farming action programmes.

Also in the most recent Organic Farming Action Programme, Austria has set itself ambitious goals. Those most important are:

- Austria is to remain the **EU's number 1 country with respect to organic farming**.
- By the year 2010 the **share of areas under organic farming** in the total utilised agricultural area is to rise to **20 %**.
- All products produced in accordance with organic farming criteria are also to be **marketed** as such. Capacities are to be created which enable us to satisfy the demand for organic foods **predominantly from Austria**. The market share is to be further raised especially for the organic products less demanded so far (meat, sausages) and the production of organic products which are not yet available in sufficient quantities is to be stimulated (above all fruit and vegetables).
- The **environmental services** rendered by organic farming (protection of climate, water, soil, and the promotion of biodiversity etc.) are to be more intensively **communicated** to the public.



The measures of the Organic Farming Action Programme

To achieve these goals the Organic Farming Action Programme takes several measures:

Compensations for services rendered – a major pillar also in the future

The production of organic products is more labour-intensive, the costs of feeding and stables are higher, and yields are lower – all this makes the production of organic products more expensive. It is therefore very important to compensate organic farmers for their higher cost and lower yield.

For this reason organic farmers receive almost 26 % of the total funds from the Agri-environmental Programme ÖPUL. In 2008, these 26 % corresponded to an amount of almost **140 million euro**. For the construction of organic stables which are particularly well-suited for animals and other facilities at the organic farm there are investment grants with a “**bio-bonus**”.

More funds for extension services

A key issue in the Action Programme is enhancing the efficiency and profitability of organic farming. For this reason the funds assigned to extension services were raised to **€ 8.5 million per year**. Another “task” of the extension provided by the Chambers of Agriculture and the organic farming associations is to convince farmers to switch to organic farming.

Education and research

Organic farming is also an important topic in (agricultural) **schools** in order to inform both future consumers and future farmers in the best possible way about organic farming.

The goal of **research** must be to provide additional impetuses so as to widen the scientific bases for the expansion of organic farming. Particularly important research institutions are located at the Research and Education Centre Raumberg-Gumpenstein, at the University of Natural Resources and Applied Life Sciences, at Bioforschung Austria, and at the Vienna University of Veterinary Medicine.

Priority public relations and marketing

Trade must equally be prepared to pay for the additional costs arising from organic production via an extra payment to the producer of the organic product (farmer or processor). One of the focal points of subsidisation is thus the field of **marketing**. The beneficiaries of subsidies are in almost every case institutions which belong chiefly to farmers: dairies, farm shops, organic farming association, etc. Subsidies are granted particularly for staff and investments.

Also **consumers** must be aware of their responsibility because only if they buy organic products also in the future will it be possible to continue on this successful way. Intensive and interrelated **public relations work** is playing an important role in this context which is taken on by Bio Austria, Agrarmarkt Austria, the European Commission, and important partners like, for instance the supermarket chains.

The Action Programme targeted in particular young and expectant **mothers** (“bio-baby-box”) as well as **kindergartens** and day nurseries and other **central kitchens** etc.

Another priority of public relations work is organic food in combination with **regional origin and delight**. This involves intensified cooperation with the initiative GENUSS REGION ÖSTERREICH, the “Austrian Region of Delight”, where the Ministry of Life has chosen a successful way of regionalisation.



How can I find an organic farmer in my neighbourhood?

If you are interested, you can search the internet at www.biomaps.at or <http://bioshopping.lebensministerium.at>. Of course it is also possible to contact the organic farming associations directly. Some addresses:



BIO AUSTRIA Wien

Theresianumgasse 11/1, 1040 Vienna

Phone: 01/403 70 50

Fax: 01/403 70 50-190

BIO AUSTRIA Linz

Europaplatz 4, 4020 Linz

Phone: 0732/65 48 84

Fax: 0732/65 48 84-40

Email: office@bio-austria.at

www.bio-austria.at

www.bioinfo.at

www.biomaps.at

With 13,000 members Bio Austria is Austria's biggest organic farming association. It cooperates with all participants in the eco-network and assists consumers, politics and the media as well as processors and trade as a partner on federal and regional level. For more details on Bio Austria, see page 12.

B I O
LANDWIRTSCHAFT



Biolandwirtschaft Ennstal

8950 Stainach 160

Phone: 03623/201 16, Fax: 03623/201 17

Email: office@bioland-ennstal.at

www.bioland-ennstal.at

“Biolandwirtschaft Ennstal” was established as a regional initiative in the Styrian city of Liezen, produces above all organic milk products and organic meat and sells these products via bulk purchasers as well as directly on the farm-gate or via the regional commercial enterprises. It has about 600 members. At the local organic farms holiday-makers can relax and recreate in a well-groomed cultivated landscape.



Verein der biologisch wirtschaftenden Ackerbaubetriebe BAF

2164 Alt-Prerau

Phone: 02523/8412, Fax: 02523/8412-10

Email: alt-prerau@aon.at

www.bioackerfrucht.at

This regional association of larger arable farms of the Weinviertel, the Waldviertel, and Upper Austria was established in 1986. The 12 enterprises are important employers in rural areas. By means of logistical measures like machinery pools and storage communities, and by dividing labour, production becomes more efficient. Marketing is export-oriented. New markets for farm products and large industrial enterprises are opened up.

DEMETER – organic-dynamic farming



Theresianumgasse 11

1040 Vienna

Phone: 01/879 47 01

Fax: 01/879 47 22

info@demeter.at

www.demeter.at

The oldest and world-wide best known organic farming association is inspired by the ideas of the academic Rudolf Steiner. The Austrian DEMETER union was established in 1969. Of importance are not only the careful use of natural resources and living processes, but also the targeted promotion of the combined effects of earthly and cosmic forces.



