D4.5 National Synthesis Report on Case Studies in Austria: Urlaub am Bauernhof Walserstolz

University Innsbruck
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Encouraging Collective Farmers Marketing Initiatives (COFAMI)

Background and objectives

Collective action by farmers has played an important role in the history of European agriculture and rural development. During the 20th century the joint actions of farmers in many EU countries gave rise to the foundation of agricultural marketing co-operatives, resulting in better market access, increased farm incomes and regional employment. More recently farmer collectives have made an important contribution to the spread of sustainable production methods.

Now European agriculture is facing a range of new challenges. Farmers have gradually lost control over supply chains, due to the growing power of retailers, and are also confronted with a general decline and reorientation of policy support. At the same time, there is a need to respond to changing consumer demands for food safety, quality and an attractive countryside. Again, collective action may help in finding appropriate answers for these new challenges.

Against this background the COFAMI project studies the potential role of collective farmers’ marketing initiatives (COFAMIs) in finding adequate responses to changing market and policy conditions. More specifically it aims to identify the social, economic, cultural and political factors that limit or enable the development of such initiatives. The project also seeks to identify viable strategies and support measures to enhance the performance of collective farmers’ marketing initiatives.

Steps in the research

At the start of the research a conceptual framework for the study of COFAMIs will be developed. A review of relevant scientific literature and a ‘quick-scan’ of 8 previous EU research projects which included COFAMI cases will provide the basis for this.

For each study country a status-quo analysis of collective marketing initiatives and relevant contextual factors will be made. This involves an overview of existing COFAMIs, their aims, organisational forms and strategies, relations with other supply chain partners, and relevant market and policy environments.

A series of 18 in-depth case studies of different types of COFAMIs will be conducted. These will provide more detailed insights into the influence of different factors that limit and enable the development, performance and continuity of COFAMIs. The performance of initiatives in terms of social, economic and environmental impacts will also be assessed.

In the synthesis the results of these different research activities will be integrated into general conclusions about the relative importance of various limiting and enabling factors for different types of COFAMIs. Support strategies for COFAMIs and measures to improve their performance and dissemination will also be formulated.
**Project results and consultation**

Participatory methods and stakeholder consultation will play a key role in all stages of the project, to ensure that research outcomes are grounded in field experiences and policy debates. A National Stakeholder Forum will be established in each participating country. In addition a European-level expert group of scientific and field experts will be formed to broaden geographical coverage beyond the 10 countries represented in the project.

The research will provide farmer groups, support organisations and government agencies with insights into different collective marketing strategies, their success and failure factors, and suggestions of measures that support COFAMIs. Additionally, the project will contribute to scientific and policy debates on the role of farmers' initiatives and new supply chain arrangements in promoting sustainable rural development and the supply of safe and quality food.

All project results will be made available through the project website [www.cofami.org](http://www.cofami.org)

**Project partners**

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The situation of the case studies in the national context

For Austria we choose two very different cases:

The first case study was the collective organisation of holiday on farm (Urlaub am Bauernhof) in the federal province of Tyrol. The reason for selecting this initiative was that it represents a non-food, service related initiative which is very close to the institutional sector (the Chamber of Agriculture). Furthermore it represents an interesting case organised on a national, provincial and district level. We focus here on the provincial level with some in depth analysis on the district level.

The tourist sector plays a very important role in Austria in general providing a large share to the Gross National Product. For farming in mountainous areas the integration into the tourism sector is the prime way of finding additional income. The development of offering bed and breakfast on farms started as early as the 1960s. During the 1980s the development of holidays on farm as a distinct product developed. Since then the actors professionalized and holidays on farm became the prime source of additional income from on farm resources. The association in Tyrol was the first of its kind in Austria, pioneering in many ways the development.

