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**Food Promotion Policy
for the Austrian Food Market
A Best Practice Example**

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1 Introduction

This case study will show the organizational structure of the Austrian food quality system led by a specific organization (AMA Marketing) as well as communication activities aimed at increasing awareness of national food quality schemes. The national and international markets trust Austrian food and potential consumers should be able to use the relevant seals and labels to identify high quality food of Austrian origin.

It is important to understand three aspects:

(1) At the organizational level, delegating marketing activities to the ministry of agriculture is unlikely to work, because marketing and administration are two different worlds with two different mindsets. Most of the people working at the Agrar Markt Austria (AMA) have experience in marketing. They worked for the food industry, wholesalers, the restaurant sector or small and medium sized craft food companies. It is all about creating a company with a strong market orientation.

(2) At the regulation level, consistent and effective nationwide food marketing requests define clear and transparent quality schemes. Transparent and regularly controlled guidelines about quality at farm and food processing level are necessary, before food promotion for national high quality food can be initiated. Furthermore, any quality label has to be connected to the origin of the agricultural commodities used in food production.

(3) When a proper quality system is in place, promotion can and has to be started through radio, TV, print, public relations and events. And this has to be a constant effort over years or even decades, because it takes a long time for the population to recognize and accept quality labels. It is like building a brand: Coca Cola did not happen overnight. It takes years until a new brand makes it into the mind of the people as an essential part of their lives.

This paper shows a successful model, which was founded at a time where market regulations disappeared and helped to position Austria's high quality food production when the country joined the EU in 1995. In particular, it looks at the domestic market AMA's quality schemes and, more specifically, the AMA Quality Seal helped, which Austrian consumers trust in Austrian food products.

2 Quality management and control as basis for future marketing promotions

This chapter describes how the AMA Quality Seal and related quality schemes and labels are established and controlled to guarantee the high quality of Austrian food and maintain consumer trust. Without this activity, promotion campaigns are not useful. This is considered within the framework of the Austrian quality management system.

2.1 Quality management in Austria

Food quality has several important dimensions: sensory quality aspects, health aspects, technical process aspects and intangible quality aspects (e.g. ecologically sustainable processing), as well as psychological and economic aspects. Consequently, a food product can be considered to be of high quality with respect to health, for example, but not to ecology. Whenever we discuss quality management in the food system, we have to take this into account. Therefore, the quality management system in the food sector is multi-dimensional.

In order to classify food products in view of their quality attributes, several regulations within the framework of the European Community have to be applied. As community law interferes with national law, the Austrian government is forced to include the relevant EU legislation. Food quality related aspects are based on REGULATION (EC) No 178/2002, the central food quality related EU regulation “general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety”.

The EU quality system is a comprehensive, integrative approach (“from stable to table”), where the agriculture and food and feed processing companies are primarily responsible, where food and the components of food are traceable, and where a uniform, comprehensive risk analysis and risk assessment system guarantees the highest food quality within all stages of the supply chain. The basic EU risk alert system is called “RASFF - Food and Feed Safety Alerts”. The system was introduced more than 35 years ago and led to the EU having one of the highest food safety standards in the world. This is mainly due to the solid set of EU legislation in place, which ensures that food is safe for consumers, who can trust the food and feed consumed within the EU market. A key tool for ensuring the cross-border follow of information to swiftly react when risks to public health are detected in the food chain is RASFF – the Rapid Alert System for Food and Feed (http://ec.europa.eu/food/safety/rasff/index_en.htm).

Adequate national regulations based on these fundamental principles were developed after Austria joined the EU in 1995, the RASFF system was implemented. The “Agrar Markt Austria” (AMA) is the governmental organization which was established to coordinate all relevant information flows and implement an adequate quality control system.

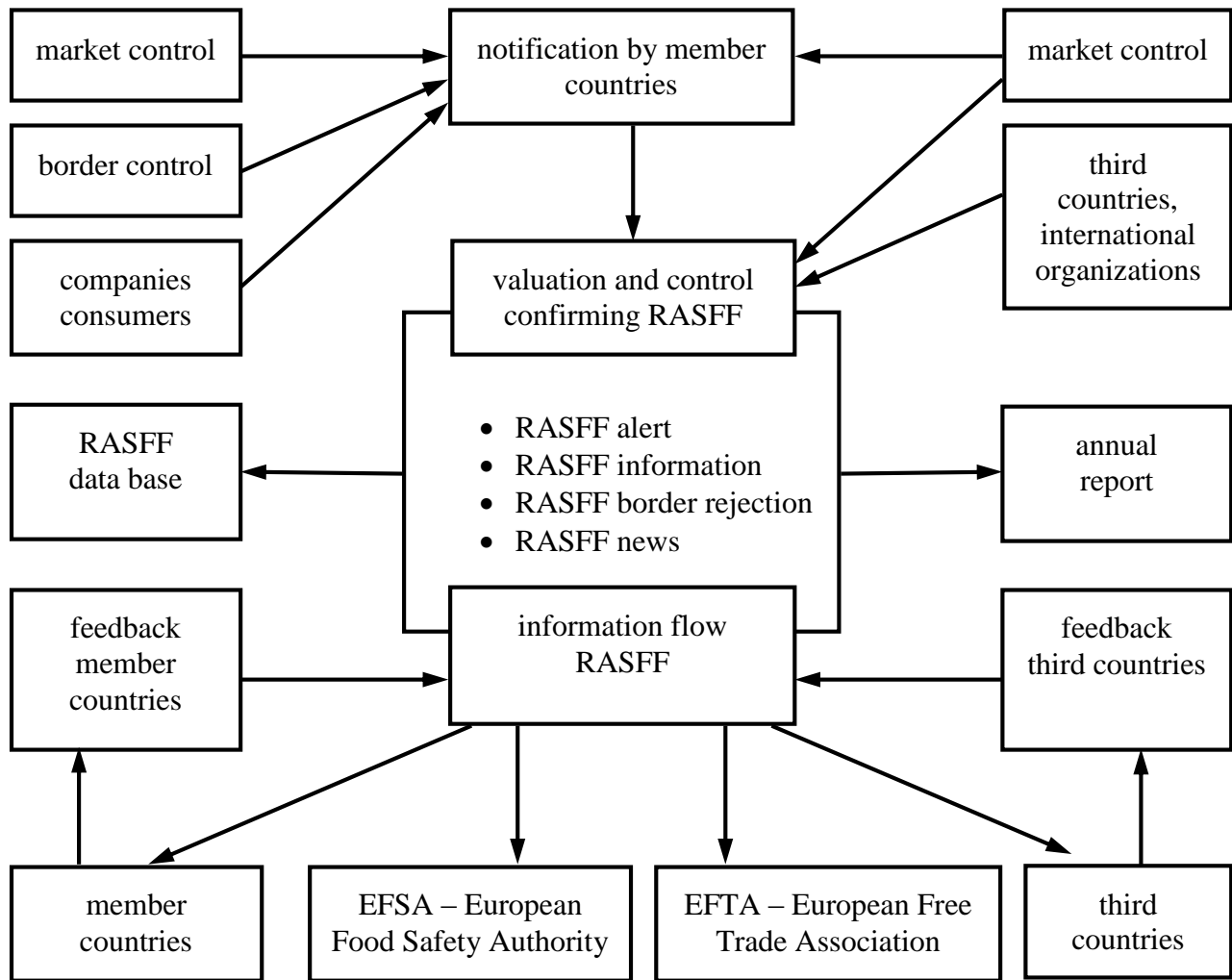


Figure 1: RASFF – the Rapid Alert System for Food and Feed

2.2 Quality management by AMA Marketing

The core task of AMA Marketing is quality assurance in the food sector (AMA Marketing is a private company 100 percent owned by AMA, which is a governmental institution; see chapter 0 for institutional embeddedness of AMA). AMA Marketing conducts quality assurance by developing specific regulations and product certification schemes (quality seals). AMA integrates the whole food supply chain in their considerations, from agricultural production and food processing, to the food trade sector. AMA Marketing developed a number of quality seals (see chapters 2.3 to 2.10) for almost all relevant parts of the Austrian food supply chain; in total, there are 23 quality guidelines available covering the following product groups:¹

¹ The number of guidelines/quality seals was not predefined by the Ministry of Agriculture. They have been developed over time out of necessity

- Meat, eggs, milk and milk products, fruit and vegetables, and potatoes
- Processed food including edible oils, beer, salt, frozen vegetables and semi-manufactured food.

In total, there are nine guidelines available for licensees of the agricultural sector and nine for licensees from the food processing sector, and five further registering systems for beef (BOS), eggs (OVUM), feedstuff (pastus+), pork (SUS) and for organic food.

2.3 The AMA Quality Seal (“AMA Gütesiegel”)



Figure 2: AMA Quality Seal (for Austrian products)

The AMA Quality Seal is a registered trademark. The main tasks and obligations of AMA Marketing are defined by law (the “AMA-Gesetz” [AMA law] from 1992; see https://www.bmlfuw.gv.at/ministerium/rechtsgrundlagen/ama_recht.html).

The organization has to market Austrian food products on domestic and foreign markets. It has to maintain and promote high quality standards for Austrian food production. If producers outperform national and international (EU) food production quality standards and meet the superior standards of the AMA, they may use the AMA Quality Seal for their products as licensees. If the producers deliver organic food, they may also use the AMA organic seal. If the products are produced in the EU, companies may use the AMA Quality Seal for European products (but not that for Austrian products). This means that if the ingredients are of European origin and marketed in Austria and if the producer agrees to keep all necessary requirements (including control), these food products may be labeled with AMA’s Quality Seal for European products (kept in blue).



Figure 3: AMA Quality Seal (for European products)

All quality seal regulations are developed by AMA Marketing in co-operation with experts from the relevant food sectors. They are only published if the Ministry for Agriculture, Forestry, Environment and Water (BMLFUW) agrees with the regulations. The regulations can be found under www.ama-marketing.at. The AMA Quality Seal regulations contain essential processing, labeling, and documentation requirements in connection with all measures guaranteeing the origin and high hygienic standards. Many of them are far beyond legal requirements and their creation and definition is driven by market and marketing requirements.

The AMA Quality Seal is an officially recognized and approved quality seal to brand food products designated for human consumption. This is an important difference to the huge number of private based quality seals, which have no such governmental and official legitimation comparable to the AMA Quality Seal. The latter are based on civil rights contracts.

Procedure: To become an AMA Quality Seal licensee, a company has to sign a license agreement contract with AMA Marketing (this also includes trade organizations which want to sell labeled products – even very small ones or farmers markets). The company has to sign a written monitoring contract with an accredited control agency (see below) for the first intense company control (if all requirements are fulfilled) and the yearly control (if the requirements are kept). The company has to fill out a company data entry form. The first intense control has to deliver a positive result. The products to be labeled with the AMA Quality Seal are tested in advance (through an accredited laboratory). If the products fulfill all requirements, the company has the right to label the products with the AMA Quality Seal. If the yearly control delivers positive results and all license fees are paid, the company may continuously use the Seal for all products that are covered by the license agreement.

Quality requirements: Food producers use the quality seal voluntarily, but if they do so, they have to fulfill all relevant guidelines of the quality program. Only if they do so can they become a licensee of the AMA Quality Seal, thus proving that the food in question is at least

graded with quality A or 1. By introducing the AMA Quality Seal, the quality of Austrian food products should be continuously improved. Licensees of the AMA Quality Seal agree to pay license fees and to meet all standards and requirements demanded by AMA Marketing. Licensees are allowed to use the AMA Quality Seal on their products. The benefit for companies is not only that they demonstrate that their products fulfill higher quality standards than legally required but even more importantly from the consumer perspective, that they have a trusted seal which communicates the *Austrian origin* of the food product. The product is not only processed in Austria but also the agricultural raw materials are from Austria. In the case of pork production it means that the piglets have to be born in Austria.

Origin: The origin of the food has to be traceable. The lettering is held in red-white-red (the colours of the Austrian flag), the value giving raw material must be of Austrian origin, and processing has to be done in Austria (although if selected ingredients are unavailable in Austria up to a third of the total food may come from outside Austria). And, finally, AMA Marketing is allowed to control all steps of the food processing across sectors (from field to shelf). The controls start in the field, where the agricultural products are produced. During food processing, AMA controls all stages of the food process, as well as logistics and distribution if appropriate (e.g. to guarantee comprehensive freezing chains). Controls follow the concept of a three level pyramid. On the first level the farmer, the food producer or the trade company have to make and document self-controls based on checklists. On the second level the farmers/companies are controlled by external independent agencies, which are accredited by AMA-Marketing. AMA-Marketing then controls the work of the independent third party agencies. Approximately 10 000 controls at the farm/company level are done every year, from these 10 000 controls alone 2 000 controls take place at slaughterhouses and retail-level. Approximately 5 000 analyses of product samples, urine and feces samples, leaves and fruit samples are taken every year. This is approximately 40 samples per working day.

Finances: Food producers have to pay license fees to finance the whole quality system necessary to guarantee the high standards of the AMA Quality Seal and to maintain the trust of consumers. Food producers can license single products or whole product lines if they fulfill the requirements of the AMA. Usually, fresh products like milk and milk products, meat and meat products, fruit and vegetables, and eggs carry the AMA Quality Seal. Some processed food products like cooking oil, frozen vegetables, bread and pastries, fruit juice, and beer also carry the AMA Quality Seal. AMA Marketing has confirmed that about 43 000 Austrian producers are currently using the AMA Quality Seal:

- 33 000 milk producers
- 5 500 cattle farmers
- 1900 pork farmers
- 400 poultry and chicken producers
- 1 900 from the fruit, vegetable, and potato sector

- about 700 processors (licensees) are allowed to label their products with the AMA Quality Seal

Control mechanisms: By introducing this comprehensive guideline of the AMA Quality Seal, customers can easily evaluate provenience and quality. Consumer trust is an integral part of the communication goals of AMA Marketing achieved by guaranteeing independent and comprehensive control mechanisms (based on a three step control process):

(1) Each licensee has to provide an adequate corporate control system, where all results of the internal control system are documented. For this purpose, the company has to predefine guidelines and technical procedures. It has to instruct all affected employees on how to properly use these guidelines as well as to randomly check if these guidelines are maintained. All documents have to be retained (electronically if possible).

(2) Besides internal control mechanisms, accredited agencies effectively control all relevant quality aspects on-site by using pre-defined check lists. Depending on the relevant agricultural products, a number of accredited control agencies are available (see appendix 8.2 (p. 69) for a complete list of control agencies and laboratories AMA Marketing collaborated in 2014). These control agencies come from a variety of different backgrounds. For example, JOANNEUM RESEARCH controls meat and meat products and is the largest non-university research institution in Austria. SGS Austria Controll is a subsidiary of SGS Group (<http://www.sgsgroup.at/>). Society Generale de Surveillance was founded 1878 in Geneva, Switzerland. This company is the biggest control and audit company worldwide with 80 000 employees and has its origin in controlling grain exports and providing companies with quality certificates and letters of credit. Another example is the Bundesanstalt für Alpenländische Milchwirtschaft Rotholz, which is a federal research institute for the dairy sector belonging to the Ministry of Agriculture in Austria. So the control agencies are either private companies offering control and auditing services or federal research institutes belonging to the ministry of agriculture or research institutes and universities.

(3) In order to steadily improve the AMA Quality Seal guidelines, AMA Marketing itself provides controls through its own employees or external experts (the third part of the comprehensive control system). It is up to AMA Marketing, where, when and whom to control via its employees (and to decide if experts are required).

Meanwhile, the AMA Quality Seal is one of the most well-known quality seals in Austria. Asked for their knowledge of quality seals, and even if the graphic sign is not presented to consumers, more than half of them immediately named the AMA Quality Seal in surveys (n=1006; representative for the Austrian population). Overall, if quality seals are presented to interviewees, more than 95 percent identified the AMA Quality Seal (see chapter 4 and 5 for more information on AMA Marketing communication).

2.4 AMA Quality Seal for Organic Food

In addition to all relevant regulations for organic food based on national and EU law, and to private based organic seals, the AMA provides a specific, officially recognized quality seal for organic food. It is available in two variants: with and without origin specific information. If it contains origin specific information, it means all value relevant parts of the product come from one specific region, and all processing and handling is done there too (tolerance of one third if necessary parts of the food product are not available in the required quality in the region).



Figure 4: AMA Quality seal for Organic Food (with/without origin related information)

2.5 “bos” – Identification and Registration System for Beef and Veal

The basis for “bos” can be found in the EU regulations (EC) 820/1997 and (EC) 1760/2000. The starting point for these regulations was the BSE food crisis, which significantly affected the whole European food system.

In Austria, all living cattle have to be registered in a specific database. Each animal carries an identification number (ear label). The following information is obligatory for fresh, cooled and frozen beef and veal (also, if hash contains more than 50 percent beef or veal):

- The state in which the animal was born, raised and slaughtered (including the registered number of the slaughtering house)
- Information on dissection of the meat
- Information on distribution of the meat

Additional information can be found on meat labels on a voluntary basis, like further information on the provenience of the cattle, as well as the method of production (conventional or organic), sex, species and age. However, the information may not be provided on packed meat and meat labels without taking part in a specific beef and veal identification system. The most important system here is the beef and veal identification and registration system “bos” provided by the AMA.



