

Organic farming in Austria

Christian R. Vogl and Jürgen Hess

Abstract. During the present decade, Austria has experienced a dramatic increase in organic farming among those countries that comprise the European Union (EU). For example, in 1992, approximately 2,000 farms were practicing organic, ecological, or biodynamic farming methods. By 1997 the number of certified organic farms plus those in transition from conventional farming had increased 10-fold to some 20,000 farms. This represents almost 9% of the total farms in Austria and an area of 345,375 ha, or 10% of the total cultivated farmland. The largest concentration of organic farms is in regions with a high proportion of alpine grassland or pastures. Approximately 50% of the organic farms range in size from 5 to 15 ha. The strong organic movement in Austria can be attributed to a) government subsidies which provide incentives to organic farmers and b) widespread acceptance of organic products and their brand names by large food chains and supermarkets. More than 60% of organic farmers are affiliated with associations and organizations that provide advisory and support services in marketing activities. Certification of organic farms and food processors is conducted by seven monitoring bodies according to EU regulation No. 2092/91, which guarantees legally-binding standards of food safety and quality to EU consumers, and according to the Austrian Alimentari Codex. Since January 1998, all monitoring/certifying bodies in Austria must verify accreditation according to regulation European Norm 45011. The major supermarket chain offers a variety of organic dairy and meat products, as well as organic ice cream, pizza, vegetables, fruits, baby foods, and bread. The current domestic wholesale value of organic products marketed from Austrian farms is approximately 170 million US\$ annually. Unfortunately, funding for support of scientific research and extension to enhance organic farming and marketing has not kept pace with the increasing number of organic farms and farmers. Additional funding is essential to ensure the sustainable development of the organic movement and the organic market.

Key words: ecological farming, organic certification, organic marketing, European Union, organic subsidies, organic incentives, food safety, food quality, farm advisory service

Historical Background

The first organic farms in Austria were established in 1927 in the Carinthian Region. Interest in organic farming was promoted largely by newly-arrived farmers and their knowledge of organic farming methods and practices. These farmers heralded organic farming as a new lifestyle and as a reform of life (Pirkhuber and Gruendlinger, 1993). In the following

years, the new and experienced organic farmers were able to convince many conventional farmers to convert to organic farming throughout the country. Since most organic farms were mixed crop-livestock operations, many of the organic farmers began to market their products to consumers on the farm or through farmers' markets and health food shops (Pirkhuber and Gruendlinger, 1993).

The dramatic large-scale shift towards ecological/organic farming (Fig. 1; Table 1) was strongly driven by government subsidies and incentive programs. The background behind these incentives were:

- The promotion of the ecologically and socially sound market policy

(Oekosoziale Marktwirtschaft) by the Ministry of Agriculture and Forestry, which found organic farming to be a good example of ecologically sound techniques.

- Awareness of damages of conventional farming to the environment, especially of intensive vegetable and pig (*Sus scrofa*)/maize (*Zea mays*) production contaminating ground water with nitrates and herbicides.
- Failing economics of most conventional farms, especially of the typical Austrian small-sized, family-owned farms, due to the reduction of prices to EC-level and later to world market level.
- Possible negative impact of conventional farming practices on regional and national economies (e.g., decreased income from tourism) and on the environment (e.g., risk of avalanches), and the concern that many small farmers will fail because of the economic situation.
- The urgent need for good marketing and, therefore, an "identity" for Austrian agricultural products within the common European market.

The goals behind the federal incentives were to encourage organic farming and to help create the image of "Ecoland Austria," and thereby enable small farms in unfavorable regions to cover higher costs for the "maintenance of landscape" in favor of regional economics and ecology.

Starting in 1989, three Austrian provinces (Upper and Lower Austria, and Styria) began to provide subsidies to individual farms converting to organic methods. In 1991 the Federal Ministry of Agriculture and Forestry initiated an incentive program to assist conventional farmers in converting to certified organic farms and to provide assistance to farmers who had already converted to ecological/organic farming.

C.R. Vogl is Assistant Professor, Institute for Organic Farming, University of Agricultural Sciences, Vienna, Gregor-Mendel-Strasse 33, A-1180 Vienna, Austria; J. Hess is Professor, Department of Organic Farming, University Kassel-Witzenhausen. Corresponding author is C.R. Vogl (vog1@edv1.boku.ac.at).