The second case study focuses on the initiative Walserstolz. This is a collective initiative of small dairies together with a cheese ripener and marketer. The initiative was founded at the time of Austria’s accession to the European Union. It is in some ways typical for the sea change the dairy sector had to undergo from a much regulated sector after the Second World War up to the early 1990s when the rigid production regulations were abolished in preparation to EU accession. The dairy sector is especially in mountain areas the core production sector of farming. The reorientation from quantity to quality came rather late. Walserstolz is one example from the very western Province of Austria where dairy farming and cheese making has a very long tradition. In the post war area the traditional cheese making changed to the production of Emmental cheese for export. In preparation to the EU-accession these export regimes were abolished and the price of Emmentaler declined. During the “quality offensive” in the 1990s the production of mountain cheese, formerly mainly a product of alpine pastures, replaced Emmental production in small dairies. The price decline following the change of subsidy systems forced small dairies to readjust not only their production strategy, but also to venture into marketing. The Walserstolz initiative is one of the results. The initiative is furthermore an example how such marketing endeavours are integrated into wider territorial development networks. In the case of the Walsertal it is a Biosphere park which is the main driver of development.

In this respect the two cases represent two important strategies of farmers to react on changing political and market conditions. Both are also characteristic for the small scale structure of mountain agriculture in Austria. Where there is little scope for the increase of production strategies have to be developed towards quality and non farm products.
First case study - Urlaub am Bauernhof

1. Material
The case study is based on 18 semi-structured quantitative interviews with a length of 1-2 hours each. All interviews were conducted by two interviewers; one putting questions the other taking notes. All interviews were also recorded on minidisk. Immediately after the interview the main new emerging results were noted down. These results were compiled in a long list, categorised and with initials of the interview partner coded. At the end of the interview round the statements were supplemented by a third person who listened to all interviews. An intensive collection and analyse of documents about the organisation, especially the structure of the organisation, the strategy, the development stage and the visions for the future on the relevance of limiting and enabling factors (according to the grid) complemented the interviews.

The interview-guide was elaborated on the focus of the overall hypothesis that: “The success of a COFAMI depends on the establishment and development of an effective organisation and the building of networks that enable it to overcome limiting factors in policy, market and territorial contexts and valorise enabling factors in these domains.” (Case Study Methodology D4.2)

The interview-guide included individual key questions for each of the stakeholder-groups.

The 18 quantitative interview partners can be grouped as follows:

**Eight internal stakeholders**
- six members of the organisation (generation aspect: young members, old members, new members of the organisation, members with special offers, members of a regional alliance)
- the present and the former CEO of the provincial association
- The present and former president of the provincial association

**Two interface stakeholders**
- female farm advisors

**Eight external stakeholders**
Those who assist the organisation
- the designated president of the provincial Chamber of Agriculture
o Chamber of Economic Affairs - department of tourism, hotel trade and gastronomic
o provincial politicians
o Tirol-Werbung (Tyrol tourism marketing board) – which have a special commercial interest into the organisation

Those who compete with the organisation
o the manager of the provincial private hosting organisation
o the gastronomy-speaker of the regional area “Stubaital”

Within these 18 interviews, five interviews were conducted with a special focus on the regional alliance during the second deepening interview-phase. The focus was put on a regional alliance in a very intensive tourism region the “Stubaital”. The alliance there is called “Liebe auf den ersten Blick” (Love on first sight). Four interviews were conducted with internal stakeholders – members of the association and one interview with a external stakeholder who compete with the organisation - the gastronomy-speaker of the regional area.

o A draft report was prepared and circulated to all interview partners for comments and as a base for discussion at the focus group meeting.

o The focus group meeting was held at the 24th of October 2007. There were only six participants but they were very important persons including the president of the association, the president of the regional Chamber of Agriculture, one member of the regional parliament, one district CEO of the association and one farming couple. The discussion was lively and yielded additional points.

2. General description of the case

The association Holiday on Farm is organised on different levels (national, provincial, district). Here we deal mainly with the provincial level.

Associations of UaB exist in all provinces of Austria (with the exception of Vienna). The founding of the national association was driven by the development in Tyrol where a successful example was established. All over Austria more than 3.000 farms with 45.000 beds are members of the association. Thus UaB forms the second largest association of tourism enterprises in Austria. We focus on the provincial association in Tyrol.

