

Family Farming in Austria

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In Austria, by far the majority of farms can be identified as family farms as the basis for agricultural production and the supply of public goods subsumed under the term of multi-functionality. Other types of ownership-status like personal communities (natural persons) or legal entities (cooperatives, limited companies) only play a subordinate role.

Distribution of farms in Austria by ownership-status 2013

	Farms	Farms in %	Total area in ha	Total area in %
Family farms	153,515	92,3	4.403,422	59.9
Personal communities		3.3		4.7
Legal entities		4.4		35.5
Sum	166,317	100	7.357,200	100.0

Source: LFBIS 2013

In comparison, in 2010 the amount of family farms in EU28 came up to 97 %, many of them located in the new member states NMS13 (Davidova et.al. 2013).

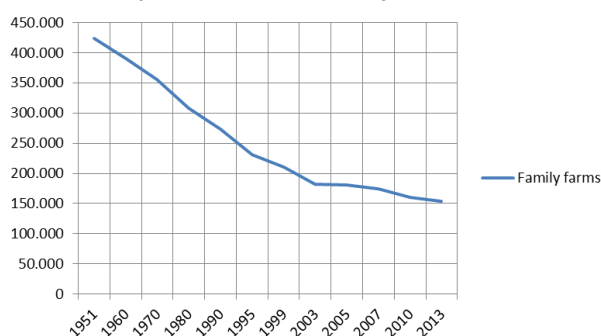
Development of farms in Austria by ownership-status

Year	Family farms	Personal communities	Legal entities
1951	423,662		9,186
1960	390,211		12,075
1970	356,021		11,717
1980	307,657		10,428
1990	272,717		9,193
1995	231,125		7,974
1999	209,710		7,798
2003	182,693	1,171	6,519
2005	181,340	1,473	6,778
2007	174,911	4,938	7,186
2010	160,697	5,570	7,050
2013	153,515	5,437	7,365
Diff. 1951/2003-2013 in %	-63.8	364.3	-19.8

Source: LFBIS

According to major structural change and in contrast to the other farm types, the table above and the chart show that the number of family farms has severely decreased by nearly 64 % since the early 1950s.

Development of number of family farms in Austria



Source: LFBIS

Due to the different regional and environmental circumstances, family farms in Austria show a broad spectrum of farm structures and farm strategies. Accordingly, the range extends from small scaled subsistence and semi-subsistence farms, small farms with highly specialized intensive production, as well as medium sized dairy farms in mountainous areas or arable farms, down to big farms cultivating crops for industrial procession and mass markets.

Preliminary, regarding the term family farm, it should be noted that the strong differentiation of family farm types are caused by different natural production conditions, market liberalization, structural change and change of social values. It proved to be difficult to generate a universal valid definition for all of them. This is also due to the fact that some of the key criteria of family farms like

- ◆ family-based workforce
- ◆ family owned means of production
- ◆ close relationship between farm-household and farm-business
- ◆ high degree of resilience and sustainability
- ◆ secured farm succession within the family

are often undergoing massive changes (see also Garner et.al. 2014). For example, in the last decades an increase of linear production methods, decoupling of energy and material cycles, contracted employees as well as specialization, rationalization, intensification and also extensification have accelerated differentiation of farms. To put it concisely: in Austria a broad variety of farms are operating under the name of family farms, which makes it difficult to use this term for characterizing a special form of farming.

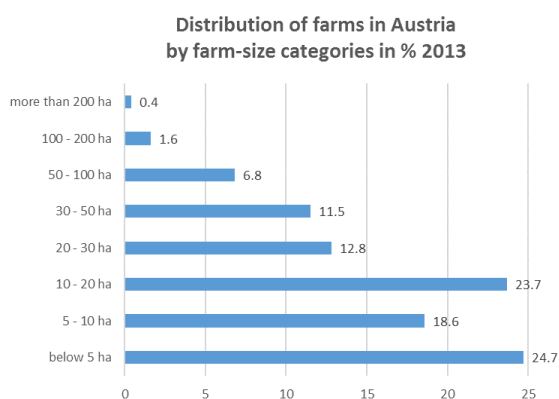
In the following, the most characteristic features of Austria's family farms will be introduced.

