



**Collective Farmers' Marketing  
Initiatives:  
Initiatives in Austria, the Czech Republic  
and Hungary and the EU Rural Development  
Programme 2007-2013**

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# Introduction

- Why a comparison of Austria, Hungary and Czech Republic?
  - ➔ Three neighbouring countries with
    - a common history at the start of the cooperative movement
    - a different historical development since 1918
    - a common framework with the EU-CAP at present
- Key question:
  - ➔ How are the present forms of collective marketing initiatives in the three countries prepared for the requirements of the CAP/rural development programs 2007-2013?



# Material

- EU research project: “Encouraging Collective Farmers’ Marketing Initiatives” (COFAMI)
- WP3 national status quo reports on COFAMIs
- National rural development programs in At, Hu, Cz,

# Results WP3: Main Forms

Life cycle stages			
	Take-off	New, established	Mature
<b>Classic cooperatives (and innovative forms of them)</b>		Marketing cooperatives/organisations (CZ)	Classic cooperatives with horizontal networks (A)
		Groups of farmers marketing through commission merchant agreements (CZ)	Classic cooperatives with vertical networks (A)
		Groups of farmers owning shares in food processing industries (CZ)	Integrator organisations (H)
		Producers' organisations in accordance with EU-regulations (H)	



# Discussion

- As opposed to At and the Cz there has never been an agrarian reform in Hu. This is probably also the reason why no classic cooperatives similar to those in At and the Cz can be found in Hungary.
- Interestingly farmers as shareholders in industries are not found in AT.

# Results: Main Forms

Life cycle stages			
	Take-off	New, established	Mature
<b>Quality food products</b>		New forms of farmers' cooperation, focusing on high-quality products (A)	
		Informal groups focusing on special agricultural production (CZ)	
	Alternative bottom-up initiatives (H)		
<b>Non-food markets and services</b>		New forms of farmers' cooperation, focusing on non-food products or services (A)	



# Discussion

- “alternative bottom-up initiatives” (in Hu) operate on small scale sometimes only self-provisioning
- Focus on high quality strongest in At, but coming up in C z and Hu
- Non-food COFAMIs currently only in At



## Support measures by RDP

- none of the three countries provides measures for setting-up cooperation although the EU Rural Development Policy 2007-2013 includes measures
- Most measures are applicable to individual farms and not explicitly to COFAMIs
- COFAMIs can only indirectly utilize the opportunities of the EU Rural Development Programmes via their members
- COFAMIs can provide financial means to their members that might help them to fulfil the requirements of matching funds



# The support of different main forms of COFAMI

- **Classic cooperatives** “go with the flow” respond to pressure from concentration and globalisation; more market than policy oriented.

Strategies:

quality differentiation: pooling products combined with quality differentiation is more common in At than in Hu or Cz

internationalisation: efforts in all three countries, risks of neglecting home market (e.g. *Styria beef* in AT)

regional embedding: build networks with other actors of the same territory. This strategy finds support of RDP



# The support of different main forms of COFAMI

- **Initiatives focusing on high-quality products**

These initiatives - ideally in combination with organic farming – can benefit from a of support measures

Strategies: quality differentiation based on local embeddedness, cross sectoral cooperation (often with tourism), vertical integration

Examples: *Biobauern Sulzberg* (At) *BONUS EVENTUS* (Cz) *Arany Sárfehér Grapevine and Wine Producers* (Hu). All three focus on territorial embeddedment (local culture and community) in addition to quality.



# The support of different main forms of COFAMI

- **Non-food products or services**

Only found in At, measures foreseen in Cz and Hu. Often focus on renewable energy (support measure in Hu)

Example: *Naturwärme St. Lamprecht* in At

# Conclusion

- Territorial embedding is a key to support by RDP
- Combination of territory and quality is most promising
  - ➔ “Classic cooperatives” are less supported by RDPs than others. Potential if focus on territorial embeddedness, combined with quality differentiation and cross-sectoral or vertical networks.
  - ➔ “initiatives focusing on quality food products” in At and Cz correspond to the requirements set by the EU RD.
  - ➔ “alternative bottom-up initiatives” (in Hu) operate on small scale sometimes only self-provisioning. The Hu NRDP foresees measures scale up.
- Non food sector provides increasing potential
  - ➔ “initiatives focusing on non-food markets and services” are main forms only in At. Within the Hu NRDP 2007-2013, renewable energy sources are strongly promoted.