CBI MARKET SURVEY

THE FRESH FRUIT AND VEGETABLES MARKET IN AUSTRIA

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Introduction
This CBI market survey gives exporters in developing countries information on some main developments in the fresh fruit and vegetables market in Austria. The information is complementary to the information provided in the CBI market survey 'The fresh fruit and vegetables market in the EU', which covers the EU in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used as well as information on other available documents for this sector. It can be downloaded from http://www.cbi.nl/marketinfo.

1. Market description: consumption and production

Consumption[1]
Austria, with a population of 8.2 million people, is a medium-size country in the EU. Household sales of fruit in the period September 2004 to August 2005 were €455 million; household sales of vegetables were €450 million (AMA 2006).

Domestic consumption of fruit in the period September 2004 to August 2005 amounted to 1.2 million tonnes (BMLFUW 2006). Compared to the same period in 2000/2001, this is a decrease of 4%. Domestic consumption is calculated from production, import and export. It includes fruit that is used in the food processing industry. The main products were bananas (20% of total), apples (18%), grapes (9%), strawberries (7%), and oranges (7%). Consumption of exotic fruits is very limited. Pineapples – the only exotic mentioned by AMA (2006) – accounted for 2% of total fruit consumption.

Domestic consumption of vegetables in 2004/2005 was 1.0 million tonnes, an increase of 8% compared to the same period in 2000/2001 (Table 1.1). The most important products were tomatoes (15% of total), lettuce (11%), sweet peppers (10%), cucumbers (6%), carrots (4%) and onions (4%).

Production
Production of fruit and vegetables in Austria is small compared to other countries. The Austrian share in total EU production is 1% (FAO 2006).

Austria produced 986 thousand tonnes of fruit in 2005. Apples and grapes are the most important fruits, accounting each for 36% of total fruit production. From 2001 to 2005, production of apples decreased by 14% and production of grapes increased by 7%. The next largest products are pears (13% of total) and plums (6%).

Production of vegetables was 521 thousand tonnes in 2005. Important products are cabbages (21% of total vegetables production), onions (20%), carrots (15%) and lettuce (12%).

Trends
Austrian consumers highly value a fresh and natural product. Price ranks lowest on the list of consumer demands, which provides an interesting contrast to the situation in Germany where it ranks much higher (AMA 2006). Health is an important consumer trend in Austria, reflected

[1] These figures may differ from figures in the CBI market survey Fresh fruit and vegetables in the EU. In the CBI market surveys covering individual countries, national sources are preferred for providing the most detailed information, while the general survey uses statistics that are easily comparable between countries.

in intentions expressed by consumers to eat more fruit and vegetables, less fat and more organic produce (AMA 2006).

Austria is one of the forerunners in organic food production and consumption in Europe. In 2004, sales of organic fresh produce amounted to €160 million, which is 5% of total Austrian food sales. The market for organic products is expected to develop further.

The number of single households is rising in Austria. In 2004, there were 1.6 million single households (34% of the total population), consisting of either young, urban people or elderly people. These single households contribute to the increasing demand for convenience products and out-of-home consumption, which are important trends in Austria.

Opportunities and threats

Austria has a limited production of fruit and vegetables, but the agricultural sector is an important economic activity. The climate in Austria does not permit the production of a wide variety of produce. Austria therefore depends strongly on imports of food products.

There are good opportunities for organic fresh fruits and vegetables in Austria. The demand for organic products is still growing and especially fresh organic produce has good prospects for further growth.

The offer of exotic fruits and vegetables is limited (partly due to the preference for traditional food products).

Useful sources

- AMA Agrar Markt Austria – http://www.ama.at
- BMLFUW, Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (Ministry of agriculture, forestry, environment and water) http://lebensministerium.at
- FAOSTAT, Statistical Database on Agricultural Production - http://faostat.fao.org

2. Trade: imports and exports

Imports

Austria is a small importer of fresh fruit and vegetables. In 2005, fruit imports were €512 million (3% of total EU import value) and 634 thousand tonnes (Eurostat 2006). From 2001 to 2005, import value of fruit increased by 17%. 72% of total value was imported from other EU countries; 27% from developing countries.

Fruit products with the largest value in imports in 2005 were bananas, grapes and cherries. Germany is the main supplier of fruit to Austria, followed by Turkey and Italy. Fruit products with the largest imports from developing countries were cherries, grapes, grapefruit, tangerines, and lemons and limes (Table 2.1). Turkey is the main supplier of these fruits.

In 2005, total vegetables imports were €336 million (3% of total EU import value) and 306 thousand tonnes. From 2001 to 2005, import value of vegetables increased by 20%. 77% of total import value in 2005 originated from other EU countries, while 19% came from developing countries. Vegetables with the largest value in imports in 2005 were tomatoes, sweet peppers and cucumbers. Italy, Germany and Turkey are the main suppliers. Vegetables with the largest imports from developing countries were sweet peppers, tomatoes, cucumbers, eggplant, and mushrooms (Table 2.1). For each of these except mushrooms, Turkey is the main supplier.