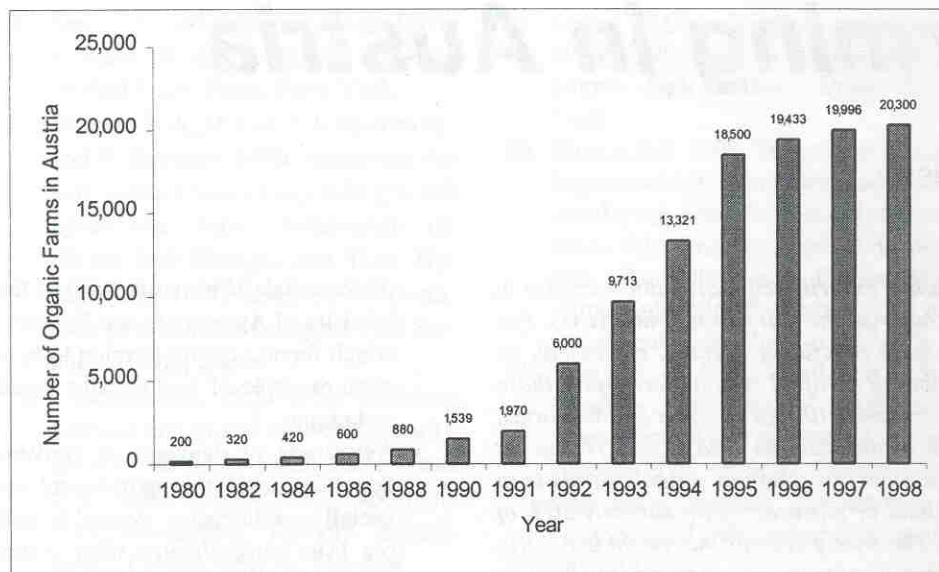


Figure 1. Development of number of organic farms including converting farms in Austria (Ministry of Agriculture and Forestry, personal communication, 1997).

Table 1. Some statistics of Austria. Source: Agricultural Report of the Federal Government 1997 (BMLF, 1998).

Total area	83,858 km ²
Population (as of January 1, 1996)	8,054,800
Population per km ² (as of January 1, 1996)	96.1
GDP in billion ECU (1995)	175.5
Share of farming and forestry as well as fishing in GDP (1997)	1.4%
Share of farmland in total area (1997)	41%
Farmland total without forest	3,422,449 ha
Land utilization (1997)	
- arable area	1,397,357 ha
- permanent crops (fruit trees, vineyards)	70,791 ha
- grassland	1,943,443 ha
Farms total (1997)	252,110
Average size of farms	13.7 ha
Share of employees in farms (1994)	6.7%
Ecologically cultivated area (1997)	345,375 ha
Share of ecologically cultivated area in farmland	10.09%
Number of organic farms (1997)	19,996
Proportion of organic farms in total number of farms	8.85%

Starting with two million Austrian Schillings (ATS) in 1989 (12.00 ATS = 1.00 US\$), the incentives programs soon increased to 214 million ATS (17.5 million US\$) in 1994, 756 million ATS (\$63 million US\$) in 1996, and 870 million ATS (\$72.5 million US\$) in 1997. Funds for these subsidies and incentives came from the Austrian Environmental Program, OePUL (Oesterreichisches Programm zur Foerderung einer umweltgerechten, extensiven und den natuerlichen

Lebensraum schuetzenden Landwirtschaft [translated: Austrian national aid program for the promotion of extensive farming that protects the natural living conditions], which promotes ecological/organic farming as the highest level or standard in the program. Because so many farmers participated in the program, funding became inadequate and, in the spring of 1996, access to the program was limited only to applicants who wanted to enter organic farming.

The shift to ecological/organic farming systems in Austria was also actively promoted by the large food chains and food processors in 1994. These industries launched intensive advertising campaigns throughout the media, emphasizing not only the merits of organic products and their brand names but also successfully relating their organic brand names with aspects like "welfare," "pleasure," and "Austrian landscape and culture." This resulted in a greater awareness of organically produced foods and created a greater demand for organic products by consumers.

Ecological/Organic Farming Associations for Austrian Farmers and Their Umbrella Organizations

Prior to the organic farming boom all of Austria's organic farms were affiliated with different associations that provided advisory and support services. The different farming associations reflect regional differences and different marketing strategies or farming philosophies. Farmers' associations play a major role as negotiators for the needs of organic farmers at regional and national levels and for good prices with retailers. The associations also provide support for development and establishment of new farmer-owned facilities for processing organic produce. Members pay annual fees depending on farm size and farming type (Rates for the farmers' association, Ernte, are: 29 US\$ + \$5.4/ha for grassland; \$10.8/ha for fodder crops; \$16.6/ha for arable land for human nutrition; \$41.6/ha for land with vines, fruits or vegetable crops).

