

# Local food from the processors' and retailers' point of view – A case study of Western Austria



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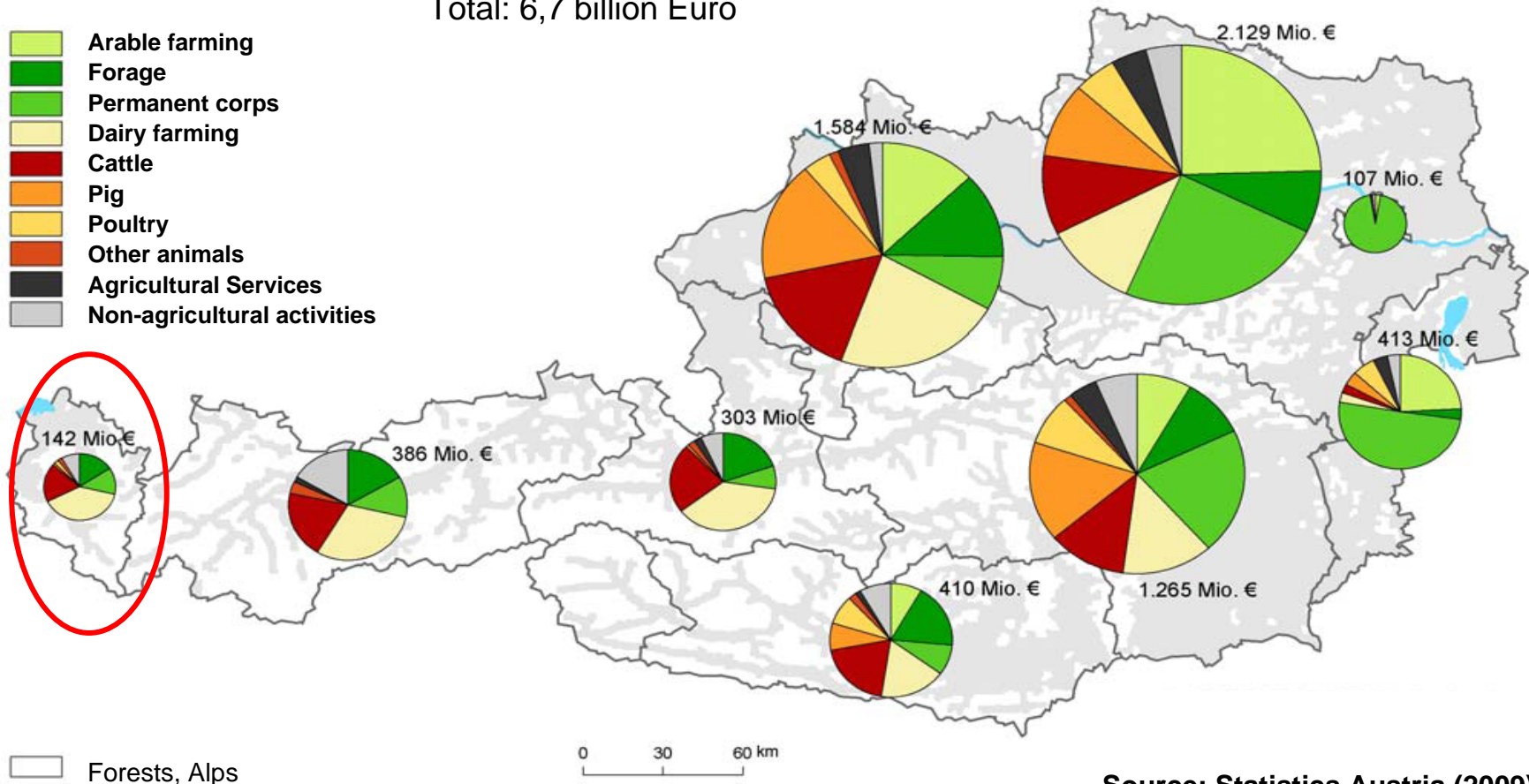
# Outline

- Introduction
- Agriculture in Vorarlberg
- Structure of Processing and Retail
- Survey (methodology, results)
- Conclusion



# Agricultural production value 2008

Total: 6,7 billion Euro



Source: Statistics Austria (2009)