Table 2.1 Import from developing countries by Austria and leading suppliers, import value in million euro (€)

Total fruit	27% of total import value 2005	
Products	**DC imports**	**Leading DC suppliers**
Cherries	56	Turkey (100%)
Grapes	27	Turkey (99.5%), Egypt (0.5%)
Grapefruit	8	Turkey (100%)
Tangerines	6	Turkey (100%)
Lemons and limes	6	Turkey (100%)
Total vegetables	**19% of total import value 2005**	
Products	**DC imports**	**Leading DC suppliers**
Sweet peppers	30	Turkey (98.5%), Morocco (0.4%), Thailand (0.4%),
Tomatoes	12	Turkey (99.7%), FJR Macedonia (0.2%)
Cucumbers	5	Turkey (99.8%), Jordan (0.2%)
Eggplant	4	Turkey (99.2%), Kenya (0.5%), Thailand (0.3%)
Mushrooms (excl. Agaricus spp.)	3	Bosnia Herzegovina (41%), Croatia (13%), Turkey (12%)

Source: Eurostat 2006

Exports

Fruit export amounted to €188 million and 215 thousand tonnes in 2005 (1.5% of total EU export value of fruit). From 2001 to 2005, exports of fruit increased by 43%. Cherries, apples and pears were the main fruits exported.

In 2005, exports of vegetables were €101 million and 153 thousand tonnes (1.1% of total EU export value of vegetables). Since 2001, exports of vegetables have increased by 30%. The main exported vegetables were sweet peppers and mushrooms.

Only small amounts of the above mentioned fruits and vegetables were re-exported.

Opportunities and threats

Austria is only a small importer of fruits and vegetables from developing countries. As a land-locked country, Austria imports most exotic and off-season fruit and vegetables from other EU countries, mainly Germany and the Netherlands. Exporters that want to access the Austrian market can therefore also address these "intermediary" EU countries.

Useful sources

- EU Expanding Exports Helpdesk - http://export-help.cec.eu.int/
- Eurostat – official statistical office of the EU - http://epp.eurostat.cec.eu.int
- Austrian Association of Commercial Agents – http://www.commercial-agent.at/index.phtml?en=en
- Austrian Trade – http://www.austriantrade.org.

3. Trade structure

Food sales in Austria are mainly through large supermarkets and discount stores, which account for 40% of fresh fruit sales and 48% of vegetables sales. The most important non-conventional food outlets are the gas stations markets, which are run by local retailers. Sales through these outlets have increased by 20% over the last years, due to the increased demand for convenience shopping. Discounters have increased their market share and are putting pressure on the prices of other supermarkets (USDA 2005).

Except for Spar, the largest supermarkets in Austria are German-based:

- Rewe Austria (supermarket, superstores and discount stores), http://www.rewe-group.com
- Spar (supermarkets, superstores and hypermarkets), http://www.spar.at
- Hofer (part of Aldi concern, discount stores), http://www.hofer.at
- ADEG, http://www.adeg.at

Supermarkets either have their own import facilities or the imports are organised by the parent company. Import from developing countries takes place through import companies or agents. For information on importers and agents, you may contact the Austrian Association of Commercial Agents: http://www.commercial-agent.at/index.phtml?en=en.

4. Prices

From 2003 to 2005, the average import price of fruit increased by 11%, to €0.81 per kg. The average price of fruit imported from developing countries increased by 11% to €1.09. Price developments of selected products are the following: cherries +31%, €2.75; grapes -8%, €0.75; grapefruit +4%, €0.67; tangerines -3%, €0.63; lemons and limes -19%, €0.65 per kg.

During the same period, the average import price of vegetables increased by 12% to €1.10 per kg. The average price of vegetables imported from developing countries increased by 16% to €1.05. Price developments of selected products are the following: sweet peppers +5%, €1.12 per kg; tomatoes stable, €0.97; cucumbers +10%, €0.95; eggplant +14%, €1.03; mushrooms -59%, €3.37.

Price information can be obtained from AMA Agrar Markt Austria – http://www.ama.at – or from importers and agents.

5. Market access requirements

Manufacturers in developing countries should be aware of the market access requirements of their trading partners and the country government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. For more information go to http://www.cbi.nl/marketinfo

For fresh fruit and vegetables, the reduced value-added tax (VAT) rate of 10% is applicable.

6. Business practices

For information on doing business in Austria, you may try the following sources:
- Austrian Economic Chamber - http://portal.wko.at
- Forum Handel, Lebensmittel und Konsumgüter. - http://www.lebensmittelhandel.at

7. References

AMA. 2006. AMA Agrar Markt Austria. Data available at http://www.ama.at

BMLFUW. 2006. Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (Ministry of agriculture, forestry, environment and water), Wien, Austria. Data available at http://lebensministerium.at.

Eurostat. 2006. Statistical Office of the European Communities, COMEXT database on external trade, available at http://fd.comext.eurostat.cec.eu.int/xtweb/.

FAO. 2006. FAOSTAT, Statistical Database on Agricultural Production. Available at http://faostat.fao.org.

USDA. 2005. Austria – Retail Food Sector - Annual 2005. GAIN Report AU5027, date: 17-11-2005.

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