Figure 5: “bos” label

The “bos” label defines comprehensive regulations on how companies have to handle beef and veal, including documentation and registration requirements. Independent control organizations monitor adherence of the regulations. Actually, about 90 percent of all Austrian slaughtering houses and about 80 percent of the trade organizations are taking part in “bos”. Therefore, Austrian consumers can trust in the provenience of beef or veal if the producers are allowed to label their products with “bos”. Transparent information is delivered and complete traceability can be guaranteed via the comprehensive “bos” control system. In 2013, 808 companies took part in “bos” (licensees).

The relevant regulation for cattle farming is part of an integrated quality system. In this way a comprehensive and transparent quality assurance and control system was established, including all relevant parts of the quality scheme “pastus+” (see below) and the AMA Quality Seal. This can be assured for any step within the beef and veal supply chain.

Table 1: Integrated Quality Scheme for Beef and Veal

Step	Program	Area of application	
1 Feed producer / feed trader	AMA quality label “pastus+” (see below)		Area of application
2 Breeding company / calf breeding	AMA Quality Seal (covering “Cattle farming” [Rinderhaltung]) and “Animal husbandry of cows” [Haltung von Kühen])		
3 Cattle fattening company	AMA Quality Seal (covering “Cattle farming” [Rinderhaltung])	Area of application	
4 Slaughterhouse	AMA Quality Seal (covering “Fresh meat” [Frischfleisch])		Area of application
5 Cutting / boning and packing company	AMA Quality Seal (covering “Fresh meat” [Frischfleisch])		
6 Food trade and wholesale company	AMA Quality Seal (covering “Fresh meat” [Frischfleisch])	Area of application	

2.6 “sus” – Identification and Registration System for Pork Meat

Comparable regulations to “bos” are available for pork. Due to missing information on the provenience of pork meat, a number of food scares in the pork sector, and the desire of parts of the supply chain for more transparent and reliable information, the AMA developed the quality system “sus” for pork. The core aim of the system is full traceability. Consumers should trust in “sus” labeled pork meat.



Tattoo at right shoulder of pigs

Registration data of pig farmer

LANDWIRTSCHAFTLICHE ANMELDUNG

LFBI-Nr.: **4 7 3 2 5 0 2**

(Identifikationsnummer des Betriebs)

Vorname: **Max** Nachname: **Mustermann**

Strasse: **Musterstraße 12** Haus-Nr.: **12**

PLZ: **8963** Ort: **Musterdorf**

Telefon: _____ Fax: _____

email: _____

Angaben zur Vermarktung: (Zutreffendes ankreuzen)

AMA-Gütesiegel ^①

BIO ^②

Pauschalierter Betrieb im Sinne des USG (12% MWS)
(falls dies nicht zutrifft, ist der Satz zu streichen)

Further information about pig farmer (AMA Quality Seal, organic farm incl. reg. no.)

Registered pigs are brought to slaughter house; consistent information: tattoo number, ear tags, number of pigs etc.

Stück	Kategorie Mastschwein (MS) Ferkel (F), Babyferkel (BF) Zucht (Z), Eber (E)	GEBURT der Ferkel		MAST der Schweine		Ferkel Einstellung	Nähere Angaben z.B. BIO offene Wartezeit ^⑤
		Ohrenkennzeichnung		Tätowierstempel			
		Land ^③	Betriebs-Nr./Ferkelring	Land ^③	Betriebs-Nr./LFBI-Nr. ^④		
28	MS	AT	Ferkelring Amstetten	AT3	1234567	TT.MM.JJ	
			FR Wels	AT3	4732502		

Figure 6: The “sus” system – registration of pigs

(see http://www.ama-marketing.at/home/groups/16/Merkblatt_TripleA_Kennzeichnung.pdf)

All information requirements have to be pre-defined, documented, and unmistakable. That is, the origin of the meat is defined with birth, fattening and slaughtering in the same country. Voluntary information may be provided concerning the method of production, quality related information and brand programs. All parts of the pork meat supply are integrated into the system so complete traceability can be guaranteed. Independent control organizations monitor adherence of the “sus” regulations. In 2013, 277 companies took part in the “sus” system (licensees).



Figure 7: “sus” label

2.7 Quality control system for feedstuff “pastus+”

All farmers taking part in the AMA Quality Seal program have to get their feedstuff from companies that participate in the pastus+ quality control system. The relevant regulations deliver standards for the production of (mixed) feed. The core rules are:

- All legal requirements have to be fulfilled
- A comprehensive internal quality management system has to be introduced
- Feed has to be controlled via samples (a sample plan is provided)
- Positive and negative lists for feed are provided

Certified enterprises are labeled with “pastus+ AMA Quality Seal qualified”. AMA publishes a list containing all certified producers of mixed feed as well as a list of possible milling and mixing facilities. Feed companies other than these are not permitted within the framework of the AMA Quality Seal.



Figure 8: “pastus+” label

In 2013, 135 feed producers took part in the pastus+ system.

2.8 “OVUM” - Identification and registration system for eggs

The regulation “OVUM” is an identification and registration system for packed eggs. All eggs graded “A” and processed by packaging companies. Egg distributors that take part in the system are identified and registered. This is independent of the country of origin and stock breeding. The main core here is transparency and traceability of information provided on labels. Manipulations should be prevented. Control organizations should be able to monitor the accuracy and correctness of labeling. Further requirements are:

- All legal requirements have to be fulfilled
- Labeling from production to distribution must be consistent
- Fresh eggs must be traceable and documented
- Salmonella must be monitored at packing sites



Figure 9: “OVUM” label

2.9 AMA quality label for gastronomy and catering

Authentic and regional food is of increasing importance for many consumers. Therefore, the AMA introduced a specific quality label for the gastronomy and catering sector (see <https://amainfo.at/ama-zeichen/ama-gastrosiegel/>). This quality label provides a system of traceable raw materials used by gastronomic companies, which emphasize the regional provenience of the kitchen. The landlord (of the hotel, restaurant, etc.) has to declare the origin of the raw food used in five categories:

- The origin of at least two meat products such as beef, veal, pork, poultry, and lamb has to be indicated.
- Milk or milk products: It is obligatory to indicate the origin of milk, butter, curd, cream, sour cream and yoghurt.
- Eggs (including method of production; i.e. whether free range or ground kept)
- Potatoes, vegetables, fruits: It is obligatory to indicate the origin of potatoes and three fruits/vegetables of the landlord’s choice
- Freshwater fish and venison: It is obligatory for at least one of these product groups



Figure 10: AMA Quality Label for Gastronomy and Catering

The label provides traceable, trustworthy information about regional cooking in the gastronomy and catering sector (including hotels). Regional, agricultural knowledge should be promoted and protected and consumers should get trustworthy aggregated information about regional specialties provided by local landlords based on traditional agricultural raw materials and preparation knowledge. Up to now, 1175 companies can be found in the database (<http://www.ama-gastrosiegel.at/>).

Hotels/restaurants may use this label voluntarily if they agree to the regulations provided by the AMA. Before applying for the license the restaurant has to make a contract with an independent control agency accredited by AMA-Marketing (see appendix for list of companies). The first step is for Hotels and restaurant that want to apply for the quality seal to fill out a form, which they can download from this website: <http://www.ama-marketing.at/orientierungshilfen/ama-gastrosiegel/service/>. In the second step they get the license contract and the AMA gastronomy label with their license number. Then the restaurant has to include information about the AMA gastronomy label on their menus, highlighting which ingredients are certified. After this the restaurant will be audited in the next three months by an independent control company (for this first audit the restaurant is informed of the date). After the audit and after paying the license fees, the restaurant receives a certificate and an enamel plaque, which they have to put on the wall outside the restaurant. The contract has no time limitation, as long as the license costs are paid (150 Euro per year) and as long as no problems are identified during audits the establishment is allowed to use the quality seal. The company receives a marketing package (leaflets and folders and has its name mentioned on the AMA Marketing Gastro-website.

2.10 AMA quality label for craftsmanship

In 2012, the AMA introduced a quality label for specialized stores of skilled crafts and trades in food production, such as bakeries, butchers and confectioners. The AMA certifies craftsmanship and the use of regional raw materials for the production of regional specialties. Here too, independent control agencies monitor the whole production process. Traceable information is provided. The main goals of the AMA Quality Label for Craftsmanship are:

- Improving the image and better positioning of traditional, regional food and the related manufacturing process
- Providing information to consumers about the specifics of the certified products as regional specialties
- Promoting variability of craftsmanship in regional food production
- Promoting and strengthening regional co-operation within a region leading to sustainable, stable food chains

Up to now, specialized stores from the following production sectors have been certified (see <http://www.ama-handwerksiegel.at/>): 22 bakeries, 33 butchers, and 14 confectioners. Three

of the latter are also certified bakeries; in total, 66 companies are certified with the AMA Quality Label for Craftsmanship.



Figure 11: AMA Quality Label for Craftsmanship

3 Overview of institutional and organizational framework to promote Austrian food consumption

Keywords: Orientation of internal market food promotion policy, co-financing policy, primary agency/agencies, resources of financing.

This chapter answers the following questions: In which institutional network is the AMA Marketing embedded? How is AMA Marketing related to the Ministry of Agriculture? What are the qualifications and skills of AMA staff? How is the AMA Marketing organization financed? How are the promotion campaigns financed?

3.1 Institutional network and legal framework of AMA Marketing

In Austria there is one main organization responsible for promoting the consumption of food produced and processed in Austria; namely, **AMA Marketing** (i.e. Agrar Markt Austria Marketing, <https://www.amainfo.at/ama-produkte/>). AMA Marketing is a subsidiary **AMA** (Agrar Markt Austria, <https://www.ama.at/>). AMA and AMA Marketing were established by a specific Austrian law (see p. 24). AMA is supervised by and under the authority of the Austrian Ministry of agriculture. The Ministry and the Social Partnership institutions decide who is nominated for the executive board and the supervisory board (see p. 24 for more info). Before explaining the detailed organizational framework of AMA Marketing we first describe the institutional network in which AMA Marketing is embedded in Austria.

In Austria there are **four** main governmental institutions for agriculture:

1. the Federal Ministry of Agriculture, Forestry, Environment and Water Management (<https://www.bmlfuv.gv.at/>)
2. The Chamber of Agriculture and Forestry (<https://www.lko.at/>)
3. AMA - Agrar Markt Austria
4. AMA Marketing Limited Liability Company

We describe these four governmental organizations below. Figure 12 on the next page gives an overview of the main functions of these four organizations.

The mission of the *Federal Ministry of Agriculture, Forestry, Environment and Water Management* is much broader than only agriculture (in the following the term Ministry of Agriculture will be used for simplicity). This ministry is responsible for coordinating all related issues with the EU commission, for all environmental and climate change issues, forestry, water, waste management, environmental technology, rural development and agriculture.

In the area of agriculture this ministry is structured into four departments:

1. Agricultural policy and data management
2. Rural development and fisheries
3. Agricultural environment (ÖPUL), mountain farmers, less favoured agricultural areas and organic farming
4. Direct payments and IACS

The Integrated Administration and Control System (IACS) is the most important system for the management and control of payments to farmers made by the EU Member States in line with the Common Agricultural Policy. IACS is operated in the Member States by accredited paying agencies. In Austria this is done by the Federal Ministry mentioned above and by the AMA (for further explanation see below). IACS covers all direct payment support schemes as well as certain rural development measures. It is also used to manage the controls put in place to ensure that the requirements and standards under the cross-compliance provisions are respected.

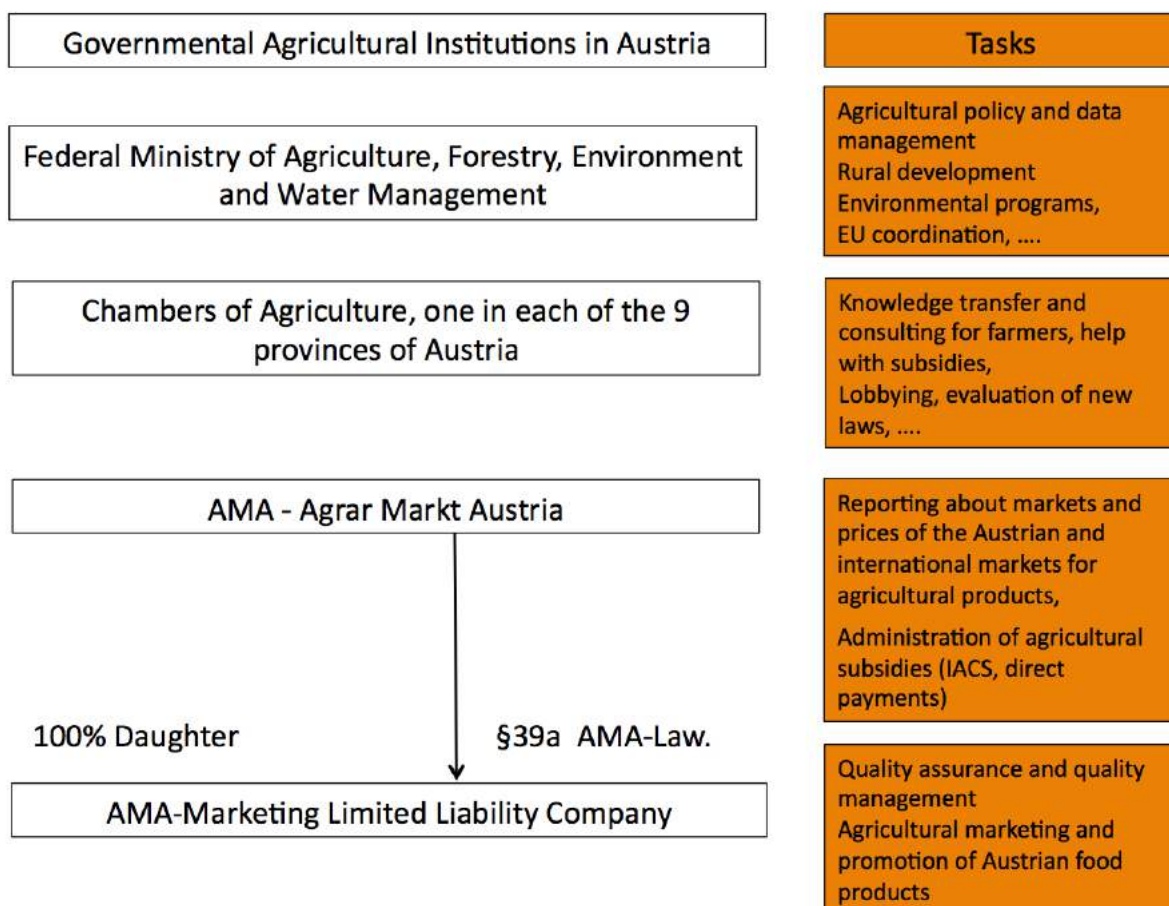


Figure 12: The main governmental agricultural institutions in Austria

The basics of the legal requirements concerning IACS are Council Regulation (EC) No. 73/2009, which establishes common rules for direct support schemes for farmers, and Commission Regulation (EC) No. 1122/2009 laying down the implementing rules.

The **Austrian Chamber of Agriculture** is one of the four Social Partners. The Social Partnership in Austria was founded after the Second World War based on the experiences of the civil war in 1934 between the left wing Socialists and the right wing Christian democrats. Due to these experiences, the Social Partnership should prevent future aggressive conflicts in Austrian Society by bringing together advocacy groups and stakeholders representing the interests of the working people in Austria. These stakeholders are represented by the *Austrian Chamber of Work* (<http://www.arbeiterkammer.at/>) and the *Austrian Trade Union* (<http://www.oegb.at>). Entrepreneurs and industry are represented by the *Chamber of Economy* (<https://www.wko.at/>), and finally, agricultural stakeholders are represented by the *Chamber of Agriculture* (<https://www.lko.at/>). Except the Austrian Trade Union, which is a private based association with voluntary membership, the three other advocacy groups have to exist by law. Also, the membership in these three associations is mandatory by law. The Austrian Social Partnership is the second most influential political force in Austria after the political parties. The Social Partners can propose new laws and evaluate every new law in Austria.

The Austrian Chamber of Agriculture was founded to represent the interests of Austrian farmers in any legislative issues. Due to the federal structure of Austria with nine provinces, there are nine chambers of agriculture, each of them defined in the provincial laws. Members of the Chamber of Agriculture are not only all farmers and owners of agricultural land but also agricultural and forestry cooperatives. The main tasks of the Austrian Chamber of Agriculture are:

- Representing the interests of Austrian farmers
- Lobbying for and influencing legislation
- Offering extension services for Austrian farmers

The latest point covers all means of education and knowledge transfer to farmers with respect to new and better production technologies, advice on plant varieties, plant protection, feeding, animal welfare or how to apply for subsidies and special agricultural loans. Each Chamber of agriculture gets financed by mandatory annual fees from the members and by provincial and federal subsidies. 50 percent of the budget of the chamber of agriculture are financed by membership fees (i.e. farmers), 40 percent comes from subsidies from the province and 10 percent from subsidies from the federal budget.