According to ARGE-Biolandbau (Arbeitsgemeinschaft zur Foerderung des Biologischen Landbaus, ARGE), in 1997 63% of Austria's organic farms were affiliated with different organic farming associations (Fig. 2). The remaining farms, most of which had converted to organic production in the previous five years, were not affiliated with any association. Most of the nonaffiliated farms are extensive grassland operations in the provinces of Tyrol and Salzburg producing a small range of marketable products (milk, meat) through traditionally established market links (see Fig. 3). These farmers were not

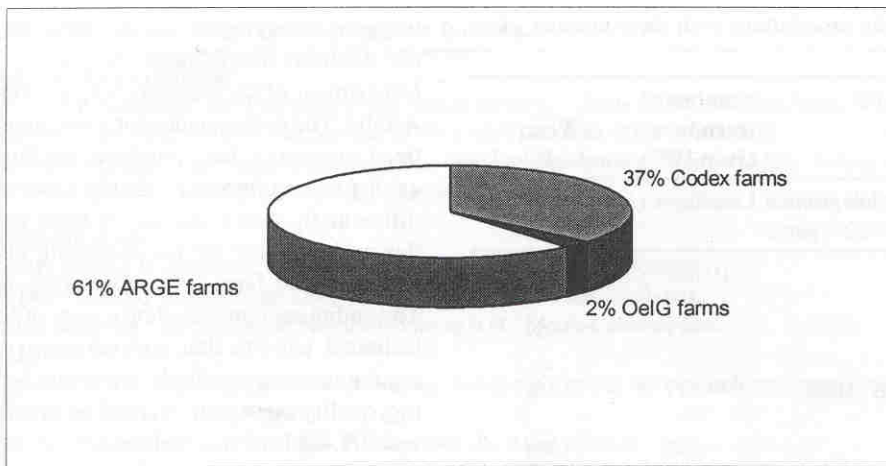


Figure 2. Distribution in percentage of Austria's organic farms and farms under conversion among the two umbrella organizations, ARGE Bio Landbau and Österreichische Interessensgemeinschaft fuer biologische Landwirtschaft (OeIG), as well as the group of farmers who are not members of a farmers' association (ARGE, personal communication, 1997).

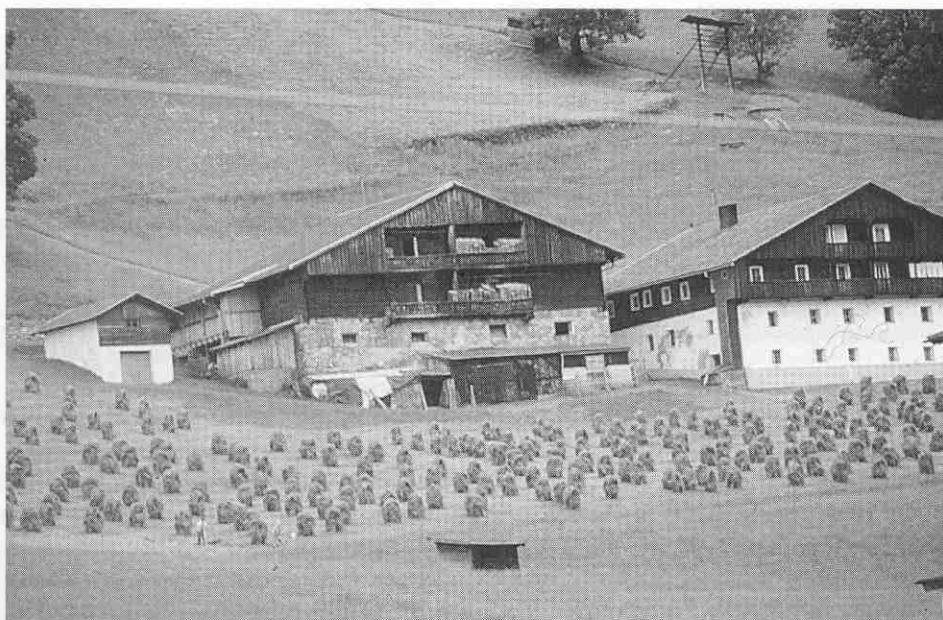


Figure 3. Typical farm and landscape in the alpine region of Austria (Tyrol) for a high percentage of organic farms.

attracted by the support offered by the associations. Local farm authorities who sought to prevent the development of strong, independent organic farming associations were influential in discouraging the development of farmers' associations in these provinces.