The provincial association is an umbrella association of eight district organisations. The association is closely connected to the Chamber of Agriculture and uses the infrastructure provided by the chamber. The managers (CEO) on provincial and district level are staff of the chamber.

Members:
Altogether there are about 4.000 farms within the province of Tyrol offering accommodation. Out of them 430 farms are member-farms of the association “Urlaub am Bauernhof”. Most of the farms have less than ten beds. There is a legal limit, enterprises who offer more than ten beds they are regarded as commercial tourist enterprises, which has also tax consequences. About 20% of the member are in this category, but all of them operate a farm. The size of farm varies, also the production orientation but all members have to raise livestock, as this is regarded part of the consumer expectation. Also the structure of the touristic offer varies: 50% of the beds are rented as bed & breakfast, 50% as apartments.
Main objective of the initiative:

According to strategy papers the main objectives of the initiative are to create a high quality and professional tourist offer for and with the member farm enterprises.

Goals include (according to the strategy paper of 2000):
- professional marketing of member farms via Internet, direct marketing, media contacts, fairs, catalogues,
- Quality management and assurance via standardised quality categorisation (including regular controls), specialisation (into different special offers) and brand management
- Intensification of sales promotion via an incoming travel agency, direct booking (on the internet) and cooperation with travel agencies (a decreasing part)
- Increase of customer loyalty and regular guests (who come again every year)
- Price policy to fix minimum prices in order to prevent knock down prices
- Regional alliances of farms to pool their capacities and to create collective offers
- Market intelligence,

Type of joint activities:

On the federal level:
- service centres according to a “best person” principle, i.e.: exchange of specialists provide advice for provincial strategies
- Common internet site for online bookings
- Common quality standards (labelled with “flowers” like the “stars” in hotels)
- Common logo, merchandising and promotional material
- Common appearance on tourism fairs etc.
- Electronic newsletter to members
- Quarterly magazine “Sunnseitn” for members
- Fixing minimum price standards
- Catalogues for special offers (holidays on organic and wellness farms, on horse riding farms, on farms specialised on children, farms for persons with mobility problems)

On the provincial level:
- Catalogue on the provincial level
- Market intelligence (together with the provincial tourism marketing board)
- lobbying for financial support programs
- Offer of courses for professionalisation (e.g. computer literacy, business issues, language courses, etc.)
- Marketing via an own incoming travel agency (has about 25 members under contract for niche markets like tourists from Spain, France, Israel, Greece, etc. where language is a problem for booking)

On the district level:
- Advice, excursions, meetings etc.
- Advice to regional alliances
- organisation of courses on a local level
- quality control (check every four years by a team consisting of the district CEO, the district president and a person of the regional tourism organisation)
Degree of collectivity:

While the farm enterprises are individually owned and managed, they join forces for the marketing of the product. There is a certain standardisation of the product through the categorisation with flowers (the equivalent of stars in hotels) and through the creation of special programs. Also the fixing of minimum prices assists standardisation.

The collective endeavours focus on the joint marketing via an internet platform and the use of a collective brand and logo (which are on a national level). On the provincial level it is mainly the catalogue.

In Tyrol about a third of the members operates their own homepage aside of the collective internet platform.

The feeling of belonging to a distinct group has developed in recent years due to activities like excursions and frequent meetings, mainly on a district level.

The benefit for members:

A strategy evaluation (2006) on a national level shows the following results:

CEOs and presidents see the benefits since 2000 as follows:

For guests:
- to find the most beautiful farms on the collective internet platform
- to have well arranged catalogues and internet platform
- to have quick booking option via internet
- to have a quality assurance through the categorisation

For the members:
- also small enterprises can access the market
- high profile due to media coverage
- better service due to assistance and advice, educational offers etc.
- merchandising articles
- increase of sales also in touristic difficult years
- fair prices as compared to other touristic groups
- members are more professional than other farmers offering accommodation

For the organisation /association (on national level)
- higher work efficiency due to pooling of resources
- increased economic efficiency
- unified book keeping system and administrative procedures

The members see their benefits especially in the following fields:
- educational offers
- brand awareness
- public relations
- internet platform for offers
- internet as information source
- increased quality awareness due to categorisation and specialisation
- merchandising articles
- future perspectives
- added value due to fixed minimum prices
- support programs for investments
- professional advice
- better bookings
What makes the initiative especially interesting?