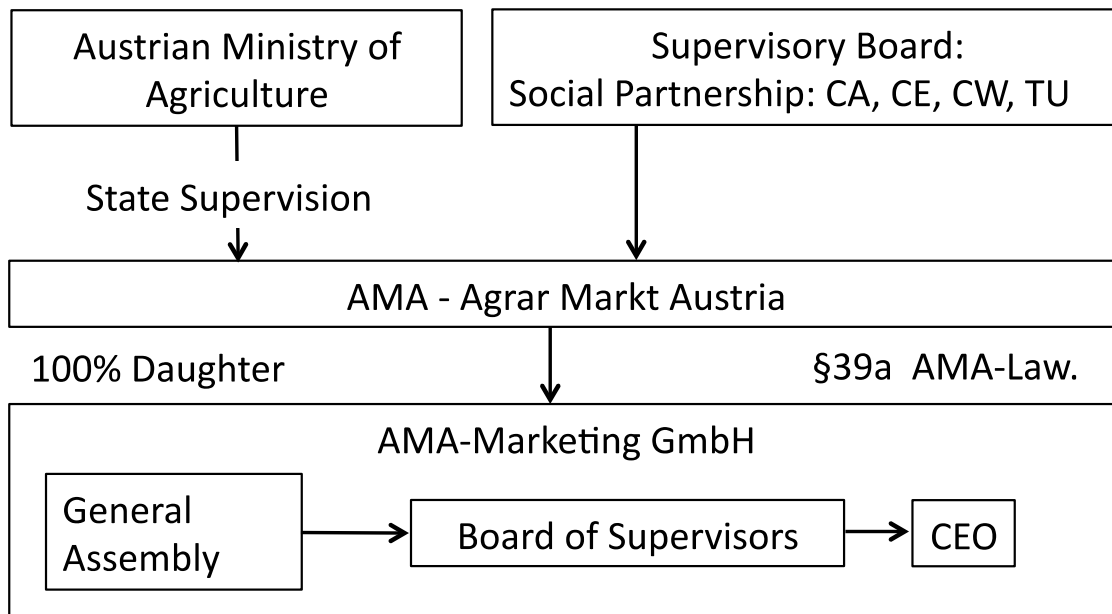


Figure 13: Legal Framework of AMA Marketing Limited

Figure 13 shows the legal framework of **AMA Marketing**, which is based on the AMA Law from 1992 (Federal Law Gazette No. 376/1992; in the last valid version from 25.11.2015). This law describes that **AMA (Agrar Markt Austria)** – the parent company of AMA Marketing GmbH (GmbH. Means limited liability company) – is a legal entity of public law and Figure 13 shows that AMA belongs to the Austrian government and is supervised and under the authority of the Austrian Ministry of Agriculture. The main institutional bodies of AMA are

1. The executive board
2. The supervisory board
3. The control committee

The executive board can consist of up to four members. The supervisory board nominates the executive board after a public tender for five years. The supervisory board also nominates the CEO (central executive officer) out of the executive board. The members of the executive board of AMA conduct the day-to-day business at their own responsibility. Decisions of the executive board are made based on majority of the four members. In the event of an equal number of votes, the vote of the CEO decides. If necessary, to support the tasks of AMA defined in § 3, the minister of the Ministry of Agriculture can give orders to AMA executives and the supervisory board. If the executive board does not follow the orders of the minister of agriculture, he can order the supervisory board to remove specific members or the entire executive board and can announce new members.

Twelve representatives of the Austrian social partnership are on the supervisory board, with three members from each Social Partner. CA stands for Chamber of Agriculture, CE for Chamber of Economy, CW Chamber of Workers and Employees, TU for Trade Union. The minister of agriculture announces the members of the supervisory board. The supervisory board announces the members of the executive board, approves the annual finance plan,

the annual financial statement, and supervises the business decisions of the executive board.

The control committee consists of two members of each Social Partnership institution. The control committee supervises and controls the annual financial statement.

Each year the executive board of AMA has to define a financial plan (containing a plan for the employees) and present it to the supervisory board latest by 30 June. The financial plan contains an estimate of the annual earnings and spending. The supervisory board has to submit this financial plan to the Ministry of Agriculture by 15 July at the latest. The Minister of Agriculture together with the Minister of Finance has to approve this plan.

Every year the executive board has to report to the Minister of Agriculture and Finances about the activities of the last year and the corresponding finances by 31 of May of the following year. Both ministries have to confirm the correctness of this report and discharge the executive board from their responsibility. The accounting book of AMA and AMA Marketing are also under the control of the Federal Court of Auditors (All of this is described in the Federal Law Gazette No. 376/1992; in the last valid version from 25.11.2015).

In § 3 of the AMA law the tasks of AMA are listed as follows:

1. Central reporting about markets and prices of the Austrian and international markets for agricultural raw products, processed agricultural products and agricultural means of production.
2. **Measures to improve quality** by developing and applying quality guidelines for agricultural raw products and processed agricultural products.
3. **Promotion of agricultural marketing.**
4. Administration of agricultural subsidies for Common Agricultural Policy of EU and Austrian Ministry of Agriculture.

It is important to mention that in §39a of the AMA Law it explicitly says that AMA can establish corporations as private limited liability companies to pursue one or more of the above mentioned tasks.

On 22 July 1995 AMA Marketing GmbH was founded as a separate private company (GmbH means limited liability company) based on §39a of the AMA law. AMA the mother institution should focus on market reporting and administration of EU and national subsidies under ARDP and pillars 1 and 2. AMA Marketing, which is a 100 percent subsidiary of AMA, should focus on quality assurance and agricultural marketing.

The main purpose of AMA Marketing is quality assurance and the promotion of Austrian food (see points 2 and 3 of the above list). Another reason to found AMA Marketing as a separate private limited company was to establish an organization with a different company culture and different staff. In the Austrian Ministry of Agriculture as well as in AMA, the parent organization, the employees are typically public servants trained in administration.

The staff of AMA Marketing come mainly from private companies in the agricultural and food value chain with a broad background in marketing and sales of agricultural products. Some of them have worked for supermarket and retail chains, others have worked in processing at dairy companies or slaughterhouses. Some have experience in wholesale or export marketing; others have worked in the restaurant or horticultural sector. And some have work experience in small and medium-sized food enterprises or craft food production like bakeries or butchers. This is an important measure to guarantee a strong market orientation of AMA Marketing. Marketing and administration are two different worlds. It is of crucial importance to have people in marketing with a mindset different from administration.

The main tasks of AMA Marketing are:

1. To promote sales of Austrian agricultural and forestry products in Austria and abroad
2. To measure quality improvement and quality assurance of agricultural and forestry products
3. To provide information to consumers about quality, aspects of consumer protection, animal welfare and other relevant product attributes of these products

3.2 Internal structure of AMA Marketing

AMA Marketing GmbH. is a registered company in the commercial register of Austria, FN 135101. Sole shareholder with 100 percent is Agrar Markt Austria (AMA), a legal entity of public law. The general assembly has to take place at least once a year. The general assembly – which consists of representatives of AMA as the sole shareholder – nominates the members of the board of supervisors and the Central Executive Officer (CEO; see Figure 13, p. 24). In 2014, the board of supervisors consisted of 11 members. The board of supervisors has to control the CEO and the annual financial report.

3.2.1 AMA marketing departments

AMA Marketing consists of two departments (see Figure 14, p. 27). The department of marketing-management and the department of quality-management. The department of marketing-management is subdivided in marketing-services and product-marketing. The department of quality-management is subdivided into four product categories (one milk and milk products, two meat, meat products and poultry, three eggs, four fruits, vegetables and potatoes) and into two other areas (gastronomy and craft food production).

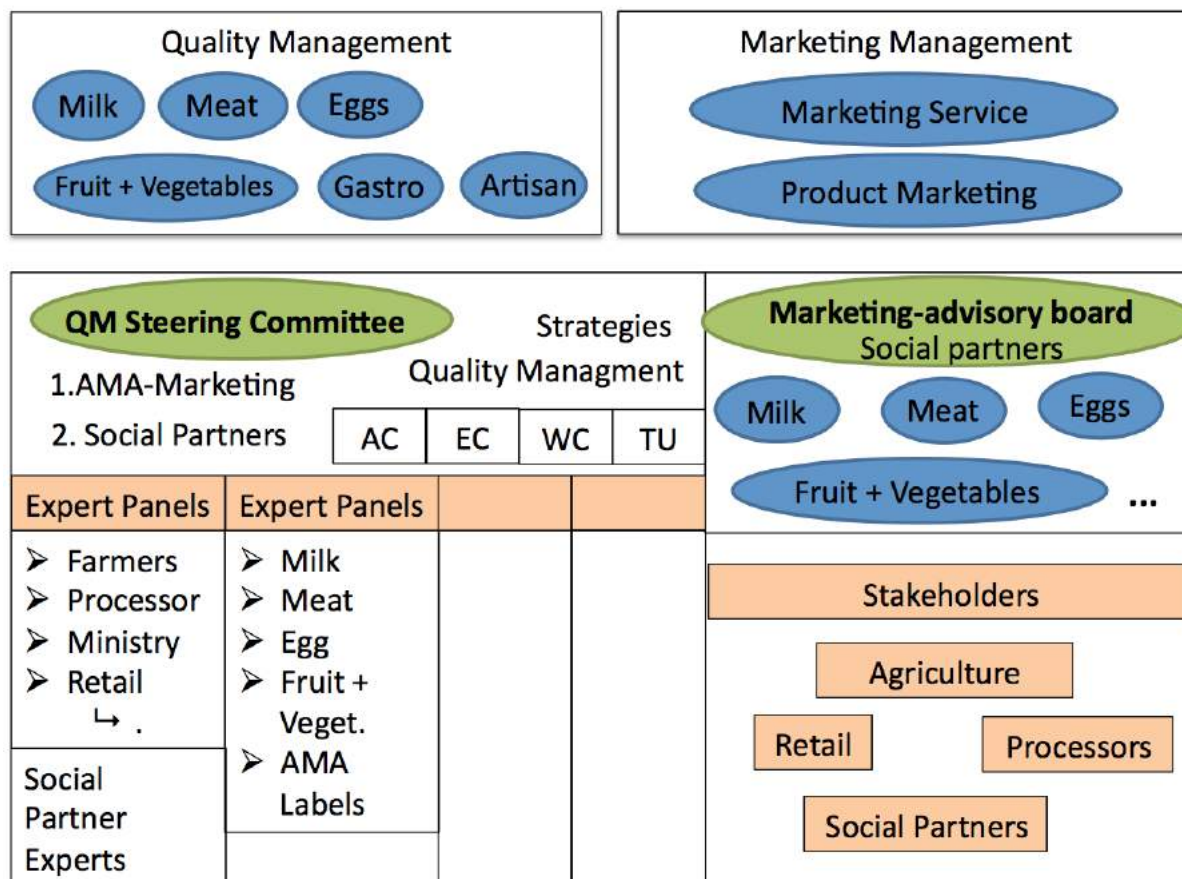


Figure 14: Internal Structure of AMA Marketing

For historical reasons the category grain and bread is missing. The grain sector did not want to participate in the financing of AMA Marketing. This has to do with the strategic orientation of AMA Marketing to promote Austrian agricultural raw materials and the grain sector wanted to remain free to import grain from other countries in the event of shortages. The blending of Austrian grains with grains from abroad would go against the AMA quality seal, which defines that the raw materials has to be 100 percent from Austria.

AMA Marketing has three business fields: Quality assurance, marketing communication and market development and sales promotion.

Quality assurance integrates all levels of the food chain; namely, production, processing, retail and trade. The aim of AMA quality assurance is to guarantee food safety, quality and traceability of origin of raw material and food products. Of special importance in this respect are all quality labels (AMA Quality Seal, AMA label for organic food, AMA quality label for craftsmanship, AMA label for gastronomy and catering). These four labels have, together with the origin- and registration-systems (bos, sus, ovum, pastus+; see in chapter 2 pp. 13), the mission to provide consumers with a clear orientation about quality and origin of Austrian food products.

Marketing communication has the mission to provide objective information about Austrian agricultural raw materials for food production and about Austrian food products and production methods in agriculture and in the food industry. Communication activities include traditional advertising (print, electronic media and outdoor advertising) to “below-the-line” activities (public relations, discussion platforms and special measures at the point of sales). Marketing communication measures encompass sector-specific marketing campaigns and multi-sector marketing campaigns, especially in relation to information about AMA labels and their criteria.

Market development and sales promotion use qualitative and quantitative market research as a basis for ongoing and future marketing activities. Measures of classical sales promotion are combined with the use of modern media in respect to specific target groups, markets and product groups. Strategic alliances with marketing agents and export marketing for selected international markets play an important role.

AMA Marketing works closely with laboratories and communication and advertising agencies to achieve its strategic goals of quality assurance and food promotion. In 2014 AMA Marketing collaborated with 29 laboratories and audit companies and with 24 communication and advertising companies.

3.2.2 AMA QM steering committees

To accomplish its marketing and quality management tasks, AMA Marketing has established quality management steering committees and marketing-advisory boards (see Figure 15).

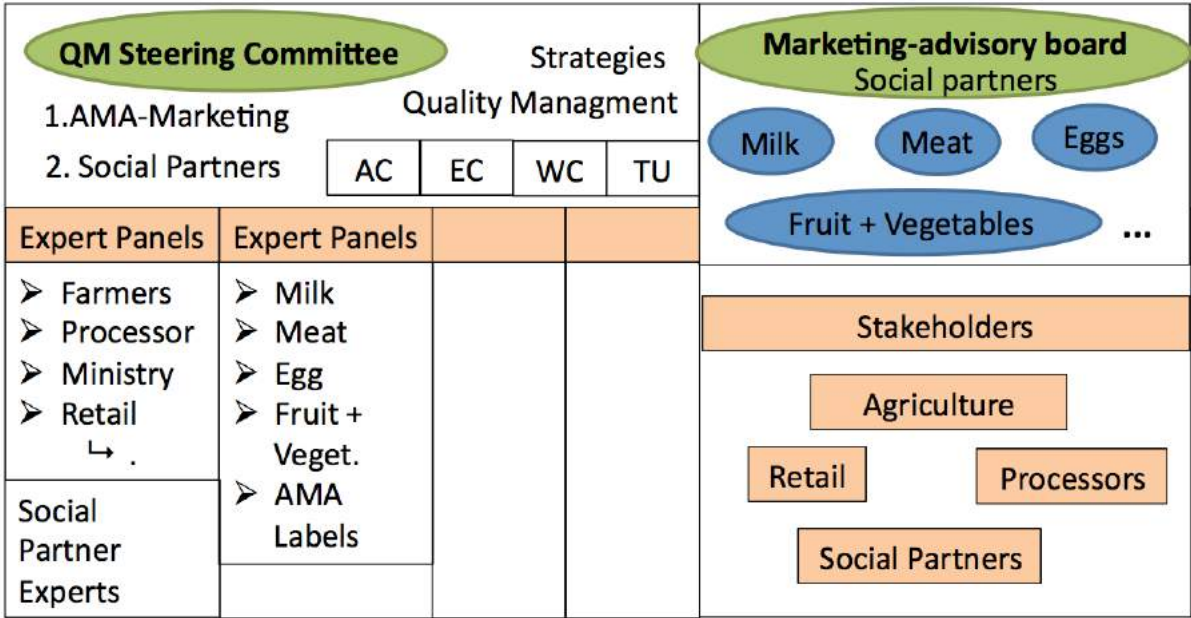


Figure 15: QM Steering Committees and Marketing Advisory Board Structure

The QM Steering Committees consists again of representatives of the Austrian Social Partnership. They support AMA Marketing in making strategic decisions about quality labels

and for detailed guidelines concerning these labels. The work and decision process is explained on the example of a new quality label:

(1) In the first step, staff from the department of quality management discusses the strategic aspects of possible new quality labels with the steering committee, which then votes on the proposals. AMA Marketing has one vote and each social partner has one vote. When the majority is in favor an expert panels is installed. Representatives from farm level, food processors, the Ministry of Agriculture, retail, audit and laboratory companies are part of this expert panel.

(2) In the next step, the expert panel develops a detailed draft for the criteria and guidelines of the new quality label. Again each of the experts in the expert panel has one vote. There was one representative of agriculture on the expert panel for milk (in this case a chairman of an Austrian dairy cooperative), along with one quality manager from a dairy company, one expert from the Ministry, and two experts from retail (Hofer and Spar). There was also one expert from a laboratory.

(3) After the majority of the experts have positively voted about the draft for the new quality label, the draft is sent for appraisal and evaluation to other stakeholders, including the nine chambers of agriculture, the main processing companies, other retailers, and big farm associations. This is an Austrian wide discussion process, which can take months or even up to a year.

(4) After incorporating feedback from the stakeholders, the draft is finalized, voted upon and sent to the Ministry of Agriculture, which has to approve it on a juridical level. It is important to understand that an AMA quality label has almost the same legal implications as an Austrian law. In the milk sector 90 percent to 95 percent of all milk is produced under the AMA quality label, which clearly shows the scope and importance of AMA quality labels (AMA Gütesiegel).

