ARGE Beef working group: A marketing strategy of Austrian cattle farmers

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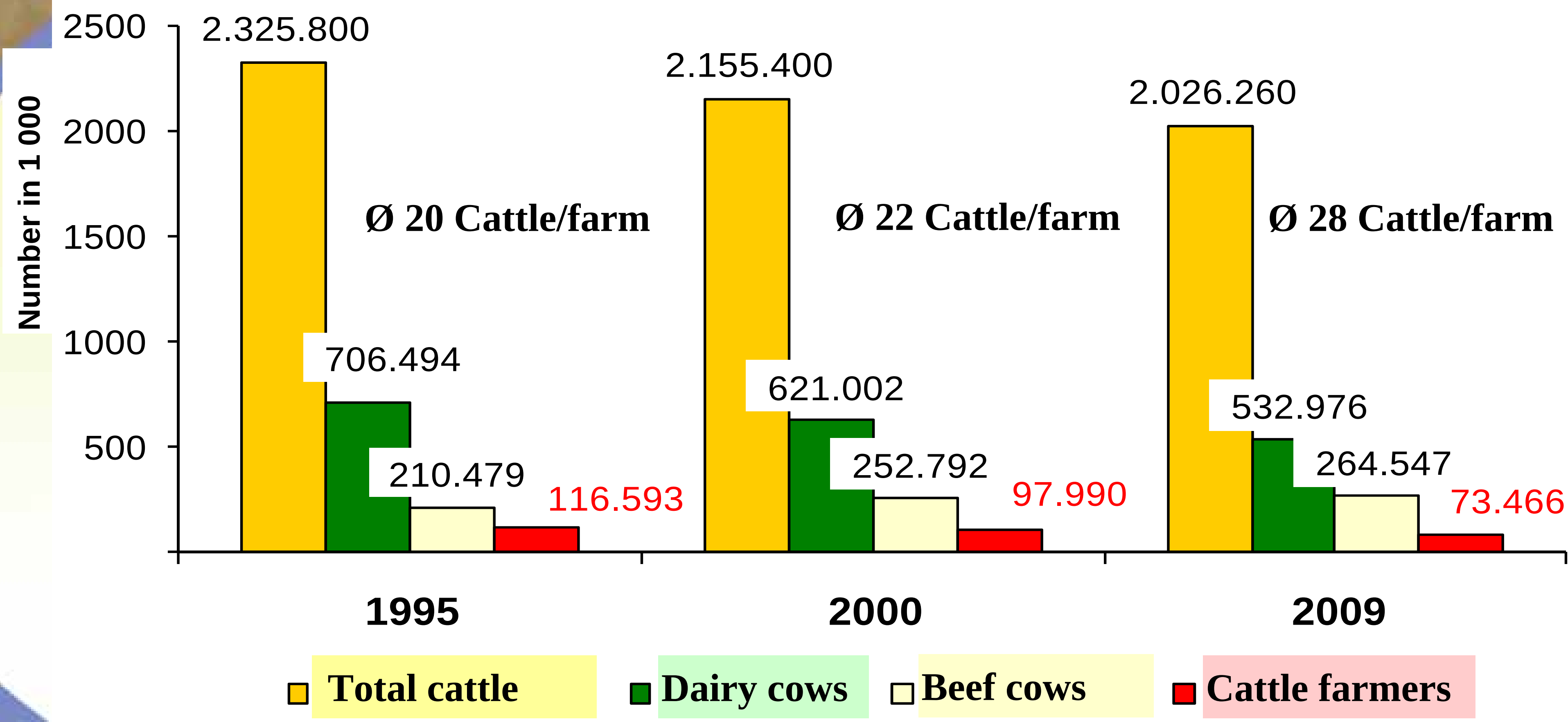
Austrian beef cattle farming

- **Climate conditions - housing**
- **Lowlands – alpine areas**
- **Combined systems: Dairy + beef;** breeds, farm types, revenues etc.
- **Structure, organisation and engagement of ARGE Beef**

Austrian trends: Number of cattle and cattle farmers



(-13%) (-25%) (+26%) (- 37%)

(Total cow numbers: -13%)

Beef marketing strategies

with 30.000 associated cattle farmers

Vertical cooperation

Arge Beef

Slaughtering
Processing

Wholesale
Retail

Consumer

Horizontal cooperation (in Austria)

7 producer cooperatives registered under
1 umbrella organisation

30 000

Cattle farmer
Rinderbauer
Rinderbauer
Rinderbauer
Rinderbauer
Rinderbauer
Cattle farmer
Rinderbauer
Rinderbauer
Rinderbauer
Rinderbauer
Rinderbauer
Rinderbauer
Cattle farmer
Cattle farmer