Holiday on farm is one of the most important features of multifunctional agriculture in Austria. It represents an interesting case for an initiative selling a service as a product.

The degree of professionalisation of farmers in a non-agricultural field is striking. The use of new media and the dynamism of farmers who are members are high. “Holidays on farm” is seen as ambassadors for general agriculture.

Also the impact of the touristic activities on gender relations and the intergenerational aspects are interesting. Holidays on farm is commonly perceived a women’s activity. It has been the first major factor for economising female labour on the farm.

Finally the institutional embedding of the initiative into the organisational setup of the Chamber of Agriculture provides an interesting case.

3. Contextual factors and driving forces

The following description focuses on contextual factors which had been influential on the creation and development of the COFAMI. The changes in agricultural policy and in the tourism market are described in detail.

The natural and geographic conditions were very favourable for the development of tourism in general and Holiday on farm in particular. The Alps were for many years the natural holiday region for the neighbouring German population. After the Second World War with the German “Wirtschaftswunder” tourism flourished and this demand was the initial ignition for holidays on farms. Farmers acted on the demand by tourism first (demand let development).

The natural conditions of mountains were of course the base for nature related tourism activities like skiing in winter and hiking in summer. Farmers being the ones whose fields were used for sports activities were confronted with tourism right from the start. Especially for summer tourism the combination of agricultural landscape produced by farmers and the farm itself is crucial for holidays on farm. Furthermore the use of home made products in the tourism increases the feeling of “serving nature to the tourist”. This is especially an advantage in mountain conditions as the extensive production mode has a very positive image with tourists.

Socio-political and institutional conditions were very supportive as the tourist environment was considered a major opportunity for farms who were left behind in the modernisation paradigm. Besides the employment in tourism operations (like as a skiing instructor or as personnel in ski lifts or gastronomy) the engagement of farmer as tourist entrepreneurs has a long tradition. The first ski resorts were built up by local farmers and it was for a long time a specificity of tourism in Austria and especially in Tyrol, that the ownership in touristic infrastructure is mainly in local hands and quire evenly distributed.

The regulatory framework is quite favourable as up to ten beds per household is not considered a commercial activity and more or less tax free (only local taxes but no income tax). This regulation applies to private households as well as to farms. Moreover the sale of farm products within the tourist activities was considered a by product of farming and tax free again (most farmers in Tyrol pay only a very limited flat tax calculated on the soil properties and the size of their holding)

Holidays on farm found also a supportive environment from the regional tourism authorities as this was regarded an expression of rural, natural and agricultural image of the country the entire sector was trying to relate to tourists.
As the modernisation opportunities in alpine areas are less than elsewhere the limits of modernisation and thus the trend to multifunctionality and pluri-activity started in Austria already very early and provided supportive agricultural institutional conditions (see detailed description below). This explains also why the Chamber of Agriculture was the main proponent of this initiative. Farmers generally have much trust and good relations to their representative organisations, which supported the spread of the initiative. At the beginning however there was some reluctance as the offer of holidays was a female activity and not part of the dominant farming culture of animal breeders. Therefore it took some time to convince the politicians and functionaries of the chamber of the viability of the initiative. But the positive economic data convinced them soon.

The market context was very favourable in the beginning and the gradual changes of the tourist market led to a professionalisation (see detailed description below).

The learning context is characterised by the close cooperation with chamber and the relevant department Formation, Advisory Service and Family, where the initiative is integrated. This department is responsible for organising the formative courses for farmers. Sometimes it has used the members of holiday on farm as innovative pioneers for new offers (in the case of professionalisation, farm development planning or new information technologies). Also the degree of technical expertise available to members is above average as the association on national level allows pooling of expertise. In this contextual factor also a gender bias becomes apparent: women, the main group active in tourism, are generally more eager to acquire new skills.

As the agricultural institutional context and the tourist market context are most decisive for the development of holiday on farm, the changes in these two areas are described a bit more in detail.