(5) After approval from the Ministry of Agriculture, the new quality guideline is sent to all chambers of agriculture and then to each farmer to whom it is relevant. In the case of milk, AMA had to print 35 000 copies to inform the Austrian dairy farmers.



Figure 16: Example of an AMA quality label (AMA Quality Seal) how it is used on food products

3.2.3 AMA Marketing Advisory Boards

The Marketing Advisory Boards meet twice a year and are platforms to inform stakeholders about what activities have been financed from the AMA budget and what kind of activities are planned in the near future. The advisory boards are established for the following product categories:

1. Milk and milk products
2. Meat and meat products
3. Poultry
4. Eggs
5. Fruits, vegetables and potatoes
6. Organic products

The milk and milk products advisory board includes representatives from agriculture (chamber of agriculture and chairmen of agricultural cooperatives), marketing managers from big dairy companies, representatives from retailers and from the association of Austrian dairy processors (<http://www.voem.or.at/>). The members of a marketing advisory boards have no voting rights, because the purpose is to inform the stakeholders and to discuss new activities with them and not to let them make decisions. For example, if a new advertising spot to promote hay milk is to be released, the stakeholders are invited to show and discuss the new advertising spot with them.

3.3 Finances of AMA Marketing

AMA Marketing has three sources of revenue. One is the agricultural marketing fee paid by Austrian farmers. Another source comes from the subsidies paid by the European Commission for Co-financing. The third source comes from other revenues from licenses, control costs and so on. Table 2 gives an overview of revenues and expenses in 2013.

Table 2: Overview of AMA Marketing Budget 2013 (revenues and expenditures)

2013	Revenues in Euro	Expenditures in Euro	Expenditures in %
Agricultural marketing fees	17 894 000		
Subsidies of EU Commission	2 305 000		
Other revenues	2 998 000		
External Services		16 775 000	72%
Staff expenditures		3 903 000	17%
Material expenditures		939 000	4%
Expenses AMA		1 207 000	5%
Reserves for future marketing projects		373 000	2%
Sum	23 197 000	23 197 000	100%

The column “Expenditures in %” shows the share of expenditures for different activities: 72 percent of all revenues are spent on marketing and food promotion activities (i.e. external services; more about it later in this chapter), 17 percent on staff salaries (AMA Marketing had 53 staff members in 2013), 4 percent on material expenses and 5 percent on AMA expenses. These are costs that were incurred for AMA, the parent institution, for collecting agricultural marketing fees and other administrative costs and have to be paid by AMA Marketing. A list of measures to promote and support the establishment of the quality labels can be found in Table 4, p. 34.

Concerning revenues the *subsidies of the EU Commission* (EUR 2.3 million) were attributed to marketing activities for fruits, vegetables and potatoes (EUR 775 000), for horticultural products (EUR 109 000) and for organic products (EUR 431 000). Organic food products are not explicitly mentioned in the AMA law for the agricultural marketing fees, but due to the fact that AMA Marketing runs quality assurance programs for organic food products these EU subsidies are spent on existing product categories based on their share of production (based on data from AMA or Statistic Austria). Based on a decision of the EU council from the year 2000, the EU can co-finance marketing programs that inform the public about agricultural products and food products and promote the sales of these products in the EU and in third countries. In 2012 the EU co-financed 20 programs (EUR 35 million in total), two of which 20 programs were from AMA Marketing (3 million fruits and vegetables, 6 million for dairy products). For more information about EU co-financing see http://ec.europa.eu/agriculture/promotion/index_en.htm.

The *other revenues* of about EUR 3 million are gained as part of the quality management programs and include license fees, control costs, and contractual penalties. Also included in this position are revenues from services provided during fairs and sales from the AMA Marketing online shop.

In the AMA Law from 1992 the purpose of the *agricultural marketing fee* paid by the farmers is defined (see Federal Law Gazette No. 376/1992 in the last valid version from 25.11.2015) in section 2, §21a. The fee has to be used:

1. To promote the sales of agricultural and forestry raw material and products produced from them
2. To access and develop markets for these products in Austria and abroad
3. To improve the distribution of these products
4. To provide quality assurance and quality improvement of these products and to inform consumers about relevant aspects of quality, consumer protection and animal welfare and other attributes of these products
5. To promote miscellaneous marketing activities (especially related to service and personal costs)

An integral part of these measures empowers AMA marketing to develop guidelines for the establishment of quality seals to label high quality food products.

The agricultural marketing fee gets *paid by the farmers but collected by the food processors or operators*. Raw material and food products imported from abroad are not part of the marketing fee and neither is wine designated for export, provided the producer can prove that this wine is not sold in containers of less than 60 liters. In section 2, §21 of the AMA law it lists the locations/situations where and when the agricultural marketing fee has to be collected:

1. Milk, at the place of take over for processing (dairy company)
2. Grain, at the mill
3. Meat, slaughtering of beef, cows, calves, pigs, lambs, sheep and poultry
4. Keeping of laying hens to produce eggs
5. Production of vegetables and fruits
6. Production of potatoes (except potatoes for starch and alcohol production)
7. Production or cultivation of horticultural products
8. Harvest of grapes in the wine year (1 August to 31 July), which corresponds with more than 3 000 liters
9. Bottling and sales of more than 3 000 l of wine in containers of less than 60 liters outside of Austria

The amount of the fee is defined in the AMA law as a maximum contribution (see section 2, §21d). AMA can change the agricultural marketing fees based on changes in the inflation to the index year 2010 (in case inflation rises more than 5 percent). Also if agricultural prices are low AMA can lower the agricultural marketing fee. In fact the agricultural marketing fees of 2013 are all below the maximum possible amount defined in the law (some of them significantly lower). For example in the AMA law in section 2, §21d the fee for beef is EUR 11 per piece of slaughtered animal, but the actual fee in 2013 was EUR 3.70. Table 3 shows the marketing fees per unit of product category and the sum of all fees received in this product category.

Table 3: Agricultural Marketing Fees 2013 (in Euro)

Product	Euro	unit	Agricultural marketing fees in Euro (2013)
Milk	3	t	8 776 000
Beef	3.7	Piece	1 817 000
Pigs	0.75	Piece	3 542 000
Calves	1.1	Piece	65 000
Sheep. lambs	0.75	Piece	75 000
Poultry	0.4	100 kg	510 000
Eggs	4.4	100 pieces laying hens	740 000
Fruits	73	ha	808 000
Vegetables	*	*	796 000
Potatoes	29.5	ha	384 000
Flowers and ornamental plants	1.5	every 10 acreage units**	296 000
Sum in Euro			17.809.000

*EUR 727 per ha of greenhouse, EUR 509 per ha of foil house, EUR 94.50 per ha of intensive outdoor vegetable production, EUR 47.50 per ha of extensive outdoor vegetable production, EUR 36.50 per ha pickled cucumbers and EUR 15 per ha of other vegetables for processing

** Unit of acreage for cut flowers, ornamental plants and propagating material: 10 m² outdoor field, 1 m² greenhouse or heated foil house; for ornamental plants, shrubs and trees: 20 m² outdoor field.

Some remarks concerning the expenditures for marketing and food promotion activities and quality management are shown in Table 2 under “External Services” (see p. 31). Table 4 shows the expenditures for marketing and food promotion activities and also includes costs incurred for quality management. The biggest share of 18 percent is spent on print advertising in newspapers and lifestyle magazines (food related magazines, cooking magazines, wine magazines, etc.), followed by spending for cooperation with print media, TV, Radio or Internet platforms for advertorials. Advertorials are a kind of advertising which look like a normal article in a newspaper for consumers, but AMA Marketing paid for the article and wrote it in cooperation with the responsible journalist; and they publish together a specific “story”. Advertorials have to be marked as advertising with a small print on the side of the article. AMA Marketing also uses specific TV shows, for example about cooking or gardening to place advertorials about the Austrian agriculture in TV (more about it in the next chapter). The advantage of advertorials is that the consumers trust them more than pure advertising slogans and it allows more in-depth information than in a 30 second TV advertising spot or on a single print advertising page. Another important advantage is that advertorials are less expensive than traditional advertising (see chapter 4, p. 38).

Table 4: Expenditures for External Services

Marketing, food promotions, quality management	in Euro	in %
Print	3 103 000	18%
Cooperation (contracts for work)	2 394 000	14%
Events	2 019 000	12%
Print forms, advertising material	1 447 000	8%
TV	1 444 000	8%
Others (fairs, shipments,)	1 381 000	8%
Out of home (Bill boards, city lights, ...)	1 316 000	8%
Quality control	1 162 000	7%
Market research	1 012 000	6%
Production costs for information and public relation material	774 000	5%
Internet	389 000	2%
Radio	334 000	2%
Subtotal	16 775 000	98%
Reserves for future marketing projects	373 000	2%
Sum	17 148 000	100%

Other important promotion activities – each covering a share of 8 percent of the budget for external services – are events, print forms for direct mailings to consumers and stakeholders, TV advertising, out of home (outdoor advertising is very popular in Austria) and participation in national and international food fairs (SIAL in Paris, ANUGA in Cologne, “Grüne Woche” in Berlin, to name a few).

4 Organization of food promotions in Austria

Keywords: structure, objectives and principles of marketing campaigns and food related promotions of AMA Marketing, governmental departments and other agencies engaged.

This chapter will answer the following questions: What are the strategic communication goals of AMA Marketing promotions? What kind of image does Austrian food portray? How is the communication goal of awareness/image creation achieved (width of communication)? How is the communication goal of educating the consumer achieved

(depth of communication)? What are the main messages? Which other agencies or ministries are involved in realizing the promotion campaigns?

As mentioned in the previous chapter, AMA Marketing has two core strategic goals: (1) Promotion of sales and quality of Austrian agricultural food products and (2) providing information about food and agricultural products. Only after a solid quality assurance and quality improvement system is established, can information strategies be successfully applied.

AMA Marketing Information and advertising campaigns are built upon the excellent reputation of Austrian food products. They stand for freshness, genuineness and regional origin and they are produced mainly by small-scale producers. This internationally familiar image and the unique quality are the “capital” of Austrian food producers. AMA Marketing supports this image by using the slogan “The Taste of Nature” for export activities. For the internal Austrian market, AMA Marketing uses product specific messages such as “Krönender Genuss” (crowning delight) for milk and milk products, or “Fleisch bringt’s” (meat performs) for meat products. All advertising materials aim to convey the beautiful nature of Austria and the authenticity of Austrian agriculture and food.



Figure 17: Example of AMA Milk Slogan “Krönender Genuss” (Crowning Delight)

In general, the information strategies of AMA Marketing aim to use fact based and objective information to inform specific target groups. The target groups are Austrian consumers and Austrian farmers but also companies in the Austrian food processing sector, wholesalers and retailers; and finally also governmental institutions. To reach these target groups a portfolio of different communication means is applied, including traditional print advertising and electronic media, but also “below-the-line”-activities like press releases, social media or point-of-sale activities. Figure 18 (p. 37) gives an overview of marketing communication instruments to clarify the differentiation between “above-the-line” (ATL) and “below-the-line” (BTL) communication instruments. The term “line” indicates a budget line, and goes back to Procter and Gamble in the 1950s, when this company started to pay advertising companies different prices for different advertising activities. In general ATL means the use of mass media and contains media such as television, radio, print, cinema and out-of-home (billboards, city lights, etc.). ATL communication measures are best suited to creating awareness or forming an image, but are often insufficient to communicate in depth information and generally tend to lack trust from consumers in the reliability of the information provided. On the other side with BTL instruments it is difficult and very expensive to reach a mass audience. But BTL measures are very well suited to providing in depth information and are more trusted by consumers. So BTL measures need lower budgets compared to ATL, but also reach fewer consumers than ATL measures (see figure 18, p. 37, for an overview of ATL and BTL measures).

Applying BTL instruments – especially for products with touch and feel such as food products – is a good choice if a company wants to provide in depth information about an issue. In fact one could say that the two main targets of marketing communication, reaching many consumers, i.e. width of communication, and secondly providing enough information, i.e. depth of communication, can only be achieved if ATL and BTL measures are combined in so called cross media strategies. Consequently, AMA Marketing has applied cross media strategies since its foundation. AMA Marketing also pays special attention that its cross media strategies have the same look and feel by using the same key visuals and a concise corporate design. So for the target groups it is easy to identify AMA Marketing promotions for Austrian food.

Marketing Communication

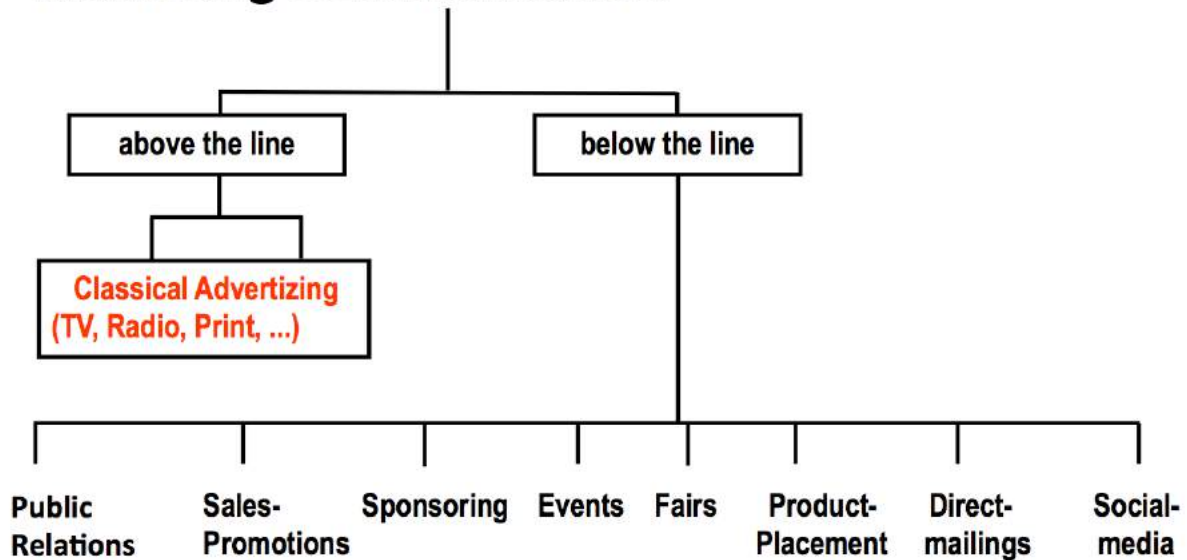


Figure 18: Above the Line and Below the Line Marketing Communication

When AMA Marketing was founded in 1995 it was first necessary to establish reliable quality assurance and control systems for the AMA quality labels. But right after their introduction, marketing communication activities took place. The main overall strategic communication goals were to create awareness for the AMA quality labels, by reaching as many consumers as possible, and secondly by creating a positive image of Austrian agriculture and Austrian food products. On a more specific level the strategic communication goals for the AMA Quality Seal are:

- Excellent quality
- Traceable and transparent origin
- Controls and audits done by independent control organizations

Market research shows that 20 years of marketing communication raised the awareness for the AMA Quality Seal to an excellent level; in the last years it was always above 95 percent (for more details see chapter 6.2, p. 63).

The information campaigns of AMA Marketing have three areas of focus:

1. Information campaigns about all *AMA quality seals*
2. Information campaigns related to *specific product categories* (for e.g. milk, meat, apples, etc.)
3. Information campaigns *independent* from product categories addressing specific topics related to agriculture (like health and nutrition related topics, like “5 a day”, the well-known US campaign transferred to Austria)

AMA Marketing uses the third category of information campaigns to inform consumers about aspects such as animal welfare, environmental protection, and sustainability. In most cases these information campaigns also communicate quality assurance and how consumers can identify Austrian food. These product independent info campaigns also serve the purpose of improving the image of Austrian agriculture and Austrian food products.

In 2014 AMA Marketing spent around EUR 1 million on product independent information campaigns, which is around 6 percent of the total annual budget. They used print media, TV and Radio and internet platforms as well. From July 2014 to end of that year, an article was published every week in regional and national newspapers such as Kronen Zeitung, Kleine Zeitung, Kurier, OÖN, NÖN, Salzburger Nachrichten, which are the most important newspapers in Austria. They also co-operated with “Falstaff” the most important wine magazine in Austria, to write about barbecues during summer to provide information about Austrian meat quality and to educate consumers about what kind of meat parts to use for which purpose. Figure 19 shows a website, which AMA Marketing created to cover the barbecue topic, another example of a cross media strategy, combining advertorials in a wine magazine with in depth information on an internet-platform.



