

Fruit and vegetable producer organisations in Austria from an evaluator's perspective

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Abstract – Based on a National Strategy, fruits and vegetables producer organizations (POs) of the member states can develop operational programs (OPs) and apply for EU funding. We present selected results of the evaluation of the National Strategy for sustainable Operational Programmes of Austrian fruits and vegetables producer organisations (POs) for the period 2013–18. Based on statistical analyses of annual reports of the POs as well as on qualitative interviews with various stakeholders we discuss the relevance of this strategy for the POs and the overall sector. Aligned to the six main guidelines of the National Strategy the results provide some useful insights for policy makers, POs and for future research.

INTRODUCTION

Since 2001, the Common Agricultural Policy (CAP) of the European Union (EU) supports co-operations between farmers in the fruits and vegetable sector via recognised producer organizations (POs). This policy action is also motivated by the ongoing concentration processes of downstream and upstream industries within the food chain affecting the bargaining position of farmers. In the fruits and vegetables sector National Strategies can be approved by the respective member states and provide then the basis for the Operational Programmes (OPs) and financial support of the POs. The main objectives of the National Strategy are stipulated in six strategic guidelines including an increasing competitiveness, a better production planning and the consolidation of structures of the farms.

The existing literature covers the topic of POs from different perspectives. For instance, using the example of fruit and vegetables POs, Fałkowski and Chlebicka (2018) discuss the POs product mix and marketing channels they use. Other papers discuss the role of POs with respect to farmers' bargaining power within the food chain (e.g. Fałkowski and Ciaian, 2016). Michalek et al. (2018) estimate the farm level impact of PO membership by employing propensity score matching and a difference-in-differences approach.

This paper presents selected results of the evaluation of the Austrian National Strategy for the fruit and vegetable sector (BMLFUW 2013; Hambrusch et al. 2021). Focussing on the period 2013–18 we discuss the relevance and objectives of the National Strategy for the fruit and vegetable sector. Furthermore, we address some general problems and shortcomings identified by the interviewed stakeholders.

METHOD

The evaluation is based on statistical analyses of the submitted data and reports of the POs, a literature review and qualitative impact analyses of 14 guideline-based expert interviews. Seven managing directors of the POs could be interviewed, for the remaining POs no interview partners were available for various reasons. In addition, seven further interviews were conducted with persons from the chambers of agriculture (LKÖ), the paying agency (AMA), the ministry as the programming authority (BMLRT) and an advisory institution. The interviews proved to be crucial to the evaluation, as there were some information gaps and inconsistencies in the data and annual reports of the POs. Quantitative methods (e.g. before-after and with-without comparisons or difference-in-difference method; e.g. Kirchweiger and Kantelhardt, 2015) were not applicable due to the lack of data on control groups (similar non-subsidised POs).

RESULTS

There is only a small number of recognised POs in the fruits and vegetables sector in Austria, however we found a great heterogeneity characterising the POs as regards to their product mix and established marketing channels. Despite of these differences the patterns of provided support measures were similar.

Between 2013 and 2018, eleven POs were accredited in Austria but not all of them submitted OPs over the entire evaluation period. In these six years the total expenditures (i.e. eligible costs) of the OPs amount to approximately 92.7 million €. About 83% of all eligible costs are related to measures improving marketing performances (34%), production planning (30%) and improving and maintaining product quality (19%). Environmental measures (around 13%) are also of importance, not least because of their mandatory nature. However, the impact of individual measures can hardly be deduced solely on the basis of the allocations of measures to groups carried out by the POs. Hence, the amount of funds allocated among measures gives no indication of their impact per se, but does provide information on the need for certain measures.

The objective of increasing the Value of Products Marketed (VPM) and Quantity of Products Marketed (QPM) has not been achieved: both the total VPM of the POs for fruits and vegetables (-27%) and the total QPM (-16%) decreased from 2013 to 2018. However, there are considerable differences between the POs: while four POs (including three vegetable producers) were able to increase their VPM, seven POs (including

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four fruit producers) recorded decreases. Massive late frost events in 2016 and 2017 impaired the production of apples and contributed to the decrease of the Unit Value (VPM/QPM) from 0.93€/kg to 0.81€/kg.

As indicator for the organisation rate of POs in a country we used the ratio between the VPM of POs and the VPM of the total fruit and vegetable sector in the country (Fig. 1). After a period of quite stable values between 42% and 49% the organisation rate decreased to roughly 30%. Main reasons were production losses due to late frost events, varietal conversion programmes in apple production and a decreasing membership in POs.

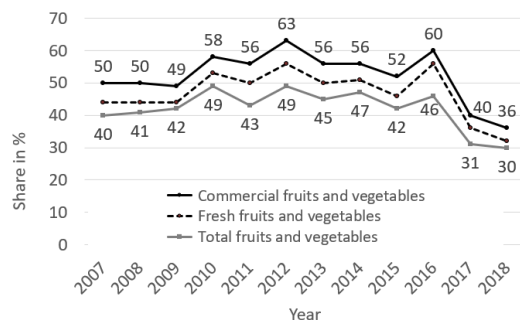


Figure 1. Organisation rate of Austrian POs (fruit and vegetable production, 2007-2018); Ratio of the VPM of POs vs. aggregated production values of fruit and vegetables.

DISCUSSION AND CONCLUSION

With respect to the period under review 2013-18 and the six guidelines pursued in the National Strategy, we can summarise the following:

A direct effect on the competitiveness and the concentration of supply cannot be derived from the available data. However, similar to the results of Dirksmeyer et al. (2012) it can be assumed that support to the recognised POs contributed to an overall improved competitiveness of these POs and their members. At the same time the support of recognised POs has impacts on other producers, packers and traders on the market. But POs compete also with other POs to attract members by deciding which strategies to pursue and which measures to promote within their OPs. On the one hand, investments in the modernisation of the POs' infrastructure or on the members' farms, access to quality programmes, to high cost varieties or advisory services are incentives for a membership in a PO. On the other hand, the POs often pursue the strategies of professionalisation, uniformity and high productivity of their members. These strategies attract primarily high-performance farms and lead to a certain selection process. All in all, the total number of PO farms decreased within the six years by 26%.

The expert interviews revealed problems regarding the implementation of OPs and related issues of legal clarity. At EU level, the EU regulation has to cover the entire, extremely heterogeneous sector of fruit and vegetable production across different EU countries, thus leaving some room for interpretation of the national implementation. This led to disagreements between the EU and Austria in the past. The interviewees also mentioned ambiguities in the specifications at the national level, e.g. with regard to

the control of the production marketed by PO members, the recognition/withdrawal of the status of a PO or the handling of reclaims. Both at EU and national level, POs experienced a lack of information and advice on funding modalities.

As a result of the lack of data, we were not able to draw empirically verifiable conclusions or to evaluate the efficiency of specific measures. In order to improve the overall significance of the evaluation results more accurate data and indicators are needed. For this reason, we suggest the change of the application process to a digital system. To shed more light in detail on individual measures and the overall impact and significance of the National Strategy for the POs, their members, the sector and consumers we suggest the assignment of further studies.

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