All organic farmers, whether affiliated or not, must operate according to EU Regulation 2092/91 (covering agriculture, processing, labeling, import, and monitoring) and to the Austrian Alimentari Codex

(covering animal husbandry); both guarantee that the standards of organic/ecological farming are met. All products that are labeled as "organic" or that lead the consumer to believe that the product could be organic must be produced and processed as specified by EU Regulation 2092/91 and the Alimentari Codex. Regulations for organic farming do not consider chemical or physical parameters of the product or its quality, but rather specify the necessary farming techniques, allowable substances

and treatments, and processing techniques. Therefore, "quality" of organic products is seen by the EU and Austria in a holistic way as "quality of the process of production" (Prozessqualitaet), and not as the quality of the end product as in the traditional or conventional market. However, the end products of organic farming must fulfill all legal standards for agricultural products.

Association members must further fulfill stricter or specific regulations that reflect the special philosophy or identity of the association. Presently, there are eleven such farming associations (Table 2). The largest farming association, Ernte, is associated with ARGE and comprises more than 90% of the membership in Austria's farmers' associations. ARGE's main function is to represent the common and special interests of all member organizations, including public relations work, organic festivals, and farmers' markets. In 1990, ARGE attempted to establish its position as the main public organization representing organic farming in Austria. Because some associations disagreed with the ARGE agenda, the Oesterreichische Interessensgemeinschaft fuer Biologische Landwirtschaft (OeIG, Austrian Association for Biological Agriculture) was founded in the autumn of 1994 as the second umbrella organization; OeIG now consists of three farming associations and four trading associations comprising 463 farms. Members of the OeIG have advocated the development of regional facilities for processing and marketing, especially on-farm processing and direct marketing to consumers and health food stores. They have been somewhat critical of promoting organic product trade names through the large chain supermarkets (Hess and Vogl, 1997). Individuals and distribution groups can also become members; for example, Oebiogen and the Biohofgemeinschaft Pannonische Region have become members of OeIG.

General Legal Standards and Control

As mentioned earlier, the minimum legal standards to establish food safety and quality for food organically produced and marketed in the EU is vested in EU Regulation 2092/91. The second legal authority

Table 2. Organic farmers' associations and umbrella associations with their number of members and year established.

Name of organic farmers' associations and their umbrella organization	Number of members (July 1997)	Year established
Arbeitsgemeinschaft zur Foerderung des biologischen Landbaus (ARGE) Wickenburgg. 14/9, A-1080 Vienna		
Ernte fuer das Leben Europaplatz 4, 4020 Linz	10,862	1979
Österreichischer Demeter Bund Hietzinger Kai 127/2/31, 1130 Wien	77	1969
Foerderungsgemeinschaft fuer gesundes Bauertum ORBI Noebauerstr. 22, 4060 Leonding	77	1962
Biolandwirtschaft Ennstal 8950 Stainach 160	672	1988
Verein der biologisch wirtschaftenden Ackerbaubetriebe BAF 2164 Gut Prerau	12	no information available
Freiland Verband Wickenburgg. 14/9, 1080 Wien	75	1995
Hofmarke Hausmanning 43, 4560 Kirchdorf	103	1996
Österreichische Interessensgemeinschaft fuer Biologische Landwirtschaft (OeIG) Schlag 14, 2871 Zoebern		
Erde und Saat Mairing 3, 4141 Pfarrkirchen i. M.	228	1987
DINATUR Schlag 14, 2871 Zoebern	97	1990
Konsumenten-Produzenten-Arbeitsgemeinschaft (KOPRA) Hirschgraben 15, 6800 Feldkirch	121	1991
Verein organisch biologischer Landbau Weinviertel 2053 Peigarten 52	17	1988



Figure 4. "Austria Bio-Kontrollzeichen" (Austrian label for organic products).

is the Austrian Alimentari Codex. All organic farms, certified or in transition, are registered with the Landeshauptmann (the head of government of a province). To ensure EU standards and regulations, unannounced inspections are conducted at least once each year by one of seven different legally-authorized monitoring and certification bodies (Table 3). Each inspection costs from 1,500 to 1,800 ATS (approximately 125 to 150 US\$) for a farm size between 5 and 15 ha. The largest such monitoring body is ABG (Austria Biogar-

antie), which inspects more than 50% of all organic farms (10,500) in Austria each year.

In 1994, the Ministry of Agriculture and Forestry introduced a control label (Fig. 4) that officially guarantees product safety and quality for the consumer. The Austrian Organic Control Label (i.e., Austria Bio-Kontrollzeichen) may be awarded to farmers, processors, and trading companies on a voluntary basis. It guarantees that the food bearing this label originates from organic farms subjected to specified standards and regulations. Moreover, the control label implies that 70% of the product ingredients must originate from domestic organic farming. A supplementary control label (or logo) has also been authorized for use on non-domestic organic products.