Figure 19: AMA Marketing website about barbecues (<http://www.grillclub.at>)

The Austrian state owned TV station (ORF) — which is also the market leader — is also a major partner for AMA Marketing. Austria is a state with nine provinces and each province has a slightly different culture and even different dialects and traditions. Therefore, the public TV ORF has nine regional TV shows during the day, each of them only broadcast in their respective province, normally from the afternoon until 19:00. For example, in 2014, in cooperation with AMA Marketing ORF Styria broadcast 40 episodes about agriculture. In the other provinces so called “service tips” were broadcast (also around 40). In total AMA Marketing spent EUR 1 million on this kind of cooperation in 2014. It is possible to calculate an *advertising value* for this one million. This is done by taking the total broadcasting time and multiplying it by the cost of TV spots or using the size of articles and multiplying it by the cost of print advertising for this size. As a result the advertising value of this EUR 1 million spent for advertorials is worth EUR 2.7 Million



Figure 20: Example of a billboard (5m x 2.4 m) *

* targeting a younger consumer group for barbecues. In the billboard a quick response code, which can be photographed to instantly lead the consumer to the barbecue website <http://www.grillclub.at>

AMA Marketing also has to be able to respond flexibly and quickly to new political or economic situations. As Russia introduced an import stop for Austrian food products it was necessary to increase exports to other countries but also to increase sales in Austria. As a response, in 2014 AMA Marketing launched a campaign called “Look at it” (“Schau drauf” in German, see Figure 21, p. 40). The aim was to remind Austrian consumers to look at the AMA Quality Seal when shopping for food, because with the AMA Quality Seal they can be sure they are buying the best quality and are guaranteed that the agricultural raw materials come from Austria.

The following numbers illustrate the importance of the AMA quality seal programs. Approximately 40 000 farmers are taking part (approximately 32 000 dairy farms, 5 000 beef

producers, 1 800 pig producers, 700 egg producers, 400 broiler and turkey producers, 1 500 fruit, vegetables and potato producers). Approximately 700 food processing companies, hotels and restaurants and retailers are AMA Quality Seal licensees. McDonald's Austria makes EUR 548 million in annual sales in Austria and orders all its beef, eggs, potatoes and milk *only* from producers with the AMA quality seal. That means that 100 percent of the beef sold at McDonald's Austria is born, raised and slaughtered in Austria.

To communicate this message AMA Marketing used citylights, print advertising and radio advertising spots. Citylights usually have a format of 1.2 m x 1.75 m and are positioned at tram or bus stations and are illuminated at night. Thirty three full page or half page print advertisings were launched for apples, potatoes, eggs, milk, yoghurt, cheese, steak and cutlets in newspapers and magazines. With these print advertisements AMA Marketing achieved a net reach of 82 percent of Austrian consumers. In all provincial capitals of Austria 1 200 citylights and billboard lights with four different categories (apple, chees, egg and meat) were launched in November 2014.

Market research showed that with all out of home advertising activities a net reach of 62 percent under Austrian household leaders was achieved, which corresponds to almost 16 million consumer contacts. Also in November 2014 four different radio advertising spots were launched and broadcast around 80 times on the publicly owned Austria radio station, as well as on private radio stations. This campaign achieved a net reach of 76 percent.



Figure 21: "Schau Drauf" Campaign ("Look at it")

The food promotion activities of AMA Marketing incorporate cross media strategies combining a variety of above-the-line and below-the-line communication activities. It is important to understand that to achieve successful promotions, AMA Marketing has to collaborate with professional advertising agencies (see appendix 1.1 , p. 70, for a full list of agencies). AMA Marketing regularly announces calls for bids for specific information campaigns.

After selecting the best suited advertising agency, AMA Marketing briefs the agency about what kind of message to communicate, which logos, brands and labels to use and what the corporate identity and corporate design should be. Based on this information the advertising agency creates the slogan, the key visuals and the promotional look and feel. Often a second agency is involved in media planning. They are informed about the budget and have to make a media plan containing information about how often, in which media channels (TV, radio, print, etc.) and which form of advertising has to be shown. Without collaborating within a network of advertising and media planning agencies, successful food promotions would not be possible for AMA Marketing.

5 Communication channels and media used for food promotions in Austria

Keywords: internal market promotion delivery channels/media (raising awareness, promotion campaigns per subsector)

This chapter answers the following questions: Which media are used to promote Austrian food for Austrian consumers? Which public relation activities are done by whom (professional PR agencies or AMA itself)? Which cross media strategies are implemented? What are the main consumer segments targeted for the promotion campaigns? What are best practice examples of promotional campaigns for the selected product category (milk and milk products, meat and meat products, fruits and vegetables)?

Besides the mentioned strategic communication goals in the previous chapter, AMA Marketing also follows the strategy of informing consumers about specific product categories. The target groups of food promotions (Austrian consumers, Austrian farmers but also companies in the Austrian food processing sector, wholesalers and retailers, and finally governmental institutions) are provided with fact-based objective information about selected product groups:

- Milk and milk products
- Meat and meat products
- Eggs
- Fruits and vegetables
- Organic food

Target groups are informed about the quality attributes of food, how to differentiate excellent from bad quality, how food is produced, how it can be used (cooked) and what constitutes a healthy and balanced diet.

Public relations play an important role in communicating to consumers and stakeholders. In 2014 approximately 3 000 articles were published in Austrian daily newspapers initiated by the AMA Marketing press department but also in collaboration with Austrian public relation agencies.

Social Media is an important media channel to reach young consumer segments, especially Generation Z (15 to 20 years old) and millennials (21 to 34 years old). In 2014 AMA Marketing promoted three different Social Media campaigns:

1. Food Blogging Award
2. Urban Gardening
3. #apfeldazu (i.e. "add an apple")

To promote positive reporting about Austrian food and to educate consumers about using Social Media platforms, AMA Marketing initiated the AMA Food Blog Award. In 2014 the award was given for the third time (<http://foodblogaward.at>). All of these Social Media campaigns were so successful that they were continued in 2015.

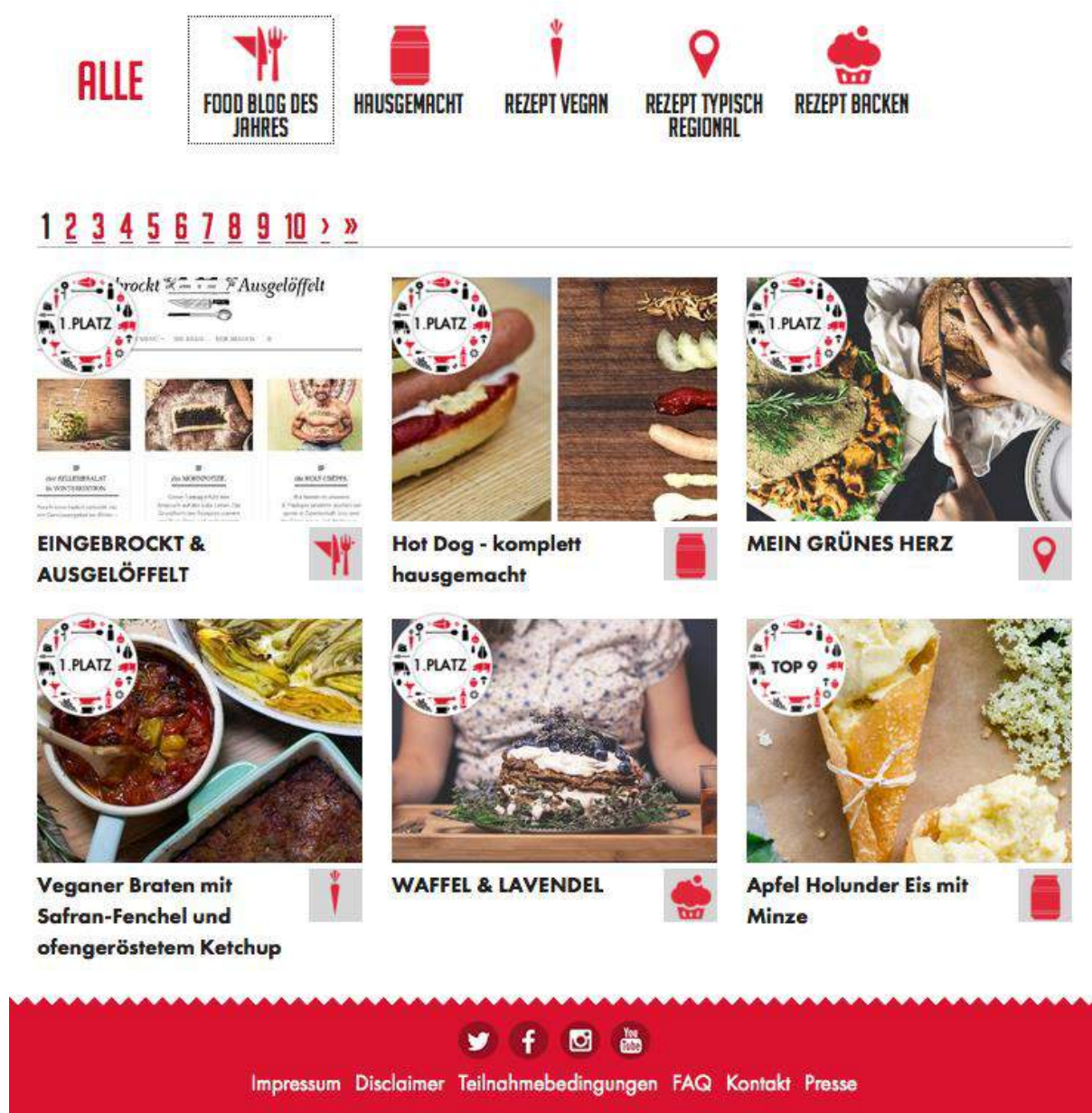


Figure 22: AMA Food Blogging Award

The following sub-chapters demonstrate best practice examples of promotion campaigns for specific product categories, starting with meat and followed by milk and vegetables. The chapter ends with a specific marketing and communication strategy to promote regional, traditional food from Austria.

5.1 Cross media strategy for meat “three times controlled”

The following images show how AMA Marketing applies a cross media strategy to inform Austrian consumers about the quality and origin of Austrian meat and meat products. Two messages are conveyed:

(1) The first message is that consumers can trust the origin and quality of Austrian meat products because it is three times controlled before it reaches consumers' plates.

(2) The second message is about improving the image of meat. The message is "Fleisch bringt's", meaning "Meat performs". Due to a lot of meat scandals and also repeatedly negative news about meat and meat products (see for example WHO announces "processed meat products are responsible for cancer"), it is important to constantly create a positive image of meat and its consumption, by providing information about the quality of its proteins and richness of minerals for example.

The following information campaign was applied in 2008 and is a perfect example of how many different media channels can be used in a cross media strategy.



Figure 23: Rolling boards from 2 July 2008 to 15 July 2008

As you can see on these examples, two key visuals are repeatedly used:

(1) First the white label saying "Dreifach kontrolliert", which means "three times controlled". Above it the three words Quality, Origin and Control (Qualität, Herkunft und Kontrolle). Below the words "Damit es einfach schmeckt" ("So it can be simply delicious").

(2) The second key visual of this info campaign is the three raised fingers. Key visuals like this allow the use of different people in different advertising spots or prints while making it easy for the consumer to recognize the same advertising message.



Figure 24: City Lights from 26 June 2008 – 2 July 2008



Figure 25: Billboard, 24 paper sheets (5 m width, 2.4 m height) 1 July 2008 – 31 July 2008

Out of home advertising is very popular in Austria, so billboards are an important media for informing consumers.



Figure 26: Print advertising



AMA Fleisch bringt's Reifenpanne

Figure 27: TV advertising spot*

The TV advertising spot from Figure 27 can be watched on Youtube:

<https://youtu.be/JfBJpDRXGHM>



Dreifach kontrolliert, damit's einfach schmeckt!

Über Geschmack lässt sich streiten – über Qualität allerdings nicht. Deswegen setzt die Agrarmarkt Austria mit dem AMA-Gütesiegel ein Zeichen für ein umfassendes und kompromissloses Qualitäts- und Herkunftsprogramm für Fleisch. Denn nur wenn die Qualität ausgezeichnet ist, ist es auch der Geschmack!

Qualitätssicherung installiert, das während der gesamten Vermarktungskette zum Einsatz kommt. Oder anders ausgedrückt: Vom Futtermittel über den Bauernhof bis zum Einkaufswagen wird kontrolliert.

Vorteil Nr. 1:

Ausgezeichnete Qualität!

Vor allem die Haltung der Tiere bestimmt die Qualität. Die strengen Anforderungen der AMA-Richtlinien bei Fütterung und Pflege müssen zu hundert Prozent eingehalten und durch objektive Prüfinstanzen bestätigt werden. Nur so kann die exzellente Produktgüte gewährleistet werden.

Vorteil Nr. 2:

Nachvollziehbare Herkunft!

Die Herkunft muss zweifelsfrei nachvollziehbar sein, sodass der Konsument genau weiß, woher sein Gustostückerl kommt.

Vorteil Nr. 3:

Unabhängige Kontrollen!

Dazu kommen noch auf allen Stationen der Weiterverarbeitung zahlreiche regelmäßige Kontrollen durch unabhängige und spezialisierte Prüfer. Um nur ein Beispiel zu nennen: Aufgrund der pH-Wert-Messung wird schon am Schlachthof geprüft, ob ein Stück Fleisch objektiv zart und saftig oder in Wirklichkeit eine „Schuhsohle“ ist.



AMA-Gütesiegel:
Dreifache Kontrolle von Anfang an!

Mit dem AMA-Gütesiegelprogramm wurde ein umfassendes System zur

Ausgezeichnete Qualität, nachvollziehbare Herkunft und unabhängige Kontrollen – die Vorteile des AMA-Gütesiegels werden allen Fleischgenießern garantiert bestens schmecken!



GEWINNSPIEL:

Zeichen setzen, Zeichen machen und Fahrrad gewinnen!

Setzen Sie mit dem AMA-Gütesiegel ein Zeichen für guten Geschmack – und schicken Sie uns ein Foto, auf dem Sie das Zeichen für dreifach kontrolliert machen! Mailen Sie das Foto einfach an guetesiegel@amagewinnspiel.at oder schicken Sie es an AMA Marketing GesmbH., Kennwort Gütesiegel, Postfach 214, 1200 Wien. Unter allen Einsendern verlosen wir drei tolle Fahrräder im Nostalgielook! Viel Glück! Teilnahmebedingungen unter www.ama.at

FINANZIERT MIT FÖRDERMITTELN
DER EUROPÄISCHEN GEMEINSCHAFT
UND MITTELN DER AGRARMARKT
AUSTRIA MARKETING GESMBH



Figure 28: Advertorial

As you can see the two key visuals (the raised hand with three spread fingers and the label stating “Dreifach kontrolliert” (three times controlled)) were consequently applied in each media form.

Gewinnen Sie eines von drei Fahrrädern!

Zeichen setzen, Zeichen machen und mit ein bißchen Glück gewinnen!



Symbolfoto

Teilnahmebedingungen:

Teilnahmeberechtigt sind alle, die im Zeitraum von 18.11.2006 bis 01.03.2007 eines oder mehrere Fotos einsenden, auf denen der/die Teilnehmer/in bei der Darstellung des Drei-Finger-Symbols abgebildet ist/sind. Die Einsendungen, versehen mit Name und Adresse des Absenders, können per email erfolgen : **guesiegel@amagewinnspiel.at** **Betreff: Gütesiegel oder auf postalischem Weg an AMA Marketing GesmbH (nur ausreichend frankierte Postsendungen werden angenommen). Kennwort Gütesiegel, Postfach 214, 1200 Wien.** Die Teilnehmer erklären sich einverstanden, dass die Agrarmarkt Austria Marketing GesmbH die Fotos in AMA internen Medien und Advertorials veröffentlichen darf. Das originellste Foto wird von einer Jury prämiert und mit folgenden Preisen honoriert: 1.-3. Preis je ein trendiges Fahrrad (in ähnlicher Art wie das Symbolfoto, jeweils als Damen- oder Herrenvariante erhältlich) und weitere 33 Überraschungspreise. Die Gewinner werden schriftlich verständigt. Über das Gewinnspiel wird kein Schriftverkehr geführt. Der Rechtsweg ist ausgeschlossen. Die Ziehung erfolgt unter Ausschluss der Öffentlichkeit. Nicht teilnahmeberechtigt sind alle Mitarbeiter/innen der Agrarmarkt Austria Marketing GesmbH.



FINANZIERT MIT FÖRDERMITTELN DER EUROPÄISCHEN GEMEINSCHAFT UND MITTELN DER AGRARMARKT AUSTRIA MARKETING GESMBH

Figure 29: Promotional competition to win a bicycle

5.2 Cross media strategy for milk

The sales of milk and milk products were promoted through several activities. Dietary recommendations from the ministry of health and information from a recent report on Austrian food habits were used to educate consumers about health benefits of milk and dairy products. Supported by subsidies of the EU Commission the image of milk as an important part of a balanced nutrition was further promoted. The appreciation of consumers for fresh dairy products and their knowledge about the naturalness of dairy products should be improved building on a recent consumer trend for natural health. The most important communication objective was to increase trust in milk and dairy products marked with AMA labels communicating traceability and freshness.

In the course of the World Milk Day (on the 1 June, 2014) AMA Marketing promoted a campaign called “Crowning Delight” (“Krönender Genuss”), which was pushed by use of TV, citylights, print and online. The central key visual was the milk splash in the form of a crown (see Figure 17, p. 35).