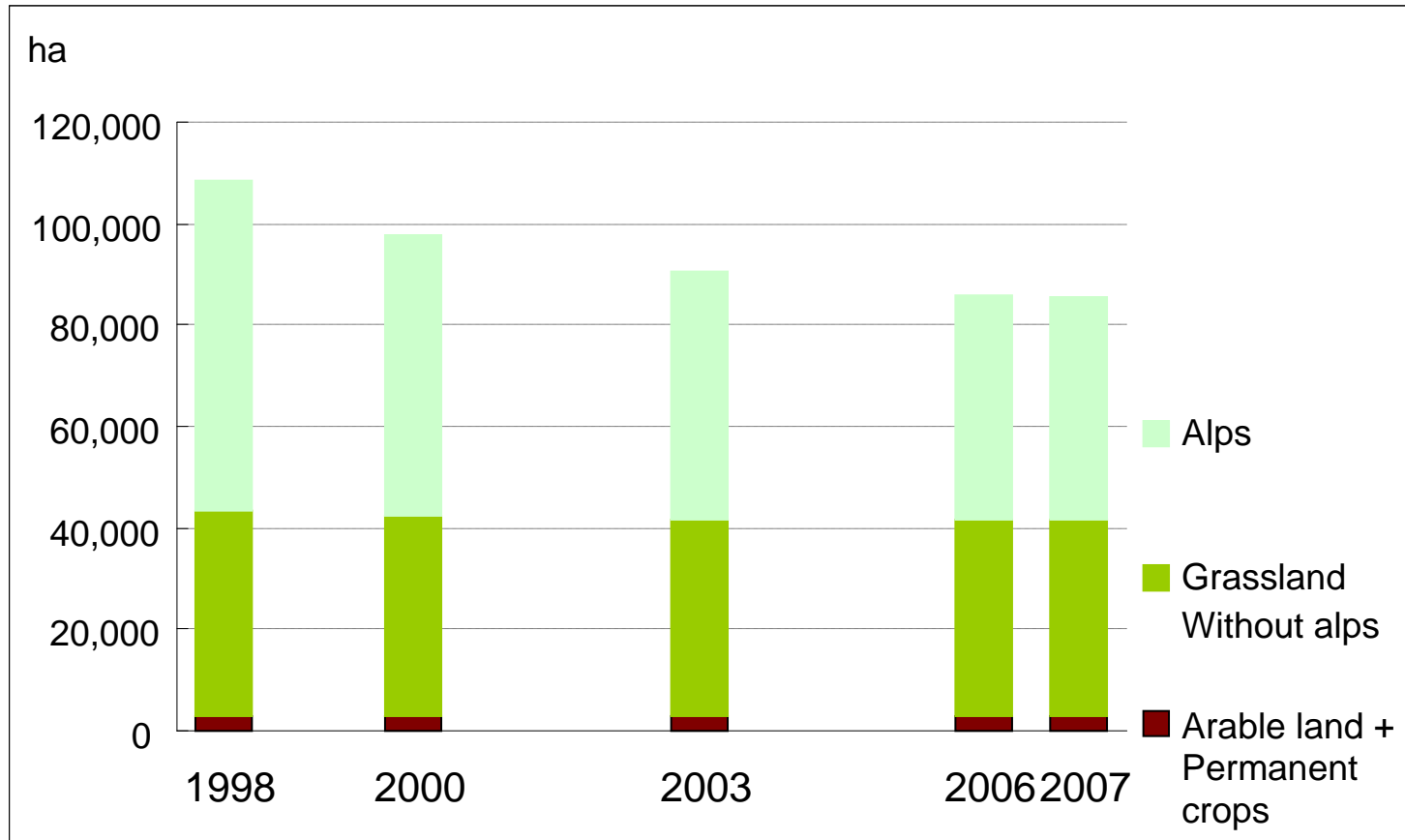


# Agriculture in Vorarlberg

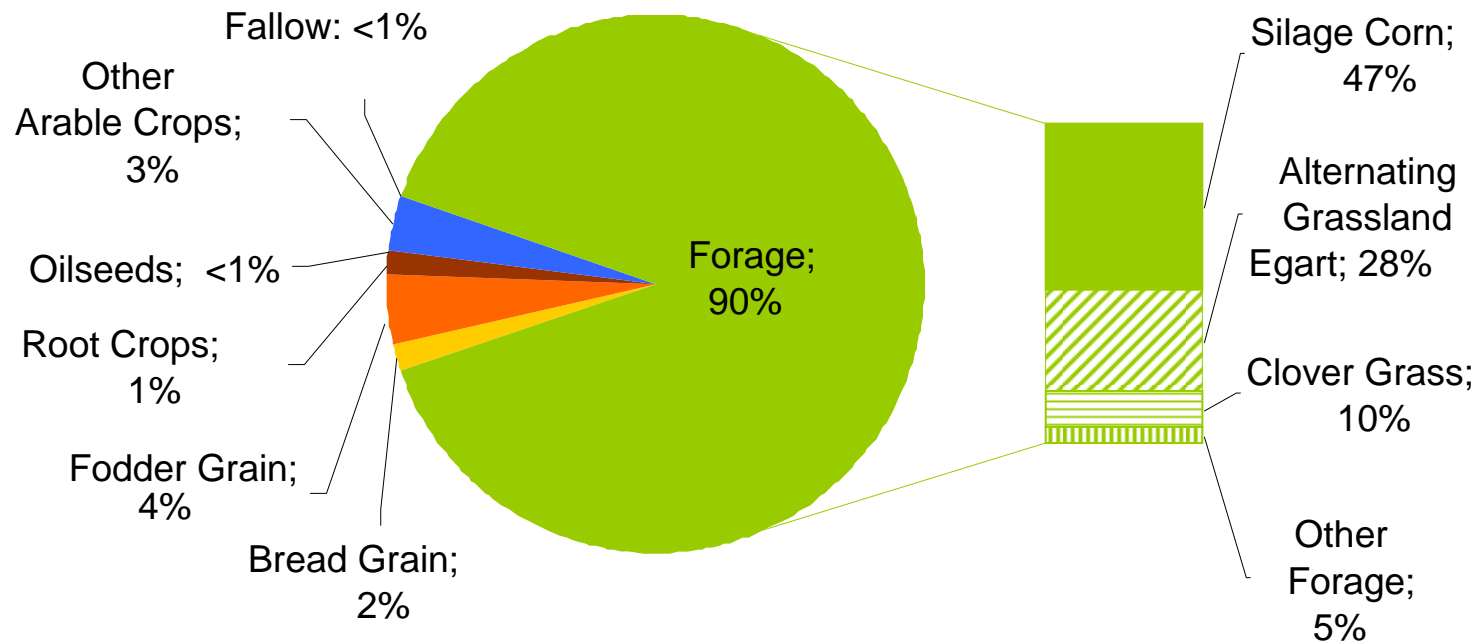
- 4,762 farms (2.5% of Austria, - 19.4% since 1995)
- 46% agriculture, 31% forestry, 23% non-productive
- 85,546 ha UAA (2,8% of Austria)
- 92.5% of all farms in less favoured areas
- Grassland management and forestry
- Alp management
- 30% full time farms
- Tourism