Since January 1998, all certifying bodies must prove that they have established a system of quality management according to the European Norm EN 45011. Moni-

toring of certifying bodies is conducted by the Austrian Accreditation Service of the Department of the Ministry for Economic Affairs. The prerequisites for accreditation by a certifying body include reading a quality management handbook, a two-day office audit, and a one-day witness audit during inspection by the certifying body at an organic farm or a processor's site. The audits are conducted by a team of four technical experts that specializes in the regulations and standards of organic farming, quality management, food processing, and EN 45011. The need for accreditation has reduced the number of certifying bodies from 22 to 7 and has significantly increased the quality of control and certification.

Government Incentives

According to the Austrian Program OePUL, 94% of the registered organic farms (18,362) received government incentives in 1996. The subsidized farms comprise 256,000 ha of farmland (Schneeberger and Eder, 1997). Of the 756 million ATS (63 million US\$) distributed to individual organic farms in 1996, the EU paid almost 50% with the remainder provided by federal and provincial sources (60% federal, 40% provincial). The incentives per ha of farmland within OePUL are: 4,500 ATS (375 US\$) per ha for arable land; 3,000 ATS (250 US\$) for grassland (multiple-cut permanent meadows and cultivated pasture, one-cut permanent meadows × 0.5, meadows producing hay [for litter], grazing land and mountain hay crop × 0.25); 6,000 ATS (500 US\$) for market gardens; and 10,000 ATS (833 US\$) for land used for vineyards, fruits, vegetables, tree nurseries, and hops (*Humulus lupulus*).

In 1995, maximum limits for payments per farm, which were in effect since 1991 and 1992, were removed. The prerequisite for obtaining the incentive is a minimum farm size of 2 ha, or 0.5 ha if special crops are grown on 0.25 ha of the area. The bonus increases by 500 ATS (41 US\$) per ha of farmland for the first 10 ha when controls commensurate with the EU regulations are certified (Schneeberger et al., 1995). In addition, there is a 10 million ATS (0.8 million US\$) federal subsidy for organizational expenditures as well as for

Table 3. Some addresses related to organic farming.

Umbrella Organizations

- Arbeitsgemeinschaft zur Foerderung des biologischen Landbaus (ARGE-Biolandbau), Wickenburggasse 14/9, A-1080 Vienna. Tel. 0043-1-4037050, Fax 0043-1-4027800.
- Oesterreichische Interessengemeinschaft fuer biologische Landwirtschaft, (OeIG), Schlag 14, A-2871 Zobern. Tel. 0043-1-461457, Fax 0043-1-4803597.

Certifying Bodies

- ABG Austria Biogarantie, Koenigsbrunnerstrasse 8, A-2202 Enzesfeld.
- BIKO Verband Biokontrolle Tirol, Brixnerstrasse 1, A-6020 Innsbruck.
- SLK Salzburg Landwirtschaft Kontrolle Ges.m.b.H., Maria-Cebatori-Strasse 3, A-5020 Salzburg.
- Lacon Privatinstitut fuer Qualitaetssicherung und Zertifizierung oekologisch erzeugter Lebensmittel, Arnreit 13, 4122 Arnreit.
- LVA Lebensmittelversuchsanstalt, Blasstrasse 29, 1190 Vienna.
- BIOS Biokontrollservice Oesterreich, Feyregg 39, 4552 Wartberg.
- SGS Austria Controll-Co. Ges.m.b.H., Johannesgasse 14, 1015 Vienna.

Accreditation Service

- Ministry for Economic Affairs, Accreditation Service, Landstrasse Hauptstrasse 55-57, 1031 Vienna. Tel. 0043-1-71102-0.

Research

- University of Agricultural Sciences, Institute for Organic Farming, Gregor-Mendel-Strasse 33, A-1180 Vienna. Tel. 0043-1-47654-3750, Fax 0043-1-47654-3792.
- Federal Agency for Agrobiological, Department for Organic Farming, Wieningerstrasse 8, A-4020 Linz. Tel. 0043-732-81261-268, Fax 0043-732-385482.
- Federal Agency for Alpine Agriculture, Department for Animal Husbandry, A-8952 Irdning. Tel. 0043-3682-224510, Fax 0043-3682-2461488.
- Institute for Alpine Agriculture, University of Innsbruck, Technikerstrasse 13, A-6020 Innsbruck. Tel. 0043-512-507-2374.
- Ludwig-Boltzmann-Institute for Organic Farming, Rinnboeckstrasse 15, A-1110 Vienna. Tel. 0043-1-7951497940, Fax 0043-1-795147393.
- University of Agricultural Sciences, Institute for Agricultural, Environmental and Energy Techniques, Peter-Jordan-Strasse 82, A-1190 Vienna. Tel. 0043-1-47654-3500, Fax 0043-1-47954-5342.
- University of Agricultural Sciences, Institute for Animal Husbandry, Gregor-Mendel-Strasse 33, A-1190 Vienna. Tel. 0043-1-47654-3250, Fax 0043-1-47954-3254.