Three TV spots were launched in total. One for milk, one for cheese (see Figure 30) and one for yoghurt. The TV spots achieved a reach of 76 percent. An OTS from 6.2 (opportunity to see) was clearly above the average value of comparable campaigns. AN OTS of 6.2 means that statistically each Austrian consumer came into contact with the TV Spot 6.2 times.

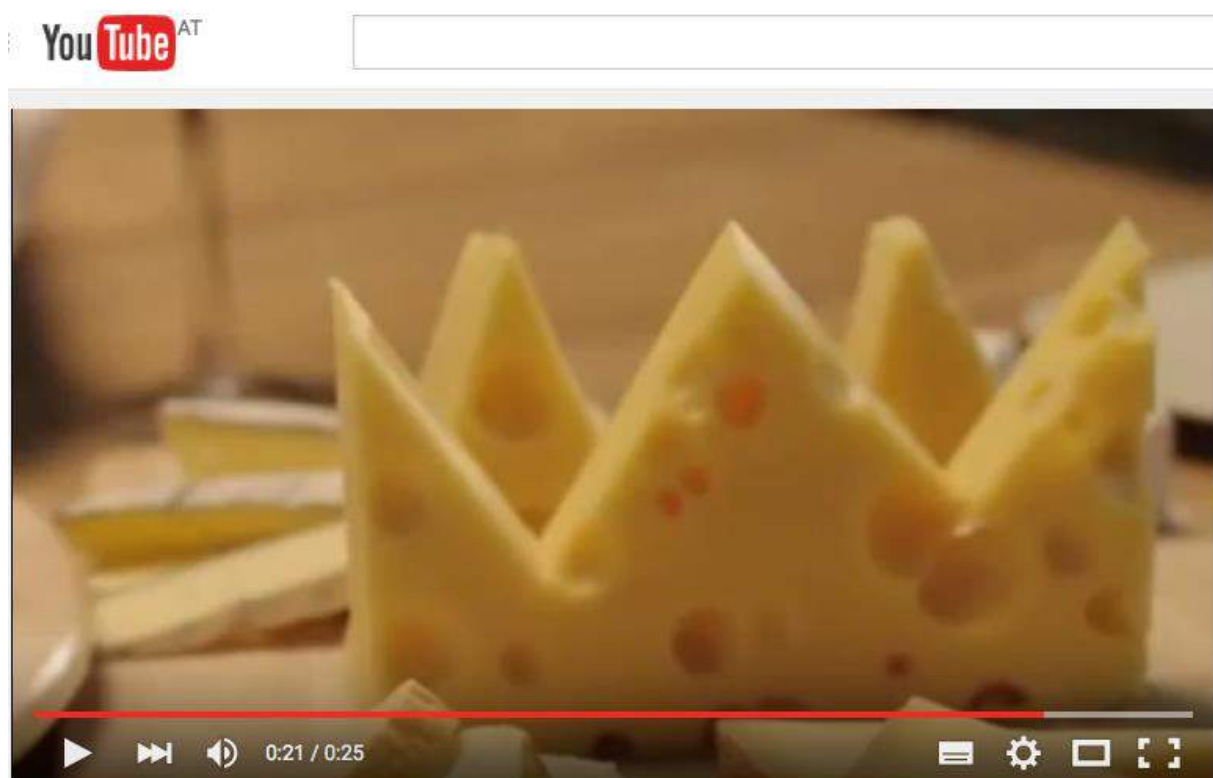


Figure 30: Example of TV Spot “Crowning Delight” (<https://youtu.be/hFUwBmVjTp4>)

Milch mit dem AMA-Gütesiegel.

Krönender Genuss.



Jetzt gewinnen: www.milchkrone.at

Das AMA-Gütesiegel setzt der Milch die Krone auf.
Es ist die höchste Auszeichnung für unsere Lebensmittel.

Dafür müssen Milch und Milchprodukte mit dem AMA-Gütesiegel bis zum Ende der Haltbarkeit nachweislich Top-Qualität aufweisen. Und unsere Frischmilch ist garantiert gentechnikfrei! Das AMA-Gütesiegel wird nur dann verliehen, wenn Qualität und Herkunft mehrfach kontrolliert wurden – über die gesetzlichen Bestimmungen hinaus. Krönen Sie jetzt Ihre liebsten Milchprodukte und gewinnen Sie eine von 12 roten oder weißen Vespas!

Das AMA-Gütesiegel garantiert:

- ✓ Ausgezeichnete QUALITÄT
- ✓ Nachvollziehbare HERKUNFT
- ✓ Unabhängige KONTROLLE



FINANZIERT MIT FÖRDERMITTELN
DER EUROPÄISCHEN UNION UND
MITTELN DER AGRARMARKT
AUSTRIA MARKETING GESMBH

*Liste Deklaration der Österreichischen Lebensmittelbehörden für gentechnikfreie, aromatisierte Lebensmittel



Sicher ist sicher!

Figure 31: Example of print advertisement “Crowning Delight” with the key visual of a milk splash in form of a crown

The traditional print advertisements achieved a reach of 87 percent, which is an excellent national coverage. The advertising pressure was measured and achieved 490 GRP (gross rating points) and again an above average value of 6 OTS.

The print advertisements were combined with below-the-line advertorials to support the message with editorial character. In parallel, a lottery sales promotion took place at the microsite <http://www.milchkrone.at>. Combined with banner advertising on selected webpages and on Facebook, more than 10 million contacts and 8 000 clicks leading to the microsite <http://www.milchkrone.at> were generated. The consumers who won the competition were taken to the Ötz valley in Austria and engaged in canyoning and rafting, while other consumers won professional blenders and milk foamers.

Again Social Media played a part in the communication strategy. To address younger generations such as the generations Y and Z a blog about milk — which started in 2013 — continued its task to provide information about milk and milk products, dietary recommendations and recipes (see Figure 32, p. 52). Consumers can subscribe to newsletters there in categories such as fitness, school delight and general. The number of monthly users is constantly rising. A third of them come via engines. In January 2014 around 1 000 users visited, around World Milk Day in June there were about 3 600 users and in November 2014 there were around 3 000 individual users.

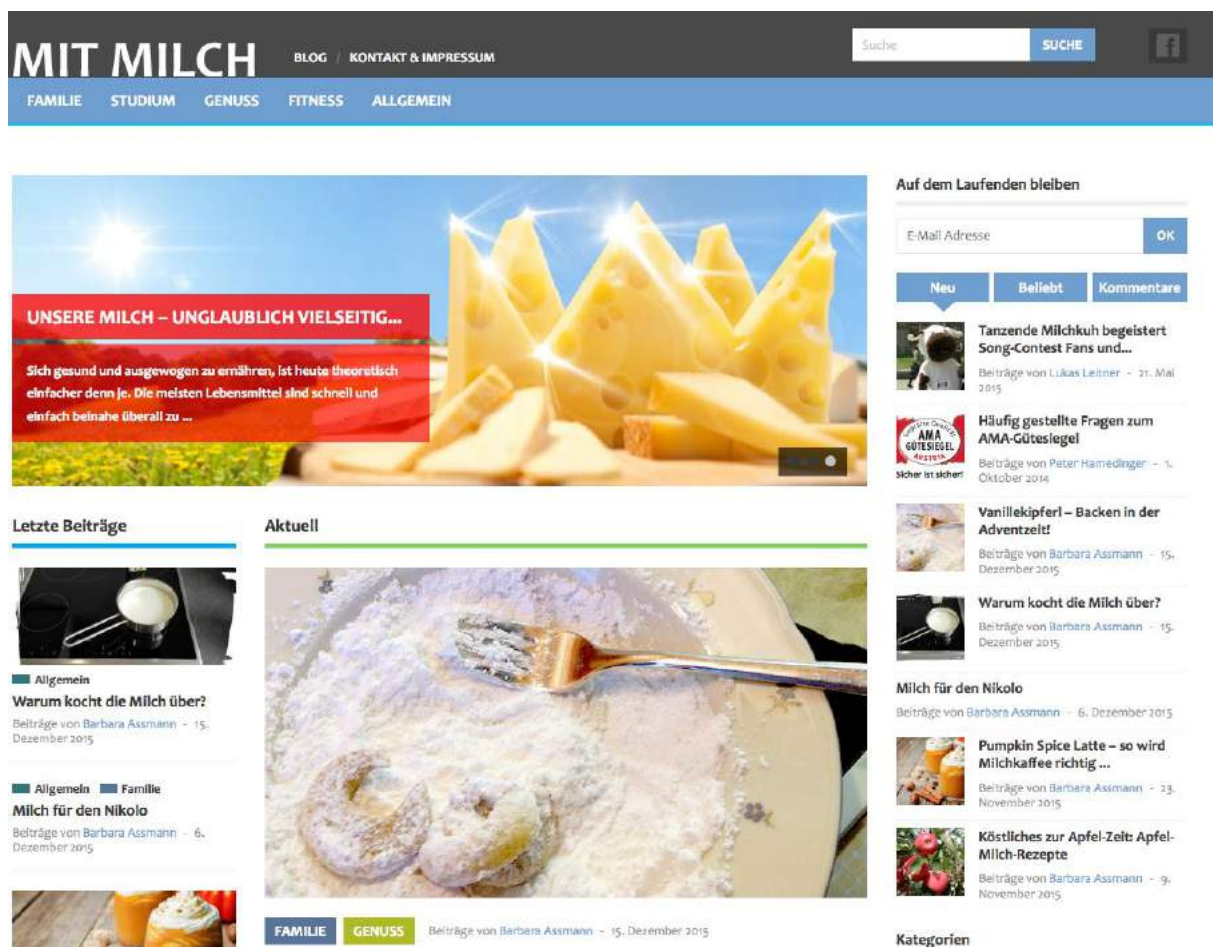


Figure 32: Milk food blog “With Milk” (<http://mitmilch.info>)

So far 63 blog posts and 51 comments have been posted. 500 new consumer contacts were generated by offering downloads with subscriptions.

Another website “World of Cheese” provides consumers with information about 400 cheese varieties and producers, again offering recipes and advice how to enjoy cheese (see <https://www.kaesewelten.at/>).

In cooperation with Austrian schools for educating for professions of hotel, gastronomy and tourism and in cooperation with the Ministry of Education a nationwide *cheese knowledge competition* was announced, the 14th time in a row (see <http://www.kaesekenner.com>).



Figure 33: Cheese Sommelier Competition

26 schools for higher professional education participated. Each year around 1 200 “cheese ambassadors” graduate from these schools. Not only schools but also retailers are engaged in educating their apprentices about cheese. In cooperation with SPAR and REWE (Billa, Merkur), the two Austrian market leading supermarket chains (covering 60 percent of the Austrian market) have initiated educational programs for cheese experts.

And finally to educate the youngest consumers, a “Milk School Luggage” (“Milch Schulkoffer”) was produced. It contains 12 Rollups and information material specifically developed for

specific age groups. An average of 10 presentations take place every week in Austrian schools and kindergartens. Female farmers trained in nutrition make the presentations in schools. These “Seminary farmers” (“Seminarbäuerinnen” in German) are chosen in cooperation with the regional Chamber of Agriculture.



Figure 34: “Milk School Luggage” (“Milch Schulkoffer”)

5.3 Cross media strategy for fruits, vegetables and potatoes

All advertising measures in this product category were 50 percent co-financed by the European Union. Between 2015 and 2018 the EU will co-finance promotions in this food category.

“A hundred reasons to get a hundred” (“100 Gründe, 100 zu werden”) was an out of home billboard promotion, which started in 2013 and is still going on.



Figure 35: A hundred reasons to get a hundred, billboard, 24 paper sheets (5 m width, 2.4 m height)

The same topic was also used on trams in Vienna and Graz, which was a real eye-catcher. The trams were covered with it during summer and autumn. This promotion also got the Austrian Transport Media Award.



Figure 36: A hundred reasons to get a hundred, on a tram

Citylights campaigns were used for apples and tomatoes to create a positive image for a healthy lifestyle. For apples a word play created a funny slogan, implicitly creating the image that apples give you energy and make you smart.

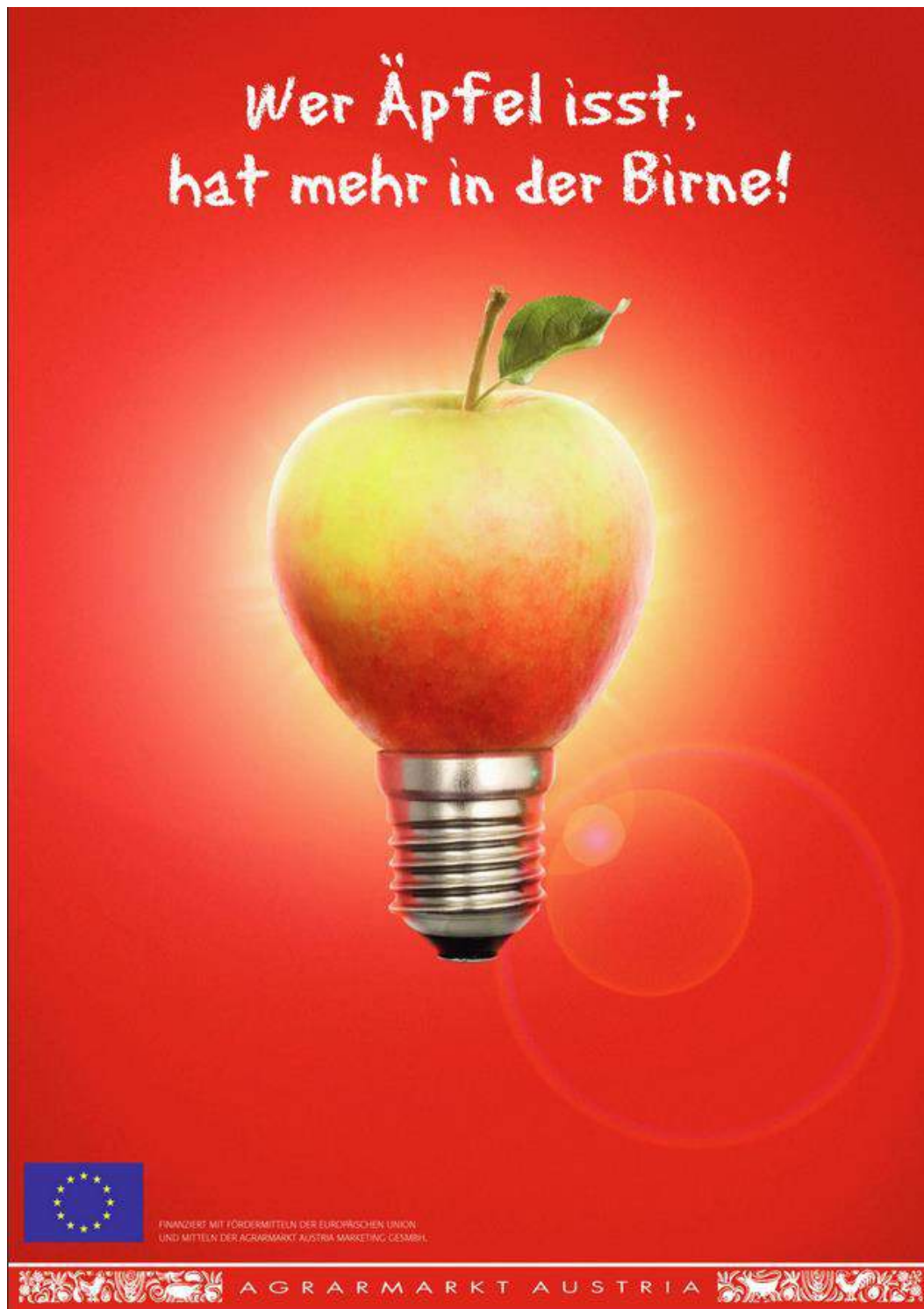


Figure 37: Citylights campaign for apples (He who eats apples has more in his head)

For fruits and vegetables radio spots provided information about that consumers should eat at least five different fruits and vegetables a day ("5 a day"). 35 TV advertorials provided information about different fruits and vegetables every Friday, right before the weekend shopping.

For the first time a series of advertorials provided information about the controls of AMA Marketing concerning residues of pesticides on fruits and vegetables. The consumer response to these advertorials was so positive that this activity will be continued for the next years.



Das AMA-Gütesiegel – Das Zeichen für Qualität und Sicherheit

Frische Äpfel, knackige Paprika, goldgelbe Erdäpfel, bunte Salate und schmackhafte Paradeiser. Aufgrund der Globalisierung ist die ganzjährige Versorgung mit frischem Obst und Gemüse eine Selbstverständlichkeit. Die Konsumenten stellen zunehmend höhere Anforderungen an die Qualität und Angaben zur Herstellungsweise und Herkunft. Aus diesem Grund setzt die Qualitätsicherung mit dem AMA-Gütesiegel im Bereich Obst, Gemüse und Speiseerdäpfel in der landwirtschaftlichen Uterproduktion (AMAGAP, anerkannter GLOBALG.A.P. Standard seit 2005) auf eine **umweltgerechte und ressourcenschonende Landwirtschaft**, nämlich auf „integrierte Produktion“.