# Utilized agricultural area in Vorarlberg



# Cultivation of arable land in %, 2007



# Down and upstream industries of agriculture in Vorarlberg 2007

Classification	Enterprises	Employees	Gross value added* (share of Austria)
<b>Downstream industries</b>	<b>511</b>	<b>8,815</b>	<b>704,019</b> (8,6)
<b>Food, beverages</b>	<b>249</b>	<b>5,890</b>	<b>495,676</b> (12,0)
Meat processing, slaughter houses	62	627	22,853 (3,0)
Fish processing	-	-	-
Fruit and vegetable processing	8	684	222,607 (53,8)
Oils and fats	-	-	-
Milk processing	46	686	45,408 (11,6)
Mills, starch processing	2	G	G
Animal feed	3	G	G
Other food processing	107	2,568	165,743 (11,3)
Beverages	21	694	31,113 (4,0)
<b>Timber industry</b>	<b>262</b>	<b>2,925</b>	<b>208,343</b> (5,1)
Wood processing (without furniture)	247	1,654	83,468 (3,5)
Processing paper	15	1,271	124,875 (7,5)
<b>Upstream industries</b>	<b>15</b>	<b>76</b>	<b>7,892</b> (1,1)
Plant protection	-	-	-
Fertilizer	-	-	-
Agricultural and forestal machinery	15	76	7,892 (1,3)

\* Factor costs in 1,000 €, G... less than 3 enterprises

Source: Statistics Austria (2009)

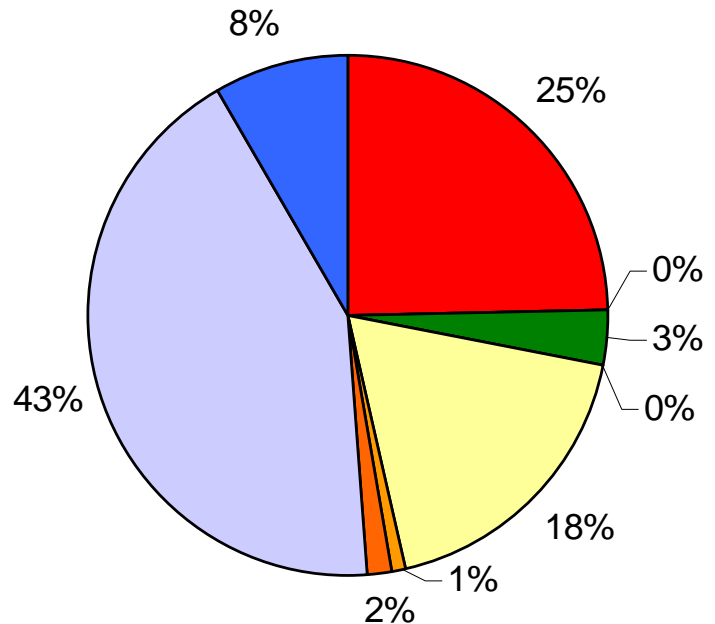


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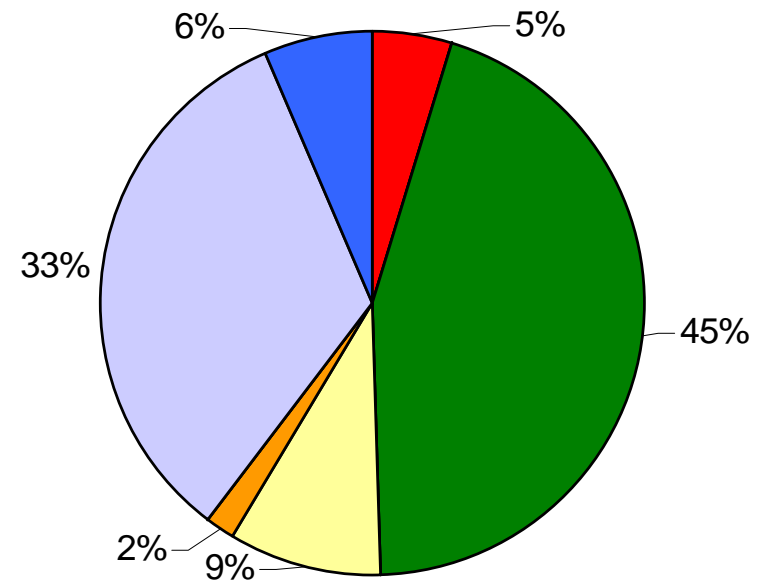
# Enterprises and value added of food processors in Vorarlberg

Enterprises: 250



■ Meat  
■ Oil  
■ Animal feed  
■ Fish  
■ Milk  
■ Others

Gross value added: 495,000 €



■ Fruit and Vegetable  
■ Starch  
■ Beverage

Source: Statistics Austria (2009)