advisory services and public relations work of the individual farming associations and umbrella organizations. The federal marketing organization, AMA (Agrarmarketing Austria) receives 10 million ATS per year from fees paid by organic farmers. The money is used for marketing promotion of organic farming products. AMA is also responsible for awarding and marketing the "Austria Bio-Kontrollzeichen" (control label).

Research and Teaching at the University Level

Since 1992, there has been a slow but gradual increase in organic farming research at the university level. In 1991, the Federal Ministry of Agriculture and Forestry allocated less than 2% of its research

budget to organic farming. Moreover, most of the funding was used to compare production from organic farming with traditional farming methods. The Federal Ministry of Science and Research funded organic farming research even less (Lindenthal, 1993). The budget for organic farming research was slightly increased in 1997; however, at the present time, a greater number of research projects is being funded. Moreover, the research now is more focussed on optimizing methods of cultivation systems, albeit at a low level in relation to its practical importance in Austria (Lindenthal, 1997, personal communication).

The Ludwig-Boltzmann-Institut fuer Biologischen Landbau und Angewandte Oekologie (Institute for Organic Farming and Applied Ecology) was founded in the

early 1980s in Vienna. Shortly thereafter, the Federal Institute for Agricultural Biology in Linz (Bundesanstalt fuer Argrarbiologie) established its own department of organic farming (Abteilung Biologischer Landbau). In 1992, a chair for organic farming was established at the University of Bodenkultur, which was converted into an institute of its own in 1996. Besides the work in research and teaching, the institute acts as a nucleus for research in organic farming.

Another important aspect, i.e., coordination of research, is conducted by the Forschungsinitiative Biologischer Landbau (FBL, Research Initiative on Organic Farming) which was founded in 1991 as an informal group of scientists working on organic farming. FBL's goal is to facilitate the development of organic farming methodology. This is achieved through cross-institutional and departmental cooperation within the University of Agricultural Sciences, Vienna, as well as with independent institutions, other domestic and international academic institutions, and farming associations (Lindenthal et al., 1996).

Apart from the Institute for Organic Farming, some other institutes at the University of Bodenkultur conduct research on organic agriculture. In addition, research is conducted by the Ludwig-Boltzmann-Institute for Organic Farming and Applied Ecology and at the Bundesanstalt fuer Agrobiologie at Linz (see Table 3).

Further Training Opportunities for Organic Farming

Various agricultural schools, as well as colleges (Hoehere Bildungslehranstalten fuer Landwirtschaft, HBLA), offer training courses or individual subjects in organic farming. These include, for example, Tullnerbach, Graz, Edelfhof/Zwettl, Giesshuebl, Katsdorf, Aigen/Schlaegl, Gumpoldskirchen, Retz, Hohenlehen, HBLA Irdning, and Ursprung/Elixhausen. In addition, agricultural colleges cooperate in scientific experiments (such as tests on cultivation and varieties, etc.).

The Association of Agriculture for Upper Austria in Linz offers a one-year specialized course for organic farmers and trains future decision-makers and advisors for organic farming. The course covers

both theory and practice and incorporates the links among plant husbandry, soil biology, and agricultural ecology. It also covers animal husbandry, computer science, legal aspects, and business management.

Advisory Services

Most associations under the umbrella organizations offer their members advisory services and magazine-type publications (Table 4) with regular contributions on organic farming. In addition, the provincial and regional farmers' associations offer advisory services on organic farming, depending upon requests, personnel available, and their qualifications. The training for a special advisor on organic farming provided by the Federal Ministry of Agriculture and Forestry assists in promoting the advisory capacity of these institutions. The agricultural schools that teach organic farming also offer advisory services. In spite of intense efforts by farmers' associations and other institutions that seek to improve organic farming, enough staff is often not available for advisory services since the number of organic farms has sharply increased. Farms that are not affiliated with a farmers' association are especially lacking in qualified advisory services in most regions of the country. In general, it can be concluded that the official governmental advisory service has failed to meet the needs of organic farmers

and farmers in transition to organic farming. Education and training for official advisors, as well as financial and logistic support, lack the necessary enthusiasm and will to respond to the special needs of organic farmers. This situation endangers the sustainable development of the organic farming movement in Austria.