Multifunctionality

Family farming in Austria is committed to the concept of multifunctionality. In addition to production function, the generation of public goods as a service for society, inhabitants and tourists in rural regions is an essential contribution of agriculture for maintaining prosperous and vibrant rural areas. Family farms help to maintain minimum-settlement and infrastructure contribute to landscape conservation and biodiversity and strengthen local economy by cooperating with regional actors and entrepreneurs. Consequently, agriculture in Austria is considered to be an integral part of regional economy.

Small scaled agriculture

Austria's agriculture is largely based on small scaled farms. Accordingly, in 2013 the average farm size was up to 37 ha cultivated area (including forest) and 19 ha utilized agricultural area (UAA).



Source: Invekos 2013

Small family farms are predominately situated in less-favoured and mountainous areas, but also in eastern (winegrowers, horticulture) and south-eastern Austria (small but intensively run pig and poultry farms). Nevertheless, compared with Austria, the share of small family farms and semi subsistent farms (SSF) in some East- and South European countries like Romania or Greece is higher.

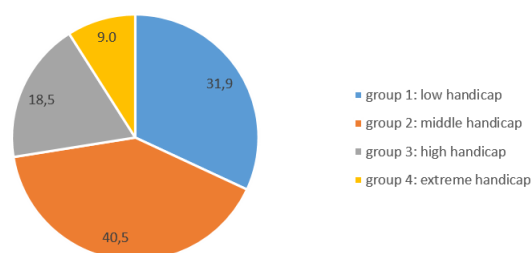
Part time farming

Nearly 60 % of all family farms spend more than 50% of their working capacity in non-agricultural activities like agro-tourism, communal services and particularly off-farm employment, which guarantees higher hourly wages and more satisfactory incomes. Those farms are often extensifying production – for instance they shift from dairy production to suckler-cow breeding or sheep rearing – and parallel to that, use released working capacity in other, more productive activities.

Mountain farming

Due to Austria's mountainous topography, family farming is determined by a high proportion of mountain areas (70 %). About 40 % of all Family farms are mountain farmers (about 61.600 holdings in 2014) cultivate their land under difficult production conditions like rough climate, steepness and a lack of productivity (see also Wymann von Dach et.al. 2013). Due to the four handicap-groups according to which mountain farmers are classified, you will find the following distribution in Austria.

Distribution of mountain farms in Austria by handicap-groups in %



Source: Invekos 2014

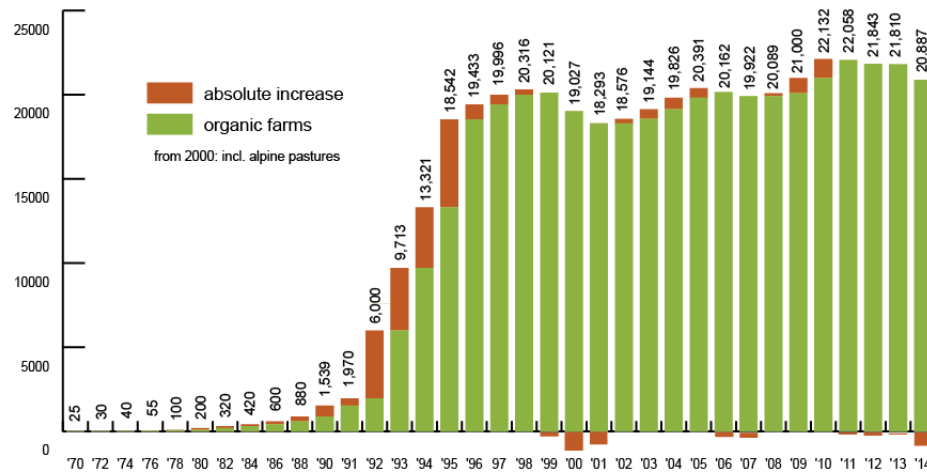
It's evident that more than a quarter of all mountain farms are managing their farms under very harsh operating conditions.

Mountain farming in Austria is primarily based on grassland farming, dairy production, livestock breeding and forestry. High alpine pastoralism is an integral and essential part of it. For many family farms revenues generated from forestry are a necessary source for farm investments. Particularly in the western parts of Austria, the tourism sector has traditionally been providing an additional income source to mountain farms.

Organic farming

Because of the orientation towards sustainable agriculture, Austria's agriculture is famous for its highly developed organic sector. In 2013, nearly 20 % of all holdings and 17 % of total UAA were cultivated under organic production guidelines (almost all of them family farms). What started as an alternative and a self-contained niche market, has since developed into an important and prosperous part of Austrian's domestic food market.