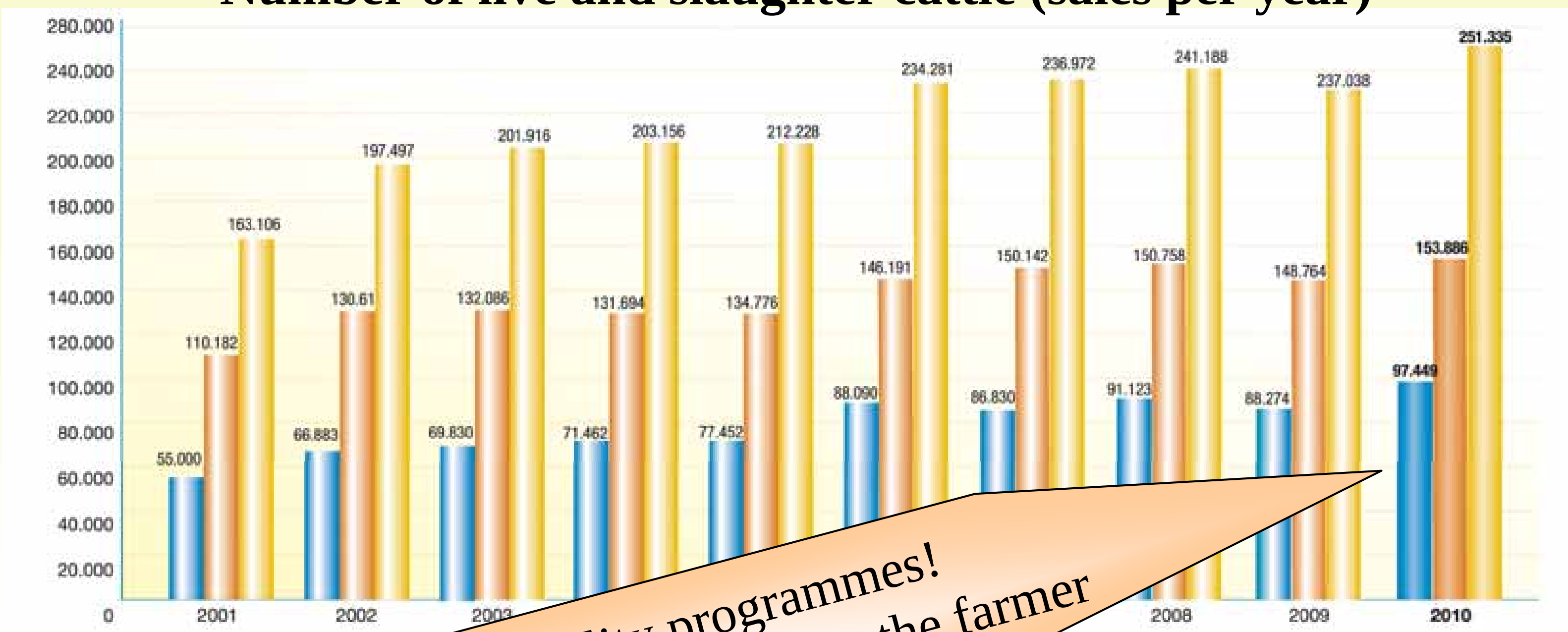
about 71 000 cattle farmers

a cooperative with equal members

A close connection between producer, cooperative marketing body, processor, wholesaler, retailer and consumer is crucial!

Development of the cattle marketing by ARGE Beef

Number of live and slaughter cattle (sales per year)



Live cattle | Slaughter cattle | Total

There of 63 % under quality programmes!
About 8.7 million Euro: 89€/animal **more** for the farmer

Market share of around 35 %; Sales volume in 2010: 193.7 million Euro (+ 6,5 %)

ARGE Beef - die HUB of „AUSTRIA is DIFFERENT“

1. Daily business:
- Slaughter cattle; Austrian price quotation
- Service for live cattle, collective cattle pool

2. Quality programmes:
- Development
- Marketing
- Evaluation
- PR and information

3. Strategic Alliances:
- Strategic partnerships for marketing activities (liaise with retailer etc.)
- Advice for Gastronomy

4. Consulting, information, seminars/workshops:
- Brochures,
- Working groups
- Newspaper

5. Professional lobby:
- Legal framework
- Strategic positioning
- Consulting, lobby policy

6. Cooperation:
- Business partners
- Institutions such as ministries, administrative bodies of states/districts, AMA Marketing, ZAR
- Research

Quality production - Focussing on the essential

ARGE RIND
arbeitsgemeinschaft rind

Quality Securing	Quality

3 levels of quality

Organic

„Organic Young-Cattle“
„Organic Calf“
„JA!Natürlich“

Standards of AMA Quality Label

Austria-wide offers:
Premium Beef
AMA Quality Label
Fresh meat

Legal baseline

Regional programmes
„Alpine Foothills Beef“
„Salzburg Young-Cattle“
„Muehlviertel Young-Cattle“
„Styrian Alp Steer“

Quality beef in Austria

- **General quality labels**
  - AMA Quality Label / Organic
- **Quality labels for specific target groups**

  Retailer brands - producers brands
  - „premium Rind“ (Premium Beef),
    „donauland Rind“ (Danube Beef)
  - „à la Carte“, „alpenvorland Rind“ (Alpine Foothills Beef) (Genussregion - ‚treat region‘)
  - „Murbodner Ochse“ (Murboden Steer)
  - „M-Rind“ / „Viandella“ (Cooperation OSI, Mc Donald´s)
  - „Salzburger Jungrind“ (Salzburg Young-Cattle)
  - „Ja!Natürlich“ (Yes!Naturally) (Retailer brand of Rewe)
  - Natur pur (Retailer brand of Spar)

Conclusions

- The domestic market remains very important!
- More effort into strategic alliances with gastronomy, wholesale and retail businesses
- Beef is a delicate product;
  GAP 2013 needs to be taken into account!
- Professionalisation of production

… more conclusions

- **Starting a quality offensive in the fields of**
  - **conventional beef production and**
  - **organic beef production**
  - **Core issue: Maturing the meat!**

- **Bringing together cattle farmers**
  - **Cooperation strengthens security and reliability!**