Marketing and Distribution: Perspectives and Strategies

The remarkable expansion of organic farming over the past years has considerably altered the market situation for organic products in Austria. According to estimates by H. Allerstorfer (1997, personal communication), the annual turnover of organic products at the domestic wholesale price amounts to two billion ATS (166 million US\$). This corresponds to a market share of approximately two percent of Austria's total food market. In individual sectors, this figure increases up to ten percent. The share of products that are domestic in origin amounts to roughly two-thirds; the remaining one-third is imported. More than 70% of the entire production is distributed via conventional food chains (such as Billa, Merkur, and Spar). Of the remaining 30% approximately 10% is sold directly via regional marketing channels (restaurants, hotels, bakeries, schools, etc.), while 13% is sold at organic and health food stores.

The organic farming association, Ernte, was obliged to find new and easily expandable markets due to the explosion in the supply of organic products from its members. The already existing infrastructure of wholesalers offered the best potential for buyers. The baby food producer Hipp and the chain Billa/Merkur were the first who showed interest. Hence, in 1994, the first organic food brand, "Ja! Natürlich," was sold at the branches of Billa and Merkur. In the interim, all major food chains (except discounters) such as Spar, Meidl, Löwa, Adeg, Maximarkt, and M-Preis have offered organic products. Since 1996, Ernte has cooperated with the baking trade. More than 150 bakeries offer "Panda bread" and, since 1997, different varieties of bread are made with organic ingredients of the brand "Nimm Natur." Under the auspices of ARGE-Bio-Landbau, other associations also deliver their products to Billa. In 1995, the supermarket chain Spar sold organic food products (in particular dairy products) under the brand name "Natur Pur," in competition with Billa and Merkur. In addition to the Ernte-Verband, farms that are members of the association Biolandwirtschaft Ennstal, which adheres to the guidelines set up by Ernte, also supply organic products to "Natur Pur."

In 1998, Merkur offered a variety of organic dairy and meat products, as well as organic ice cream, deep frozen pizza and vegetables, baby foods, juices, and fruits and vegetables of the season in its supermarkets. More than 50% percent of various breads offered by Merkur is organic.

The intensive marketing of organic trade names by individual food chains has created an increase in consumer demand and, hence, the market size for selling organic products. Billa/Merkur alone almost covers Vienna's (1.6 million inhabitants) supply of organic food products through 200 Billa and 20 Merkur branches. Perhaps for the first time, farmers or at least their representatives, and not wholesalers or packers, are negotiating the prices with the Billa/Merkur buyers. Without the instigation by Ernte, these companies would have purchased from abroad or from farms not affiliated with a farmers' association. This would have reduced the price of organic products because these farms have

Table 4. Magazines with regular articles on organic farming in Austria.

Ernte Zeitschrift fuer Oekologie und Landwirtschaft (Newsletter of the farmers' association, Ernte; articles cover exchange of ideas and information on techniques of organic farming, processing, and marketing). Ernte fuer das Leben (ed.). Europaplatz 4, 4020 Linz.

Freiland-Journal (Newsletter of the farmers' association, Freilaender; gives special emphasis on animal husbandry appropriate to the needs of animals). Freiland-Verband fuer Oekologisch-tiergerechte Nutztierhaltung und gesunde Ernaehrung (ed.). Wickenburggasse 14, 1080 Vienna.

Die Bergbauern (The Mountainous Farmers; gives technical, social, and political emphasis on problems of farmers living under severe natural conditions with fields at higher altitudes and having steep slopes). Oesterreichische Bergbauernvereinigung (ed.). Herklotzgasse 7/21, 1150 Vienna.

Demeter-Mitteilungen (Biodynamic news; information for members on the biodynamic Demeter farmers' association). Oesterreichischer Demeter-Bund (ed.). Rosensteingasse 43, 1170 Vienna.

OekoLand-Zeitschrift fuer biologischen Landbau, Oekologie, Ernaehrung und Agrarpolitik (Newsletter covering aspects of ecology, nutrition, organic farming, and politics). Verein Oekowirt-Informationsservice fuer Bauern und Konsumenten (ed.). Feyregg 39, 4552 Wartberg.

no representation. The price negotiations do not always meet the expectations of the producers and, in some cases, have led to discontentment among the farmers.

Not all organic farming representatives view the development in marketing products via the big supermarket chains as positive. While recognizing the positive public relations effect for organic farming as a whole, they fear that organic farmers as suppliers to big corporations will lose out in the end.