# Region „Bregenzer Wald“

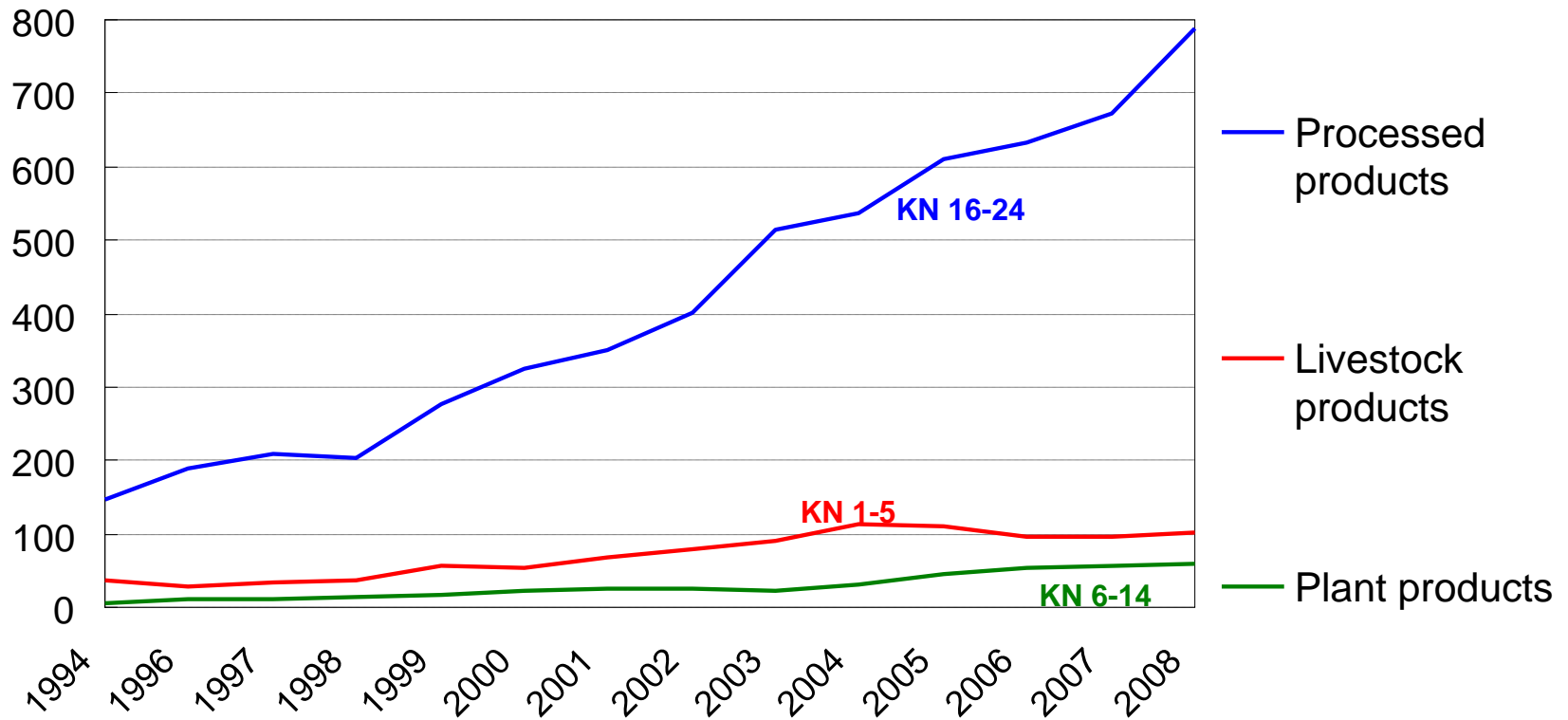


# Region „Bregenzer Wald“

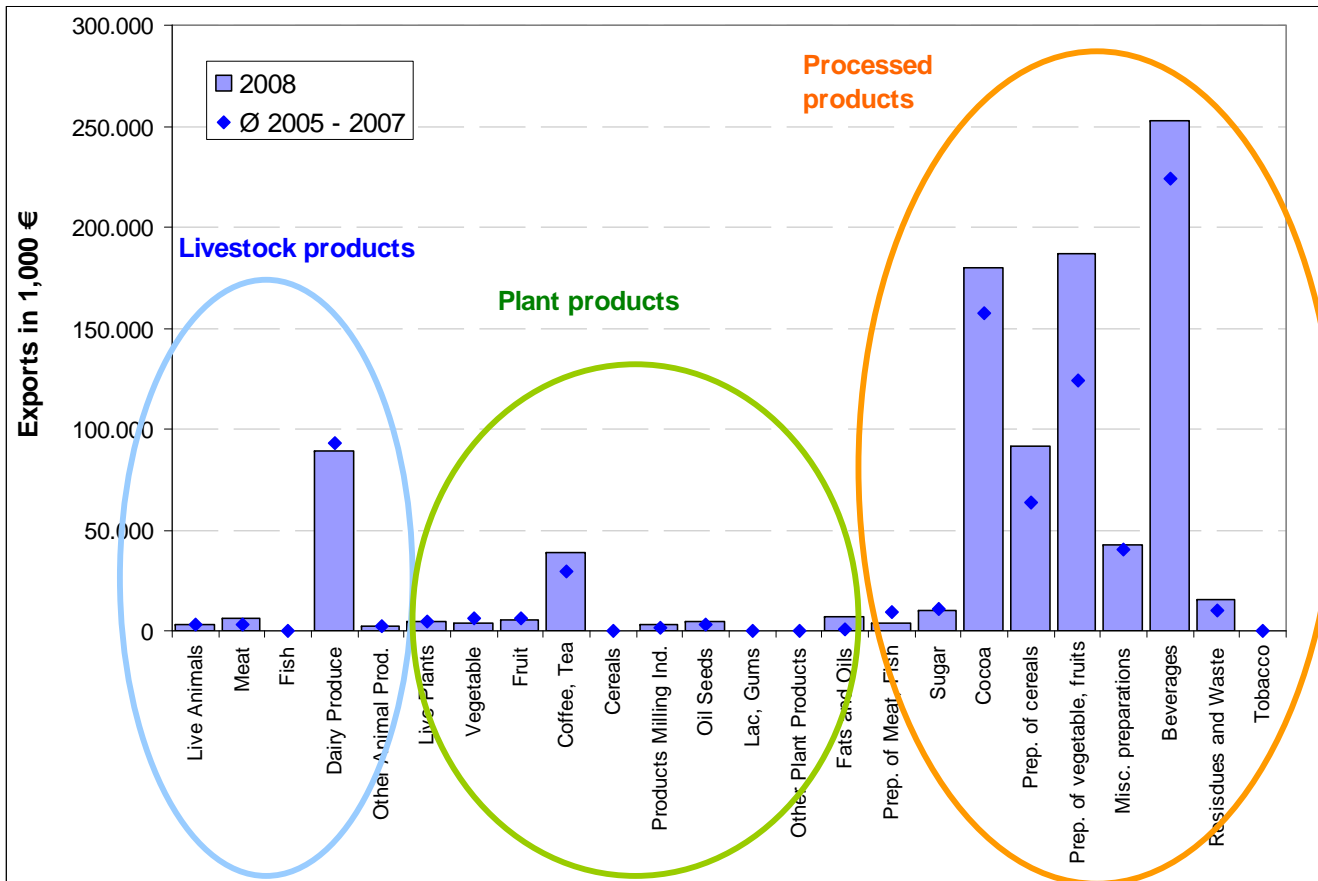


# Exports of agricultural products

in Mio. €

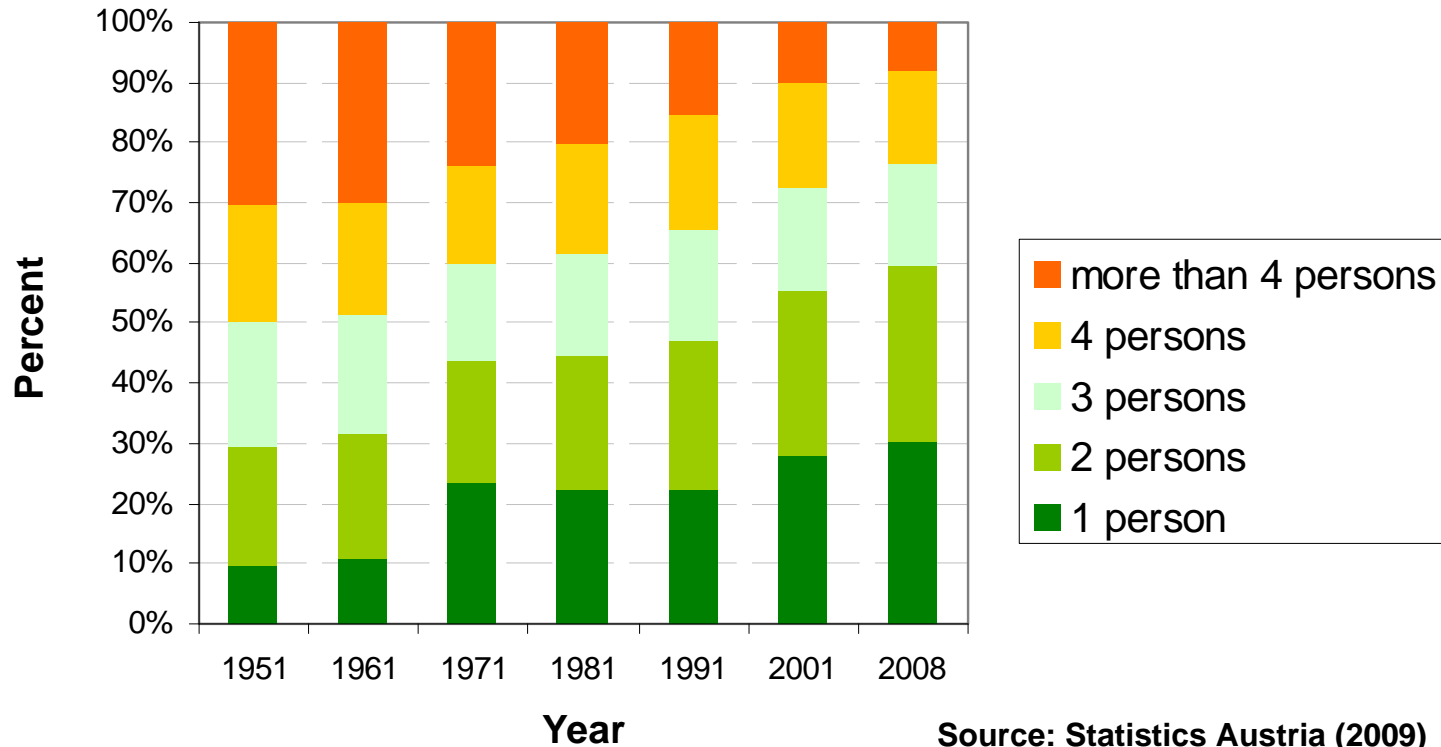


# Agricultural exports of Vorarlberg by commodity groups 2008

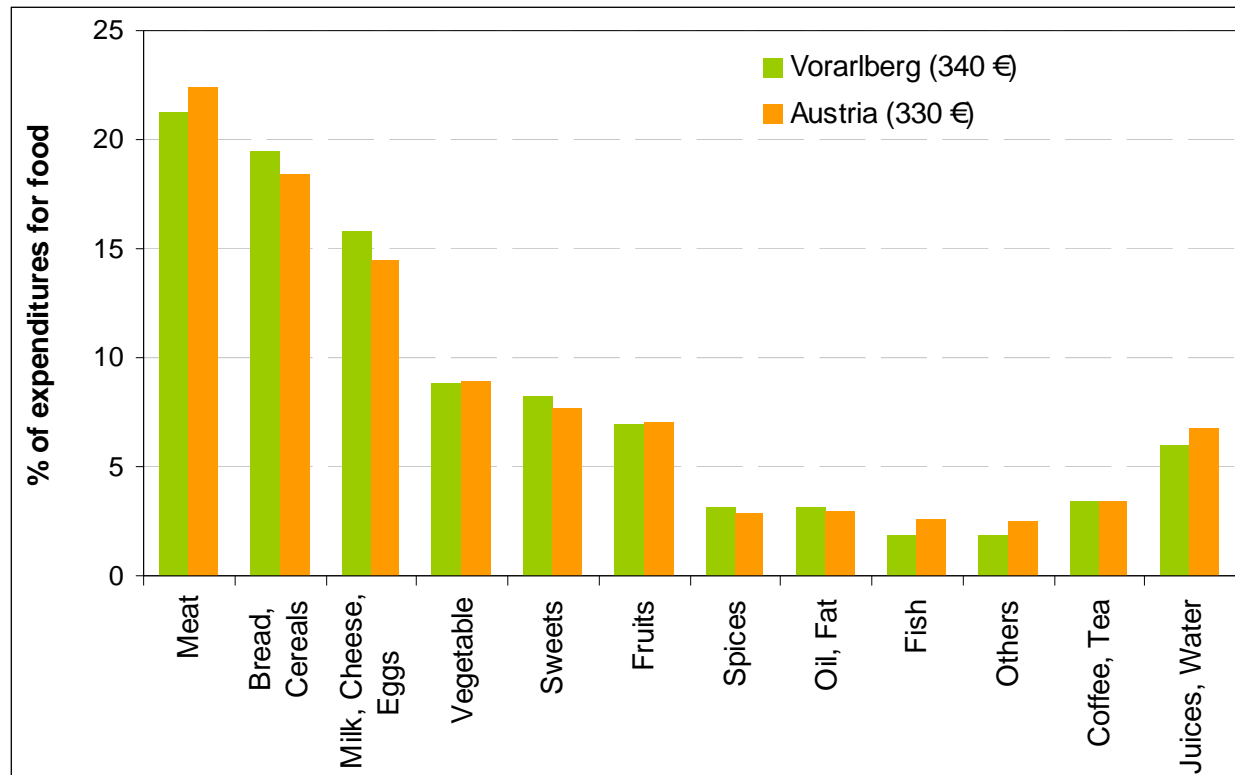




# Development of households in Vorarlberg



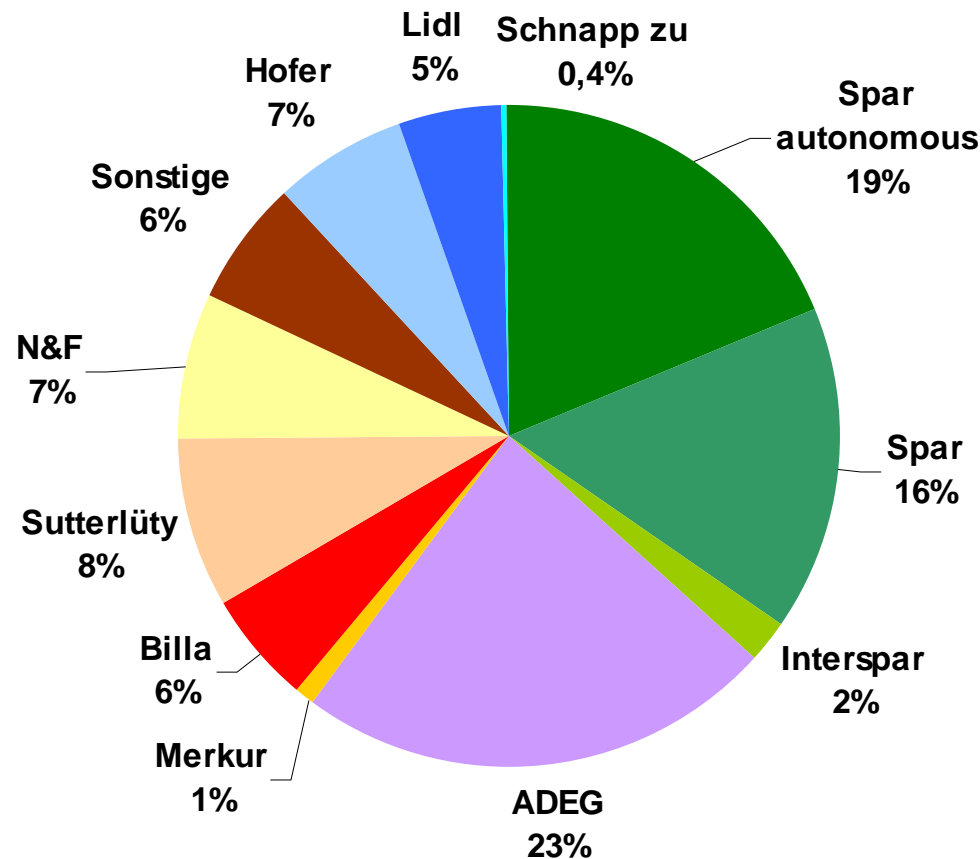
# Monthly household expenditures for food (2004/05)



Source: Statistics Austria (2009)



# Structure of Retail in Vorarlberg 2009





# Main reasons for purchase decisions...

	Price	Fresh- ness	Presen- tation	Austrian product	Organic product	Labell- ing	Wide choice
Milk, butter	49	66	17	65	18	17	9
Cheese	46	64	35	56	14	14	20
Beef	47	78	42	58	17	11	7
Pork	46	74	43	59	16	12	6
Poultry	46	77	47	60	16	11	5
Sausage, Bacon	43	68	54	49	9	15	16
Grains, flour	52	28	12	53	18	26	11
Fruit, vegetables	40	80	55	41	20	5	14
Wine	39	6	9	37	2	34	44

November 2009, in %; n=1.000

Source: GfK Austria / AMA Marketing



# Methodology - Interviews

- Expert interviews
- Non-standardised questionnaire
- Marketing-Mix
- Significant product groups
- 9 face-to-face interviews
- Content analysis