Changes in the agricultural conditions

The time line graph distinguishes three phases in the agricultural development. The first phase can be termed the modernisation phase. In Austria the modernisation paradigm, characterised by rationalisation, mechanisation and specialisation was questioned earlier than in other European countries as the limits of modernisation were reached earlier due to topographic conditions. Already in the late 1980s, the federal minister of agriculture Josef Riegler introduced what he called the ökosoziale Agrarpolitik (eco-social agricultural policy, whereby eco refers to both, “economic” and “ecologic” as “a way back from a dead end road of agricultural policy”). He referred to agrarian values like small structures, responsibility and participation as well as social and ecological actions as foundations of a modern and future oriented policy for the entire society (Riegler, 1988). The ökosoziale Agrarpolitik has guided the entire preparation phase of Austria’s accession to the EU in 1995, a period when the ministry was led by the later EU agricultural commissioner Franz Fischler. During this time the ministry promoted diversification of income and quality production like organic agriculture. Also the regulated market of agricultural products was liberalised, which was not easy for farmers. The professionalisation of farmers through UaB was assisting to adapt to these shifts. At the same time the first agro-environmental payments were introduced. This policy was expanded when Austria joined the EU in 1995. What is called the second pillar of the CAP was utilised in Austria widely. The emphasis is illustrated by the relative weights for each pillar in the budget as compared to the EU: some 19% of the overall EU agricultural budget for the year 2004 was allocated to the “second pillar”, where as in Austria 64% of the budget was allocated to rural development. Of course this policy assisted the development of UaB. Already during minister Riegler UaB was seen as a means for diversification and hence supported. Later Fischler, who had been involved in the founding of the association in Tyrol,
supported the founding of a national association and promoted support programs for improvement of infrastructure.

The RDP emphasis of Austria after EU-accession included also support measures for UaB. Today when the cross-sectoral territorial development is even more in the foreground then even UaB is one of the prime beneficiaries of the policy.

Therefore the institutionalisation of the association and can be seen in response to political evolutions but also as influencing them (as the example of Fischler shows).

**Changes in the market context**

Until the mid 80s tourism was a sellers market, there was little competition. First, until the 1960s summer tourism prevailed, while winter tourism gained popularity during the 70s and soon overtook the summer tourism in importance. While in the beginning farmers started to offer rooms due to demand, during the 1980s things changed. Mobility of tourists increased and the Alps were not the only place to go. German tourist discovered the Mediterranean for summer holidays and later when cheap charter flights become available the competition for tourist destinations became global. This led to the need of professionalisation. While the improvement of infrastructure in the first phase was a necessity to compete with commercial tourist enterprises, the development of an USP for UaB and investments in human capital were a response to the growing competition on the market. In the beginning (until the mid 1980s) it was possible to sell accommodation on farms with the price argument. Afterwards quality became more important: First quality was measured by the furnishing of the room, sanitary provisions etc. Later the service sector had to be improved and during the last ten years a general reorientation on traditions can be observed. This includes also the culinary traditions whereby first regional recopies were the min focus but recently also the use of local raw products (naturally produced if not organic) are on demand. The phases of investments and professionalisation within UaB mirror the general trend in tourism. As the association was constantly in close connection to the Tourism marketing board they always received expert advice and due to the rigid structure of the chamber they were able to convince the members to pick up the educational programs they offered. Innovation is seen as necessary anticipation of market developments.

**Contextual factors – economical and sociological trends, dimensions and development for the future**

In the coming years the UaB-management expects a higher mobility of people. The value and the dimension of leisure will increase, but also the dynamic of disparity of income: People who dispose of a lot of money and less leisure time versus people have less money but a lot of leisure. Also the flexibility in the focus of workplace and working hours increase, this fact includes a higher holiday-dynamic and also other holiday periods and more traffic on the roads. These are reasons for spontaneous bookings, short durations of stays and less regular guests.