Um die hohe Qualität auch in den nachgelagerten Stufen abzusichern, sind die Abpackbetriebe und die Verteilerzentren der Lebensmittelereihändler im AMA-Gütesiegel-Programm eingebunden und unterliegen



Liebe Leserinnen und Leser,

am 23. Oktober findet der Obst-, Gemüse- und Gartenbaufrühjahr im Rahmen der diesjährigen Weinlese statt. Glückwünsche wünschen wir dort den neuen Besuch über das AMA-Rückstandsmonitoring bei Obst und Gemüse mit dem AMA-Gütesiegel.

Im letzten Jahresbericht wurden rund 20.000 Obst-, Gemüse- und Erdäpfelproben auf Pflanzenschutzmittelrückstände untersucht und in einer Datenbank erfasst. Die Auswertungen der vielen Analysen zeigen eine deutliche Verringerung der Rückstandsbelastung in den letzten Jahren und spiegeln die Wirksamkeit der gesetzlichen Maßnahmen wider.

Unsere positive Bilanz zeigt: Bei zwei Drittel aller Proben wurden keine Rückstände mehr nachgewiesen und es gab keine gesetzlichen Überschreitungen der Höchstwerte. Weiters erfolgte im Jahr 2013 nur 7 Zeitfestschaltungen im Rahmen des AMA-Gütesiegel-Programms.

Die hohe Anzahl der teilnehmenden Betriebe im AMA-Gütesiegel-Programm „Obst-Gemüse-Erdäpfel“ belegen den hohen Stellenwert dieses Produktions- und Qualitätssicherungsprogramms und bestätigen uns, dass wir mit dem Programm den richtigen Weg zur ganzheitlichen Qualitätssteigerung eingeschlagen haben.

Mit besten Grüßen
Ihr Martin Graf
Erfolter des AMA-Qualitätsmanagements



AMA verfolgt den ganzheitlichen Qualitätsansatz

Die AMA-Marketing ist eine große vernetzte Partnerschaft der Qualitätssicherung in Österreich mit **2.500 Landwirten und Gärtnern**, die auf **19.000 Hektar** Obst, Gemüse und Speiseerdäpfel erzeugen, und **170 Abpackbetrieben** (Bäuerinnen mit Zeichennutzungsrecht AMA-Gütesiegel). Die AMA-Marketing sorgt für eine Vernetzung zwischen den verschiedenen Vermarktungsstufen. Rund **2.650 Vor-Ort-Kontrollen** durch akkreditierte Kontrollstellen und rund **1.000 Analysen** durch zugebesserte Labors, welche auf dem aktuellsten Stand der Technik sind **600 Wirkstoffe** qualitativ und quantitativ nachweisen können, sprechen für die Leistungskraft und konsequente Umsetzung des AMA-Gütesiegel-Programms bei Obst, Gemüse und Speiseerdäpfeln. Flankiert durch weitere stichprobenartige Überkontrollen und aktive Begleitung von Kontrollstellen (Witness- und Office-Audits) sichert die AMA-Marketing die Glaubwürdigkeit der unabhängigen Kontrollen ab.

Das AMA-Rückstandsmonitoring für Obst, Gemüse und Speiseerdäpfel basiert auf dynamischen Stichprobenplänen und ist zweistufig konzipiert. Die erste Stufe umfasst die Blatt-

Kontrolle während der Vegetation (Blattproben)

Probensammlung in der Landwirtschaft (ca. 1000-1200 Betriebe und Anbauflächen)



Probenpooling

Kontrolle nach der Ernte (Ernteprodukte)

Probensammlung vor allem bei Packbetrieben (Verarbeitern) der Produkte und AHD-Werk



Einzelprobe



Laboranalyse
ca. 600 Substanzen mit GC/MS und LC/MS-MS

proben während der Vegetation und in der zweiten Stufe werden Ernteprodukte erfasst.

Heben den gesetzlichen Bestimmungen müssen auch der AHD-Wert (lokale Referenzwert) sowie die Pflanzenschutzmittelreste der integrierten Produktion (IP) eingehalten werden. Die Ergebnisse dieses Monitorings zeigen eine **deutliche Verringerung der Rückstandsbelastung** in den letzten Jahren und spiegeln die Wirksamkeit der jeweiligen Maßnahmen, den systematischen Ansatz der vertraglich abgesicherten Qualitätsproduktion und die korrekte Umsetzung der Anforderungen durch die Branche wider. Zu diesen Ergebnissen kamen auch VIK-Untersuchungen bei AMA-Gütesiegel ausgezeichnetem Obst und Gemüse aus den Jahren 2007 und 2010.

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Figure 38: Advertorial about control of residues of pesticides on fruits and vegetables

For tomatoes, which are Austria's vegetables, a billboard campaign made consumers aware to look for the AMA Quality Seal when buying tomatoes. The slogan was "Strict controls are easy to recognize" ("Strenge Kontrollen sind kinderleicht zu erkennen").



Figure 39: Billboard promotion for tomatoes (size 5 m x 2.4 m)

A series of digital and print folders was produced containing recipes and interesting information about specific fruits and vegetables (see Figure 40, p. 58). These info folders contain recipes and information about different varieties. All these folders can be downloaded for free from the AMA webshop <http://shop.ama-marketing.at>.



Figure 40: Info folder about asparagus

Because of the rising numbers of iPads and smartphones, AMA fruits and vegetable cookbooks were digitalized in new formats and offered for download. Below-the-line activities including a tomato day- and a potato day-event informed journalists and consumers about the benefits of these vegetables and how to recognize Austrian produce. The next chapter describes an activity of AMA Marketing to promote traditional regional food in accordance with the Slowfood philosophy.

5.4 Genuss Regionen Österreich - Austrian Regions of Delight

In Austria there are many business relations of restaurants in tourist regions with farmers who supply them with excellent fruits and vegetables or superior quality meat from free range, grass fed autochthon breeds. In fact these collaborations are in accordance with the SlowFood movement (<http://www.slowfoodaustria.at/>). In some way the food attribute “Regional” has become so successful that it is being called the new “Organic”. In many cases Austrian food products are sold as regional *and* organic food. An excellent example for a niche strategy with a focus on quality leadership is the “**GENUSS REGION ÖSTERREICH**” brand (i.e. Austrian Region of Delight), which is managed and supported by the AMA Marketing.

GENUSS REGION ÖSTERREICH is a registered and protected trademark owned by AMA Marketing and the Agricultural Ministry of Austria. This brand communicates regional agricultural products and specialties of Austria. It informs tourists and consumers about specific culinary specialties in selected regions of Austria. The aim is to make consumers aware of the connection between specific autochthonous food products and their cultural landscape and traditional production. Consumers can buy these products in supermarkets, specialty stores and in restaurants as well, where the ingredients are used for meals.



Figure 41: Examples of Genuss Region Österreich Label (Austrian Region of Delight)

The umbrella brand “GENUSS REGION ÖSTERREICH” was founded to provide a marketing platform for agricultural associations and regions with traditional food products (in total 105 traditional food products, <http://www.genuss-region.at/>) that did not have enough resources or the intention to apply for a European PDO/PGI registration (Protected Denomination of Origin/Protected Geographical Indication). This is interesting because it illustrates that besides the PDO/PGI labels of the European Union there are other possibilities for establishing successful regional brands. The disadvantage of the EU PDO/PGI label is, that the registration process affords a lot of time and farmer associations often lack the know-how and resources to accomplish the whole registration process.

Besides this “GENUSS REGION ÖSTERREICH” brand there is also a registry of traditional food in Austria, also managed by the Ministry of Agriculture (<http://www.bmlfuw.gv.at/lebensmittel/trad-lebensmittel>). The difference to the registry of Austrian traditional foods is that the brand “GENUSS REGION ÖSTERREICH” contains no meals and that an association or region, which applies for the rights to use the brand “GENUSS REGION ÖSTERREICH”, has to fulfill a stricter list of criteria. Criteria are for example

- That the product has to be typical for the region
- It has to be produced or processed since at least three generations
- The raw material has to be produced in the region
- The quality criteria have to be controlled by an accredited third party
- The product has to be served by the local gastronomy (Verein GENUSS REGION ÖSTERREICH, 2014)

Examples of regional food products under the “GENUSS REGION ÖSTERREICH” brand are Ennstal lamb, West styrian Turpolje pig and Bramberger fruit juice or organic hemp from the Mostviertel. For more information on criteria to be accepted as a product under the “GENUSS REGION ÖSTERREICH” brand see the appendix (chapter 1.1 , p. 71).

This example is also noteworthy because it shows the potential of governmental organizations like AMA Marketing in combination with the Austrian agricultural ministry in supporting regional development, not only by creating a supporting legal framework but also by owning and creating regional food brands.

6 Assessment of internal market promotion practices

Keywords: Methods of evaluation of such policy/programs

This chapter answers the following question: What kind of ad hoc research and longitudinal research is done by which agencies to analyze markets, to collect knowledge about consumer preferences and motives to buy Austrian food and to measure the success of promotion campaigns (AMA household panel)?

AMA's marketing planning is based on comprehensive market analysis. Via an appropriate market research system, data is provided focusing on the consumption behavior of Austrian households, as well as their product use, motives and attitudes. The core instrument here is the so-called RollAMA ("rollierende Agrarmarktanalyse" – continuous agricultural market analysis), a consumer tracking panel instrument that allows analysis of consumption trends for fresh products based on a sample of about 2 800 Austrian households. These households take part in the panel sample for several months and are then replaced to meet the so-called panel effect of a change in shopping behavior through participating in the panel.

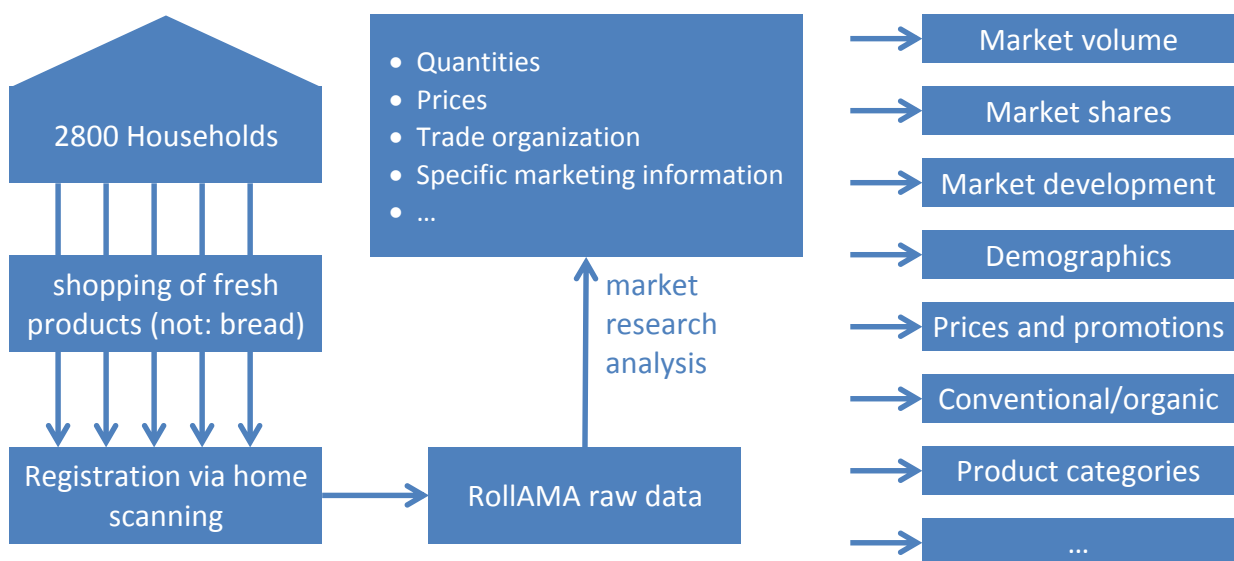


Figure 42: Consumer tracking panel "RollAMA"

These 2 800 Austrian households – which are representative of the whole Austrian population – take part in the study on a permanent basis. They register all purchases of AMA relevant product categories (mainly fresh products like milk, fruits and vegetables, meat etc.; about 2 million shopping acts per year): quantities, prices, trade organization and specific marketing relevant information like discounts, etc. The RollAMA is conducted in co-operation with the market leading Austrian market research institute to guarantee high quality information.

In addition to household related data, export and import statistics, and production data from the agricultural sector are used to develop a comprehensive marketing plan on a yearly basis. This marketing plan summarizes the top goals, strategies and activities for all relevant business units of the AMA. Sector specific goals and strategies, measures and activities are deducted from these overall data basis. After programs and campaigns have been implemented, all relevant outcomes are monitored, e.g. by using of standardized advertising media tests, benchmarking analyses, and particular consumer surveys (in addition to RollAMA).

6.1 Market analysis

Confirming the AMA household panel RollAMA, an average Austrian household spends about 140 Euro a month on fresh products (2013). The most important product categories are

- Sausages and ham: 27.80 Euro (20 percent)
- Milk and milk products: 24.50 Euro (17 percent)
- Meat and meat products (incl. poultry): 22.10 Euro (16 percent)
- Cheese: 15 Euro (11 percent)
- Fruits: 13.20 Euro (9 percent)
- Fresh vegetables: 12.50 Euro (9 percent)
- Durable vegetables: 6.20 Euro (4 percent)
- Eggs: 4.10 Euro (3 percent)
- Potatoes: 1.90 Euro (1 percent)

In total, about EUR 4.6 billion was spent on fresh products (without bread and pastries; see Figure 43), an increase of about 6.5 percent between 2011 and 2013. However, the quantities decreased in almost all product categories (prices rose, shopping frequencies decreased, storage life of fresh products partly increased – e.g. ESL milk [extended shelf life]).

In Austria, almost 86 percent of the trade sector is dominated by only three trade organizations (2013). In addition, the share of the hard discount rose significantly and varies in the fresh food sector from 26 percent for sausages and ham to 37 percent for eggs. Concerning the share of organic food in the fresh food sector, this share varies significantly dependent of the relevant product category: about 17 percent of all sold eggs are organic; however, only about 3 percent of meat and meat products are of organic provenience (and is even lower for sausages and ham).

Information like this is used by the AMA to develop new strategies and marketing plans to promote highest food quality and national food production (food security). To get more insights into consumer behavior of the Austrian population, specific surveys are conducted (see below).

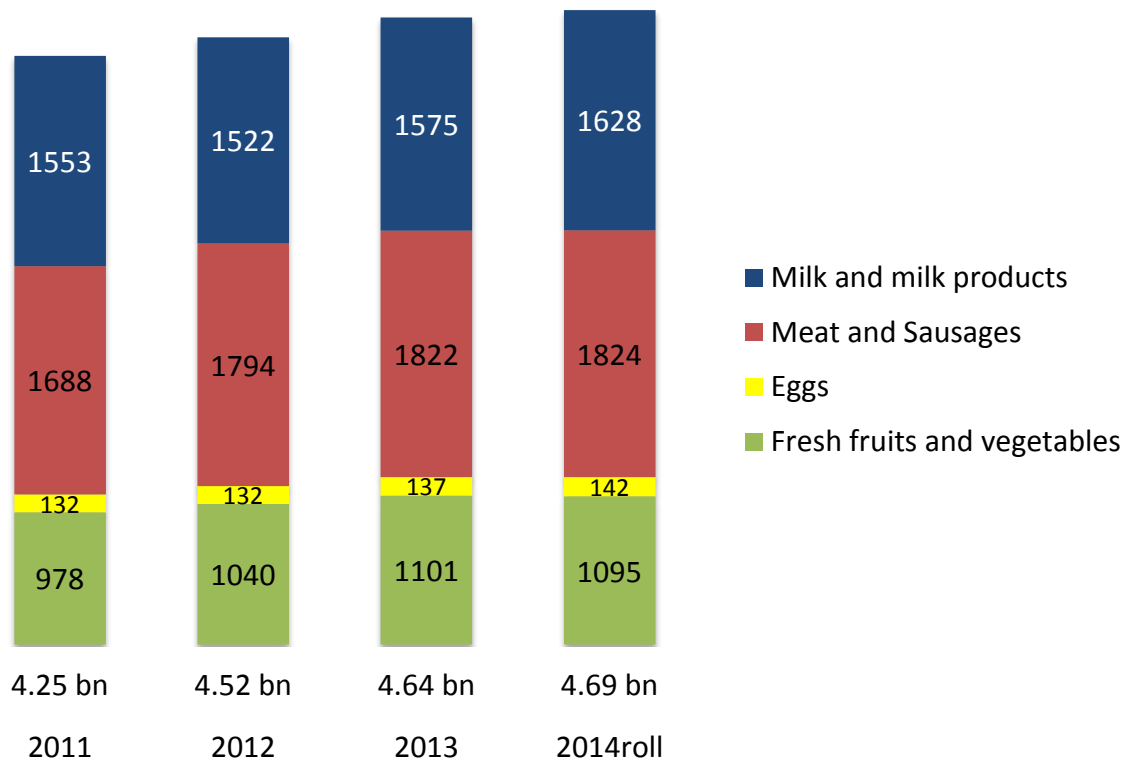


Figure 43: Exemplary information out of RollAMA (2011-2014; n=2800), in million EUR

6.2 Consumer behavior

The AMA mainly focuses on analyzing and interpreting the consumer behavior of the Austrian population with respect to fresh food products and with respect to the quality schemes provided by the AMA. Information is provided by using the same sample of the RollAMA (n=2800) to get comparable information representative for the whole Austrian food market. But also particular market research studies are conducted by market research institutes if necessary out of the RollAMA.