# Spontaneous associations of the interviewees concerning the term „local food“

Geographic origin	Food safety	Emotionality, Tradition	Quality of food	Environmental, economic, social aspects
Region	Traceability	Typical products	Authenticity of products	Procession, personnel
Origin	Confidence	Recipes	Customisation	Sustainability (agriculture, rural development...)
Location	Assured origin	Solidarity with agriculture	Fresh products	Short transport
	Quality labels	Product history	“Ländle” label	
		Personality	High quality	
		Cultivated landscape		
		Nature, valleys, mountains, alps		
		Variety		

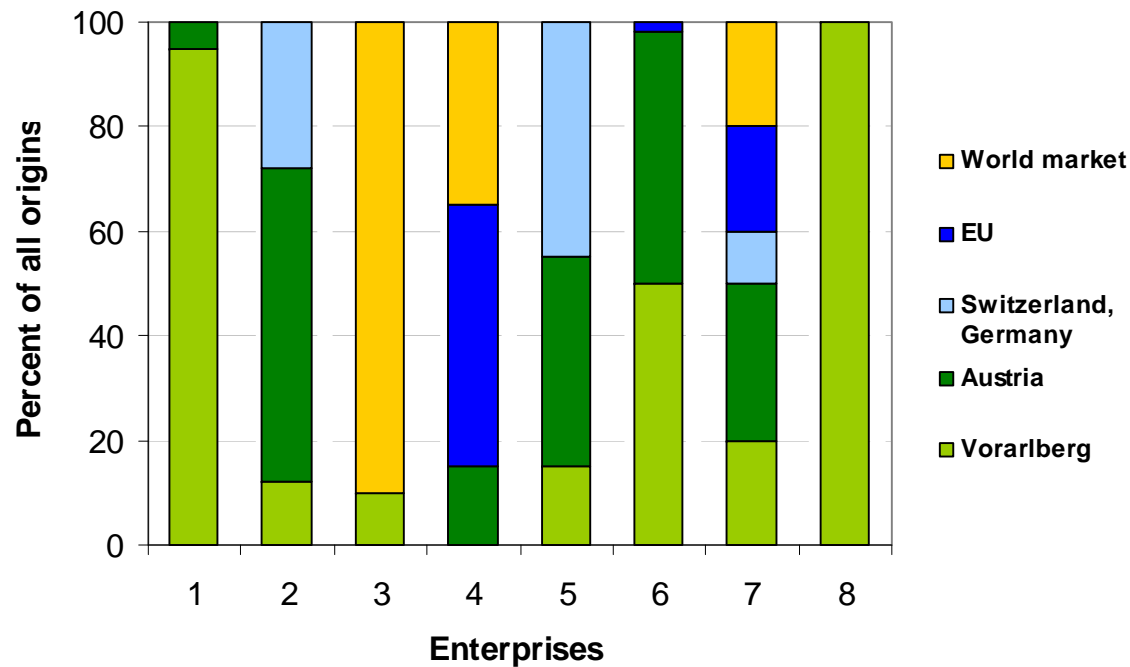


# Significance of regional agricultural products for processors and retailers

- Historical background
- Economic aspects
- Influence on suppliers
- Non economic reasons - sustainable agriculture



# Acquisition of raw materials of the interviewed enterprises



# Quality of local food

- Heterogeneous answers
  - Generally high standards
  - Higher quality of local food
  - Additional benefits
- Organic food
  - Highest level: locally and organically produced food
  - Perception of agriculture
  - Authenticity
  - Demand for organic food



# Assortment – Estimated self-sufficiency rates (%) in Vorarlberg

Person	Milk	Meat	Cereals	Potatoes	Fruit/Vegetables
1	100	50 (depending on species)	0-3	10	30
2	200	80, in total	5	15	20
3	100	30, in total	1	15	20
4	100	10-15 pork 30-40 beef 100 veal	-	-	-
5	100	10-15, in total	-	-	-
6	150	20 pork 60 beef 100 veal	10-20	-	30
7	240	10 pork 80 beef 100 veal	0-1 Almost no cultivation	5 – 8	10
8	150	-	-	-	-





# Interview results

- Distribution
  - ❑ Larger enterprises (national, international)
  - ❑ Small enterprises (regional, national)
- Communication
  - ❑ Recognition at the point of sales
  - ❑ Mix of communication tools
  - ❑ Problem: mass of various labels
- Pricing
  - ❑ Different opinions