On the Austrian health system and social system - and also on health systems und social systems of other European countries - a retreat of public interventions becomes more and more visible. In the future people are supposed to contribute more themselves to health services. In this perspective UaB will become a new niche-sector in focus of psycho-social services. The retreat of the government is not only a fact in regard to the health system and the social system in European countries, there is also a retreat of the state concerning UaB public support for investments.
There is a high dynamic in the modern media system and the information-society noticable. People are using a lot of information sources and so also the market of new technologies increases. UaB must keep up with these dynamics in the general modern media system.

In agriculture and especially in the system of agro-services the importance of credibility increases. UaB is confronted with the sensibility of guests in focus of original, authentic and real agricultural products and services. Also the biological products became a higher value for UaB consumers.

New markets come into being. Products and services melt together. The consumers and not the producers create products and prices. In the future hybrid markets will establish without clear distinction between branches and products. Individualism will be a common theme. Therefore UaB will need “guest managers” instead of “product managers”. Markets like the eastern European markets and the Asian markets will become more interesting for the future of UaB.

Another aspect refers to changes in the family structure and declining birth rates. New target groups and niches for UaB will be for example couples without children, single parents, patchwork-families, singles, senior citizen, holiday on farm for big enterprises. Single parents often have less time - and often also less money – for holidays. Also the expectations of children into their holidays are changing.

In the future a big question will be, whether worlds of adventure should be created instead of nature worlds and nature-parks. This leads to further commodification of nature (e.g. water resources).

Also changes in the structure of agriculture will shape the future of farm tourism. Extensive farming and part time farming are growing but also intensive farming and specialisation on products and production. Also local and regional cooperation will become more important for the future.

The changes of values might favour UaB. Guests search for a deeper meaning on holiday for their stressful live. The motto is: small is beautiful.

4. Organisation and network relations

The organisational structure of UaB in Tyrol – provincial level

<table>
<thead>
<tr>
<th>Area of responsibility – provincial association UaB</th>
<th>Area of responsibility – provincial cooperative UaB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Representation of interests, lobbying</td>
<td>Incoming travel agency</td>
</tr>
<tr>
<td>Negotiations with national and provincial institutions</td>
<td>Marketing (design of the product, price-politics, promotion)</td>
</tr>
<tr>
<td>Support for members of UaB</td>
<td>Synergy-effects with regional tourism associations and the provincial tourism marketing board (Tirol-Werbung)</td>
</tr>
<tr>
<td>Coordination of 8 UaB district associations</td>
<td></td>
</tr>
<tr>
<td>Responsible for the quality standard</td>
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</tbody>
</table>

(Evaluation UaB in Tyrol, page 10, 1999, own translation)
Our focus of the case study is the provincial level.

The provincial organisation UaB is closely associated to the Chamber of Agriculture, department of Formation, Advisory Service and Family, unit of Tourism Affairs. The leader of this unit is also the CEO of the UaB association, the office is the same and also on district level the female farm advisors act as tourism advisors and CEOs for the district association.

The provincial organisation of UaB consists of two organisational parts:

- the provincial association UaB
- the provincial cooperative UaB

To the outside the two organisational parts act as one. Only the association is really visible, the cooperative is perceived as a part of the association; internally – in view of the bookkeeping-system – the two parts of UaB are completely separated.

The cooperative has a relatively stable turnover of about € 500 000.- per year. The incoming travel agency serves mainly non German or English speaking markets. At the moment the importance is increasing again as UaB is actively promoted in new member states of EU (like Czech Republic). There the first contact is made often via the cooperative. There are a certain number of members who are reporting to the cooperative whenever they have vacant rooms and they get requests via the cooperative.

Internal relations:

External stakeholder relations

The main external stakeholders / partners in the network are:

- on a national level the federal ministry of agriculture
- on a provincial level the Chamber of Agriculture and the provincial tourism marketing board
There are also ten regional cooperation groups who are members of the district organisations and assemble between five and 19 farms. They develop and market collective offers and cooperate in hosting the tourists. For them regional and local cooperation partners in the tourism associations and farmers who are not members (e.g. as suppliers of products).

Changes in organisation and network relations with different development stages

The first steps of formalisation happened on a local/regional level on a trial base in the Zillertal before 1984. There the network was consisting of the chamber and the Raiffeisen travel agency.