Organic farming association ERDE & SAAT

Polsing 10

4072 Alkoven

Phone: 07274/201 69, Fax: 07274/201 86

Email: kontakt@erde-saat.at

www.erde-saat.at

The organic farming association ERDE & SAAT (earth and seed) aims at promoting the harmony between humans, animals and plants and at improving food quality in Upper and Lower Austria, Salzburg, Vorarlberg, and Bavaria. The objective is the establishment of jointly organised, professional processing facilities, the cooperation with commercial partners, the building of a technical branch for organic products, and the maintenance of farm-based agriculture.



FGB – Association for the promotion of intact farms

Nöbauerstraße 22
4060 Leonding
Phone and fax: 07326/753 63
www.orbi.or.at

FGB, the association for the promotion of intact farms, is the pioneer among Austria's organic farming groups and practises the true organic farming method of Müller-Rusch. The method is based on the promotion and maintenance of life and intactness of the soil by means of composts and rock meals. Established in 1959, ORBI has about 1,000 members, approx. 70 of them farmers, and many garden owners and idealists; in this way the objective of the association – a communication between cities and rural areas – is achieved. FGB publishes the magazine "Der Bäuerliche Pionier" (farmers as pioneers) and, since 1982, has managed the ORBI farmers' shops in Linz.

Freiland – Association for species-appropriate animal husbandry and wholesome nutrition



Seidengasse 33/13
1070 Vienna
Phone: 01/408 88 09, Fax: 01/907 63 13-20
Email: office@freiland.or.at
www.freiland.or.at

Freiland is the specialist organic farming association for animal husbandry and has 84 members. The triangular yellow label of the working group "Kritische Tiermedizin" (critical veterinary medicine) guarantees excellent conditions in animal husbandry, e.g. loose-housing in small groups, access to open-air runs at every time, and short transportation routes. Freiland sells first and foremost high-quality meat products and eggs via home delivery and specialised organic food shops, primarily in and around Vienna.

Arche Noah – Association for the maintenance and enhancement of crop diversity



ARCHE NOAH

Obere Straße 40
 3553 Schloß Schiltern
 Phone: 02734/8626
 Fax: 02734/8627
 Email: info@arche-noah.at
www.arche-noah.at

To collect, propagate, bring seed of all varieties to the gardens again – these are the objectives of Arche Noah.

Its multifarious activities comprise the establishment and permanent extension of archives of varieties, the cultivation of several hundreds of varieties for seed propagation, characterisation and research, PR and training, the provision of expert advice on species as well as the annual preparation of the “Sortenhandbuch” (handbook of heirloom varieties), and the running of a baroque public garden.

SELECTED LINKS

Bio-Info

www.lebensministerium.at and www.biolebensmittel.at
(organic farming pages of the Ministry)

www.bioinformation.at or www.bioinfo.at
(bio-info by Agrarmarkt Austria)

www.bio-erleben.at (the interactive page for children and adults provided by Agrarmarkt Austria)

www.bio-austria.at
(info portal of the organic farming association Bio Austria)

www.umweltbundesamt.at/umwelt/landwirtschaft/biolandbau
(bio-info provided by the Federal Environment Agency)

www.raumberg-gumpenstein.at (info by the Organic Farming Institute of the Research and Education Centre Raumberg-Gumpenstein – among other things, you will also find the EU's organic farming regulations there)

www.nas.boku.ac.at/oekoland.html (Institute for Organic Farming at the University of Natural Resources and Applied Life Sciences)

Bio-shopping, vacation, tips & more

<http://bioshopping.lebensministerium.at>
(search for organic farmers at the pages of the Ministry of Life)

www.biomaps.at (organic farm shops, organic supermarkets, Holiday on the Organic Farm and many more at the pages of Bio Austria)

www.urlaubambauernhof.at
(enter “Urlaubsthemen”, “Bio” (holiday issues, “organic”!))

www.biohotels.at

www.biokueche.at (recipes, tips for the hotel and catering industry and many more provided by the environmental consulting services and Bio Austria)

International

www.organic-farming.europa.eu (bio-info offered by the European Commission; farmers, traders, the gastronomy etc. as well as students and teachers can download information about the EU's campaign “Organic farming. Good for nature, good for you!” for free)

www.organic-europe.net
(FiBL – Swiss Research Institute for Organic Farming)

www.organicmonitor.com (bio-info world-wide)

Information on agriculture, food, forests, environment and water:

www.lebensministerium.at



lebensministerium.at

The initiative REGION OF DELIGHT AUSTRIA highlights the importance of regional specialties:

www.genuss-region.at



The campaign vielfalt**leben** (living-diversity) contributes to the fact that Austria belongs in terms of natural areas to the most diverse countries of Europe:

www.vielfaltleben.at



The action programme of the Ministry of Life on active climate protection:

www.klimaaktiv.at



The youth platform for awareness raising on water issues:

www.generationblue.at



The Austrian Eco-label guarantees the environmental soundness of products and services:

www.umweltzeichen.at



The Ecological Footprint is the easiest way of testing the future viability of your lifestyle. Calculate your personal footprint at:

www.mein-fussabdruck.at



www.mein-fussabdruck.at

The internet portal of Austria's National Parks:

www.nationalparksaustria.at



"Organic" means healthy, high-quality foodstuffs which do not contain any spraying agents or antibiotics:

www.biolebensmittel.at





lebensministerium.at