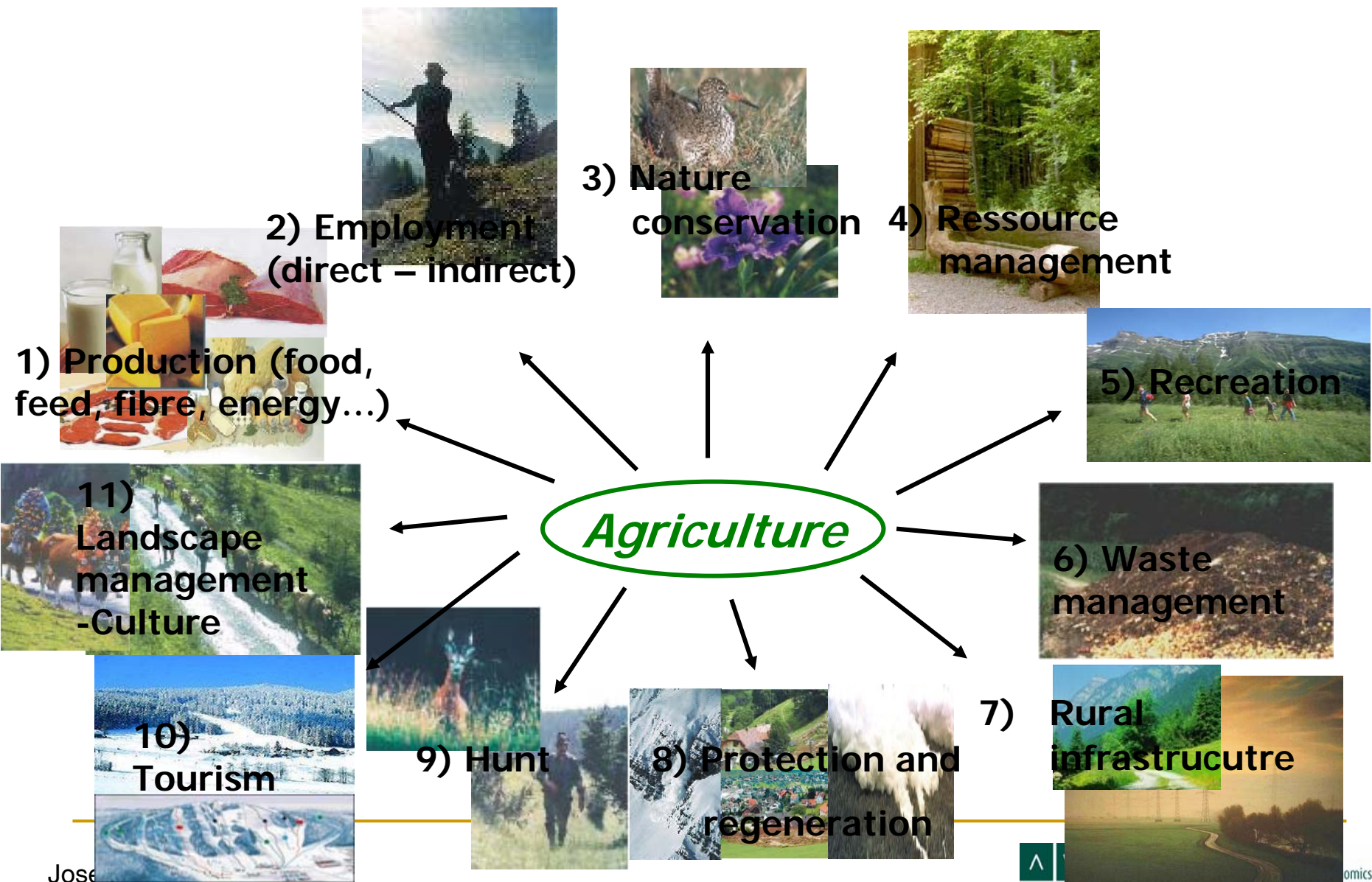


# Problems observed

- Entrepreneurial thinking (Accounting, knowledge of cost structures,...)
- Competition for agricultural area
- Various labels - confusion
- Definition “local food”
- Awareness for local products – holistic thinking

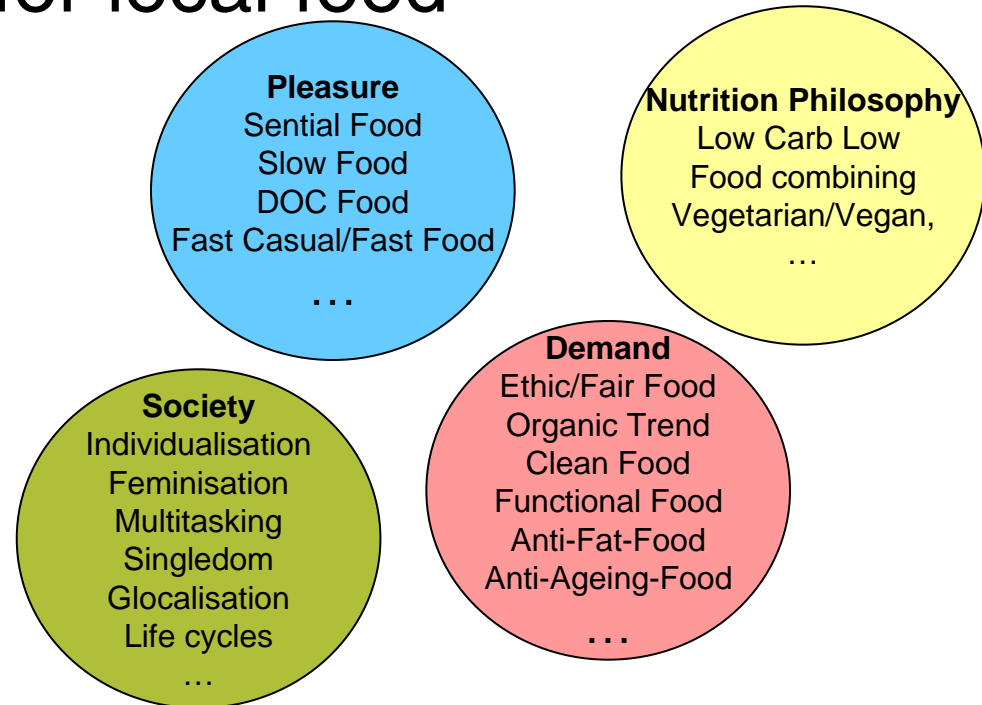


# Functions of agriculture (in Vorarlberg)



# Expectations for the future

- Increasing demand for local food
- Cooperation
- Quality production
- What is local food?
- Retail
- Consumer trends



Source: Walleczek s.a.



# Summary

- Various definitions of local food
- Labelling of local food (what is local food?)
- Better communication of additional benefits
- Increasing flexibility within agriculture
- Education
- Increasing importance of local food



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