From these studies we know, for example, that the AMA Quality Seal is amongst the most popular in Austria (with 95 percent supported knowledge in 2013 and 98 percent in 2014; n=1005). Another study showed that only a minority of consumers actively acquire information concerning food products (based on a cluster analysis, 14 percent of consumers are information seekers; n=1694). In view of the AMA Quality Seal, most of the information is searched by use of the Internet.

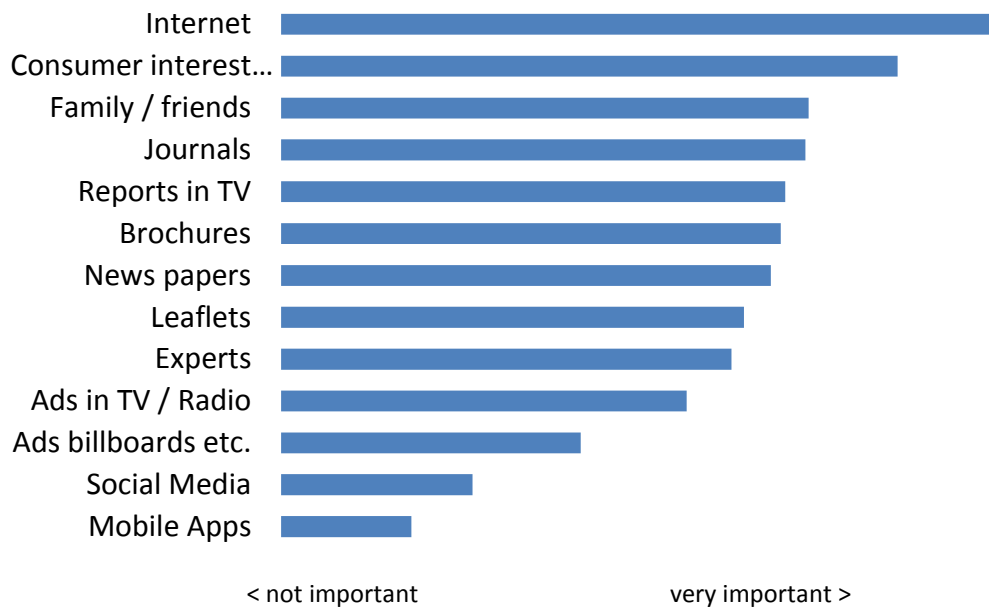


Figure 44: Exemplary information on the importance of information sources with respect to AMA Quality Seal (n=608)

With comparable information, future strategies can be developed to improve communication between AMA and end consumers. Consequently, the AMA re-engineered its website to increase its usability (less text and more graphics).



DAS VERSTEHEN WIR UNTER GÜTE

Die Kriterien der AMA sind strenger als die gesetzlichen Vorgaben. Unsere Qualitätsanforderungen greifen über alle Stufen der Nahrungsmittelproduktion - also vom Feld und Stall bis ins Geschäft. Für jede Phase werden **AMA-Richtlinien** festgelegt, die vom BMLFUW genehmigt werden müssen. Sie regeln Schritte der Herstellung, Hygiene, Kennzeichnung und Dokumentation. Mit regelmäßigen Kontrollen auf den Betrieben und Analysen der Produkte garantieren wir die Einhaltung unserer Maßstäbe.

Mit dem AMA-Gütesiegel werden in erster Linie Frischeprodukte wie Milch und Milchprodukte, Fleisch und Fleischwaren, Obst und Gemüse und Eier ausgezeichnet. Daneben tragen einige Be- und Verarbeitungsprodukte das AMA-Gütesiegel, beispielsweise: Speiseöl, Tiefkühl-Gemüse, Brot und Gebäck, Fruchtsäfte oder Bier.

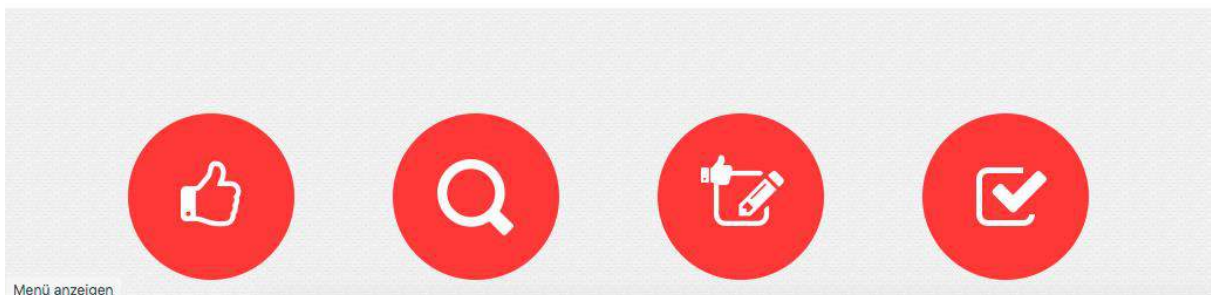


Figure 45: The modified AMA Internet site (→ AMA Quality Seal)

7 Conclusions and recommendations

A nationwide agricultural and food promotion program has three main pillars of success:

1. An institutional framework clearly separating administrative tasks (such as management of subsidies from EU funded measures, and national funded measures under Agricultural Rural Development Programme and under Pillar 1 and 2) from marketing and promotional activities
2. A quality assurance and quality management program established for all value chain levels
3. Employing the right people for a marketing company responsible for nationwide food promotions

Concerning the first point, it is advisable to establish a separate private marketing company owned by a legal entity of public law (see chapter 0, p. 21). In Austria this happened in 1995 during the accession to the EU to improve the competitiveness of Austrian agriculture. The organization founded was called AMA Marketing, a limited liability company. The main reason to found a private marketing company responsible for the nationwide food promotions in Austria is, that marketing and administration are two completely different “worlds”, having their own distinct company cultures and their own distinct mindsets. Marketing activities are often done under a lot of time pressure, have to be able to flexibly respond to new situations and act in general in a highly dynamic and creative context.

From an institutional point of view, AMA Marketing is a 100 percent subsidiary of AMA (Agrar Markt Austria), which is a governmental organization founded to organize and manage the EU and national subsidy system (see chapter 0, p. 21). AMA Marketing is the core organization responsible for promoting Austrian agricultural products (food and feed). AMA Marketing GmbH is a registered company in the commercial register of Austria, FN 135101. AMA is its sole shareholder. The general assembly has to take place at least once a year. The general assembly – which consists of representatives of AMA as the sole shareholder – nominates the members of the board of supervisors and the Central Executive Officer of AMA Marketing (CEO; see Figure 46, p. 67). In 2014, the board of supervisors consisted of 11 members. The board of supervisors has to control the CEO and the annual financial report. The CEO of AMA Marketing has to report each year about the marketing and promotional campaigns and the finances to AMA and the Ministry of Agriculture. Besides this AMA Marketing is free in its day-to-day business. The quality seal programs are designed in steering committees containing members of the Austrian Social Partnership and representatives of the Ministry of Agriculture. Each quality seal program has to be finally approved by the Ministry of Agriculture.

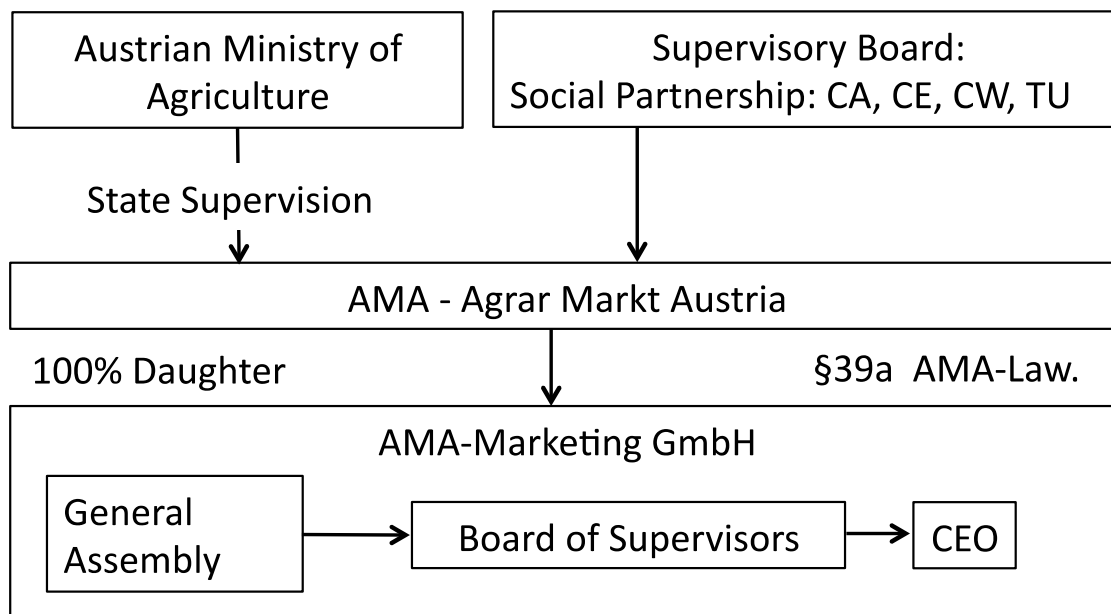


Figure 46: Legal Framework of AMA Marketing Limited

The main tasks of AMA Marketing are

4. To promote sales of Austrian agricultural and forestry products in Austria and abroad
5. To take measure for quality improvement and quality assurance of agricultural and forestry products
6. To provide information to consumers about quality, aspects of consumer protection, animal welfare and other relevant product attributes of these products

The internal structure of AMA Marketing reflects these tasks: it is divided in two Departments: Quality Management and Marketing Management; the covered food and agricultural sectors are milk and milk products, meat and meat products, eggs, fruits and vegetables. The grain and bread sector is missing because the stakeholders in this sector did not want to participate in the AMA quality seal and promotion activities, because usually they import and process a lot of grain from other countries as well. From a value chain perspective the quality seals of AMA Marketing cover the farm level (pastus for feed, bos for beef, ovum for eggs and sus for pigs), the processing, retail, gastronomy and, craftsmanship level (Artisan food production in family run businesses, butchers for example).

Finances: AMA Marketing has three sources of revenues: agricultural marketing fees (paid by Austrian farmers), EU subsidies, and other sources (licensing fees, control costs etc.). The yearly AMA Marketing budget (2013) amounts to about EUR 23 Million, almost 18 Million are coming from marketing fees paid by farmers.

“Employing the right people” means that the staff members of a privately organized marketing company should have marketing and sales experience in the agricultural and food

sector. AMA Marketing staff members are chosen based on their experience at farm level, the food processing level, wholesale or retail level. They are also chosen from the restaurant sector or from the small and medium-sized craftsmanship food companies. The aim has to be to create an organization with a strong market-orientation.

Even the best food promotion programs will fall short unless they are based on a distinct quality assurance and quality management program (see chapter 2, p. 7). This quality assurance program has to define clear rules for a national quality seal. In these rules and guidelines a strict definition of the origin of raw material has to be made. Promoting national food makes no sense if the raw materials can be imported from different countries and the food product is only processed in the home country. Globally, it is a common practice to label food products with the name of the country in which they are processed, independent of the origin of the raw materials. But this practice is clearly misleading and result in mistrust from the consumer side. Because for consumers the origin of the raw material is as important as where it has been processed.

Therefore the Austrian AMA Quality Seal stands for:

- Excellent quality
- Traceable and transparent origin
- Controls and audits done by independent audit organizations

This is another very important factor. Quality and origin are factors that the consumer cannot control them but has to believe in them. In this respect it is of outmost importance that established quality guidelines are controlled and audited by independent third parties. AMA Marketing is collaborating with more than 25 different laboratories and audit companies.

Successful food marketing and advertising has to consistently use all communication channels – from above the line media (classic advertising) to below the line media (press releases, events, social media or point-of-sale activities, etc.; see chapter 4, p. 34 and chapter 5, p. 41). Cross media strategies require professional and creative implementation. AMA Marketing is collaborating with a network of more than 20 advertising agencies. The extremely high awareness for the AMA Quality Seal and its high credibility show that all of these above-mentioned measures are necessary elements for a nationwide successful food promotion program.

8 Appendix

8.1 Databases

DOOR, Database of origin and registration of PDO/PGI and traditional products

<http://ec.europa.eu/agriculture/quality/door/list.html>

8.2 Laboratories and third party control and audit companies collaborating with AMA Marketing

A complete list for control agencies is available at

http://www.ama-marketing.at/home/groups/16/B410_12_Kontrollstellenliste_24.11.2014.pdf

For product analysis, a list of laboratories is available at: http://www.ama-marketing.at/home/groups/16/B410_13_Kontrollstellenliste_LN_AMA-Guetesiegel_PA.pdf.

AGES GmbH	JOANNEUM RESEARCH
agroVet GmbH	Forschungsgesellschaft mbH
Analytec Labor für Lebensmitteluntersuchung und Umweltanalytik	Kontrollstelle für artgemäße Nutztierhaltung GmbH
Austria Bio Garantie GmbH	LACON GmbH
BELAN Ziviltechniker-GmbH	Lebensmitteluntersuchungsanstalt der Stadt Wien - MA 38
BIKO Tirol Kontrollservice	Lebensmitteluntersuchungsanstalt Kärnten
BIOANALYTICUM® Institut für Mikrobiologie und Hygiene GmbH	LVA GmbH
BIOS - Biokontrollservice Österreich	Österreichische Fleischkontrolle Ges.m.b.H.
Bundesanstalt für Alpenländische Milchwirtschaft Rotholz	Qualitätslabor Niederösterreich
DEKRA Zertifizierung GmbH	Quality Austria – Trainings-, Zertifizierungs- und Begutachtungs GmbH
Eurofins Lebensmittelanalytik Österreich GmbH	SGS Austria Controll-Co GesmbH
Gesellschaft für Ressourcenschutz mbH	SLK GesmbH
HAIRU Consulting	TÜV SÜD Landesgesellschaft Österreich GmbH
Hygienicum Institut für Mikrobiologie & Hygiene-Consulting GmbH	Versuchsanstalt für Getreideverarbeitung
Institut Dr. Wagner Franz Siegfried	Ziviltechnikerbüro Wolfslehner KG

8.3 Advertising, public relation and online and social media communication companies

A & V Werbeagentur	Loys
ACCEDO Austria GmbH	McCann Erickson Austria
AG MEDIA GmbH	N.V. Darwin BBDO S.A.
Cayenne Marketingagentur GmbH	OmniMediaGmbH
Christa Langen	Panadero Consulting Gradinger
Communication Service	produktiv
Dr. Kossdorff Werbeagentur GmbH	Roughcut Media
eigen)art WerbegmbH.	Susanne Lucka
FOND O'FOODS Inc.	Söllner Communication AG
Grayling Austria GMBH	Telebiz GMBH Call & Contact Cent
Initiative Media Werbemittlung	werbeagentur hochzwei
Kommunikation Public Relations	21 Zoll Grafik GmbH.

8.4 Criteria of Genuss Region Österreich

Source: <http://www.genuss-region.at/initiative/kriterien.html>

1. The region must be defined geographically.
2. There has to be a product typical for the region, which has been traditionally produced in the region. The commodity has to come from the region. The product has to have a recognized higher quality (AMA Quality Seal) or has to provide a specification of the method of production, which proves the higher quality compared to a standard production process.
3. The description of the product has to be in accordance with the database about traditional food products (www.traditionelle-lebensmittel.at). The lead product has to be either registered as PDO/PGI in the EU geographical indication system or the specification of the product has to be accepted by the Association Genuss Region Österreich. In either case an external control of an accredited external auditor has to be established.
4. The lead product or raw material has to be produced by several family farms or agricultural producer organizations or craft companies in the region.
5. The name of the region is based on dominant autochthon plant varieties, animal breeds, raw material or food of the primary or second processing level like fruit-, vegetables-, wheat varieties or beef, pig, sheep or chicken breeds, bacon, cheeses, juices and so on; under particular focus of the PDO/PGI system.
6. The autochthon food specialty is well known in the gastronomy of the region (at least 5 regional restaurants)
7. Alcoholic beverages, except fruit wine, registered trademarks as well as product names, which are used by retailers and would disturb competition, are not allowed.
8. Sales of the product are normally also taking place in the region. At least 5 retailers/locations are selling the specialty.
9. There are regular cultural activities and events, which attract tourists and communicate the regional autochthon food specialty.
10. The regions submit also quality standards, quality labels, quality management systems, environmental friendly production systems, organic, etc. which are related to the lead product and its production and processing.
11. If the product gets accepted, before the brand label gets approved, there has to be an association founded.
12. The association has to become a member of the umbrella association "Verein Genuss Region Österreich".
13. In justified cases the jury can make exceptions for the points 3, 6 and 8.