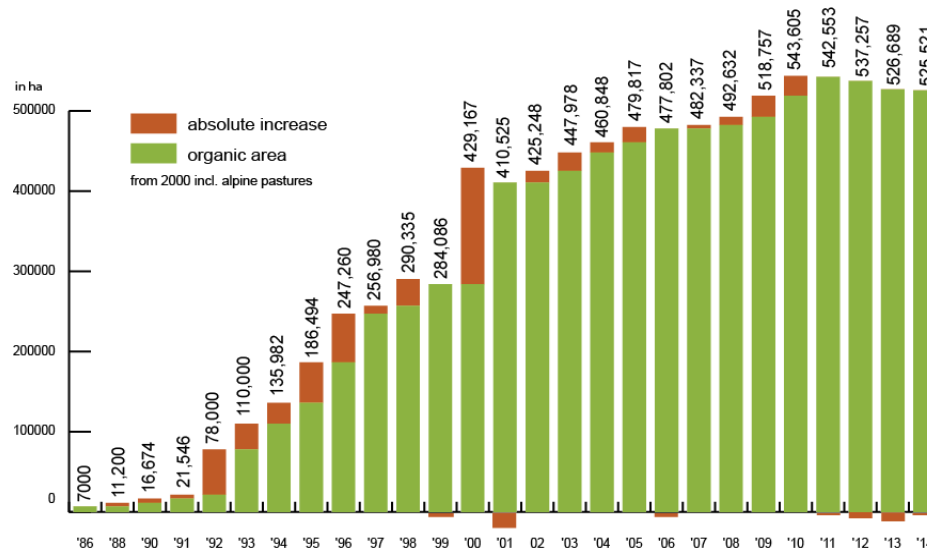
Development of organic farms in Austria



Source: BMLFUW, BABF



Development of organic areas in Austria



Source: BMLFUW, BKA



Organic family farms are mainly situated in mountainous areas. However, in the recent years the greatest growth dynamic has taken place in the large structured arable regions of Eastern Austria.

Cooperation and Quality production

Often linked with organic- or mountain farming, many family farms in Austria are involved in diverse production- and marketing cooperatives, in producing and processing branded high quality products and in practicing short chain marketing: direct- and regional marketing (Bijman et.al. 2012). Frequently, those cooperatives are embedded in regional development projects guaranteeing regional interlinking and integration along the whole supply chain. In this context, EU-protected brands,

various organic labels and the so called “Culinary Regions”, which all are part of Austria’s quality strategy, should be mentioned.

Regional Integration

In Austria the concept of regional integration of agriculture in rural regions has a long tradition. Since the 1980s, models and concepts of integral, endogenous and sustainable regional development have proclaimed that sustainable support and maintenance of family farming can only be achieved by interlinking agriculture with local or regional structures and economy. This includes the cooperation of family farms with small businesses, gastronomy, and tourism as well as with energy suppliers, nature conservation projects, common services and educational

institutions. Exclusive sectoral support strategies have proven to be less effective in maintaining family farming by ignoring the benefits of the exploitation of regional synergy potentials.

Subsidy system

According to the GAP-regime and the EU subsidy system, family farms in Austria are offered a comprehensive range of various measures aimed at income support, protection and maintenance of natural resources, animal protection, compensation of difficult production condition (Hovorka et.al. 2009), promotion of farm investments, procession and marketing facilities as well as regional innovation and education. These objectives are predominantly achieved by the direct payments (first pillar of CAP) and particularly by schemes like the agri-environmental program (ÖPUL), the compensatory allowances for mountain farmers (AZ), investment support and other measures summarized under the Austrian Development Programme for rural regions (rural development: second pillar of CAP).

In comparison with other EU-member states, the proportion of the budget of CAP second pillar schemes is much higher in Austria due to the importance of agri-environmental schemes as well as the large share of less-favoured and mountainous areas. The modalities and the high acceptance of those broad-based programmes guarantee that nearly all family farms can participate in it.

Conclusion

In summary, it can be said that agriculture in Austria can be largely equated with family farming, which again shows a broad range of different farm-types, farm sizes and intensity levels dedicated to Austria's different natural, structural and economic conditions.

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Impressum:

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