The chains have gained a positive image by introducing organic products and, as a result, their revenues and customer bases have increased. Thus, after half a year, sales of the brand "Ja! Natürlich," carried by Billa/Merkur, exceeded expectations by more than three times, amounting to 100 million ATS (0.8 million US\$), and in 1996 that figure increased to one billion ATS (83 million US\$). The increase in sales was due to a marked increase in customers. It can be assumed that the customers do not limit their purchases to organic products alone, and therefore the overall turnover increases as well.

Perspectives and Recommendations for the Future

The test for Austria's organic farmers does not seem to be in the country's ascension to the EU, but rather in market expansion as well as the extent to which supermarkets enter into the organic farming business. The relatively low sales in organic and health food stores illustrate the low significance this area has for the organic product market. In particular, the members of the OeIG view the expansion of the middle segment, in the area of conflict between distribution at the farm and

the supermarket, as an important task. Representatives of the largest association, Ernte, consider it a desirable long-term perspective to expand regional distribution channels in addition to existing distribution via the large chains. At present, more than ten people in the provincial Ernte associations are working to develop regional distribution and marketing strategies.

Challenges for the future include developing ways of cooperative management that take into consideration the interests of organic farmers, and processors and traders as mediators between producers and consumers. The development of regional processing and marketing channels will play a central role. The greatest challenge will be to educate consumers to comprehend the value of organic farming and, thus, obtain their willingness to pay higher prices for these products. A recent study (Plasser, 1997) shows that the consumer trend is towards fresh, untreated products with certainty of origin. Considering the general economic situation and the reduction of social benefits, it is questionable whether consumers will be prepared in the future to pay higher prices for organic products. Considerable educational and public relations work is needed to increase the understanding of and interest in organic among consumers. Much work will be required to educate and raise awareness among organic farmers themselves, as well as their newly converted colleagues. These farmers, who are not affiliated with a farmers' association (presently 36.5% of Austria's organic farms), lack enough qualified advisors. The development and long-term economic viability of organic farming does not rely solely on the fulfillment of a list of requirements. The awareness of ecological and social interrelations is equally important.

In many cases a favorable attitude among consumers, as well as producers, has yet to be realized.

References

1. BMLF. 1998. Gruener Bericht—Bericht zur Lage der oesterreichischen Landwirtschaft. In Bundesministerium fuer Land- und Forstwirtschaft, Vienna.
2. Hess, J., and C.R. Vogl. 1997. Biolandbau austriae—quo vadis? Entwicklungen und Perspektiven des Biobooms in Oesterreich. In Agrarbuendnis (ed.). Der kritische Agrarbericht. p. 40-49.
3. Lindenthal, T. 1993. Forschung im Biologischen Landbau. In Umweltbundesamt, Vienna.
4. Lindenthal, T., C.R. Vogl, and J. Hess. 1996. Forschung im Oekologischen Landbau. Integrale Schwerpunktthemen und Methodikkriterien. Bundesministerium fuer Land- und Forstwirtschaft. Foerderungsdienst 2c/1996, Vienna.
5. Pirkhuber, W., and C. Gruendlinger. 1993. Der biologische Landbau in Oesterreich. In Umweltbundesamt, Vienna.
6. Plasser, G. 1997. Oesterreichische Ernaehrungsstudie. In Fessel GfK und Bundesministerium fuer Land und Forstwirtschaft, Vienna.
7. Schneeberger, W., and M. Eder. 1997. Strukturanalyse der Biobetriebe in Oesterreich. Der Foerderungsdienst-Spezial, Special edition 12/1997, (45):1-16.
8. Schneeberger, W., C. Lunzer, and A. Posch. 1995. Foerderung der Biobetriebe in Oesterreich. Der Foerderungsdienst, 8/1995.

OMRI Develops List of Allowed Organic Products, Seal for Farmers

The Organic Materials Review Institute (OMRI) has developed a catalog of allowed and regulated products in organic agriculture, and a new seal for organic farmers and processors that identifies the OMRI-approved products that they use in their organic operations. Manufacturers of organic inputs may also use the seal to identify products that

have gone through the OMRI review process. OMRI provides professional and independent review of materials and compatible processes allowed to produce, process, and handle organic food and fiber.

The *OMRI Brand Name Products List* lists the allowed and regulated prod-

ucts; the *OMRI Generic Materials List* offers recommendations regarding the acceptability of generic materials used in organic production, processing, and handling. For more information, contact OMRI, Box 11558, Eugene, OR 97440-3758; (541) 343-7600; e-mail info@omri.org.