1984 the district organisations were formed and the provincial organisation was formalised as an umbrella consisting of eight members only (the district organisations). The cooperation with the travel agency changed as the association was taking over the bookings under the legal umbrella of the Raiffeisen travel agency. Later with a change of the CEO the cooperation with Raiffeisen ceased altogether as the new CEO had a licence for operating a travel agency himself. From the start of the formalisation of the association the provincial tourism marketing board was very instrumental in providing touristic know how and supporting the development of concise marketing strategies.

The regional alliances were founded only later during the professionalisation phase. There also regional/local partners form the side of the tourist boards and the private sector were stronger integrated into the network. The close institutional cooperation with the national
tourist marketing board seems to have changed as well during this phase, it became less based on personal relations of managers but more based on institutional cooperation.

The organisational setup can be explained as a result of contextual factors and capital assets. The early development followed the opportunities which were coming from the demand for tourist accommodation on the farm. At the same time limits of modernisation forced farmers to look for new sources of income. The initial development was strongly guided by the social capital of the first CEO which was accumulated in her function as leader of the department for home economics and her personal ability to network with non-agrarian partners in the tourist business. She also used her position to establish the district associations via the advisory personnel of the department of home economics, who had prime contacts to concerned farm wives. Furthermore as later also the department of home economics was merged with the department of formation and advice, she had the chance to increase the human capital of members by developing new course programs geared more towards personality development and enhanced planning capacity. Finally her close personal ties with a responsible person in the federal ministry and to the federal minister himself (Fischler, who had been her boss in the provincial Chamber of Agriculture before) she initiated the extension of the organisation on a national level.

The change of the CEO in 1996 marked also a change in strategies and organisational setup. On one hand the market situation had changed and required a more professional management from the point of view of the tourism capacities. Secondly the new CEO had a licence to operate a travel agency which made it possible to found a cooperative structure for the operative part of the incoming business. The former partner was not interested to extend the contract any longer.

The initiation of regional alliances was developed in cooperation with the provincial tourism board after 1996. The prime aim was to raise the quality profile. Their leaders have been integrated into the board of the district association.

5. Capital assets and capacity building

Status of different capital resources (at present):

<table>
<thead>
<tr>
<th>Capital</th>
<th>Relevance</th>
<th>Status</th>
<th>Description of effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>0, +, ++</td>
<td>Low, medium, high</td>
<td>Can be positive or negative</td>
</tr>
<tr>
<td>Physical</td>
<td>0</td>
<td>low</td>
<td>Assets not so important as personnel and infrastructure is provided by the Chamber of Agriculture, measures to raise the membership fees created a barrier for new members</td>
</tr>
<tr>
<td>natural</td>
<td>++</td>
<td>high</td>
<td>The natural capital is a base which has become more and more valuable. Members start to “stage” nature sometimes</td>
</tr>
</tbody>
</table>
Social  ++  medium  At the moment there seems to be a good balance between the different types of social capital, although the dependence on the institutional links (Chamber of Agriculture) is very high. Bonding Social Capital among members seems to be still rather weak.

human  ++  high  The members are well informed and educated. They are also more eager to take part in educational programs and courses.

cultural  ++  medium  Cultural capital is not yet well developed among all members, although the association is working on it. There is of course a danger in staging cultural features of farm life for tourists.

### Development of capital assets:

**Fig: the status and development of different forms of capital**

In the beginning the social capital of the founding figures played a crucial role. Especially the head of the advisory department had a lot of bridging social capital especially to the other actors in the network (tourism board and Raiffeisen) which was partly transformed into financial capital necessary for the start financing. But it integrated also human capital in form of tourism expertise which was not available within the farming community. Also the linking social capital inherent in the structure of the chamber from village level up to national level was an important factor for the establishment of the initiative. The integration into the Chamber of Agriculture structure provided also political backing for the initiative which resulted in adequate financial support programs. Bonding social capital was provided by the personal relationship of the district female advisors to the farm women. Also excursions etc. on district level increased the bonding social capital. Especially the creation of regional alliances had a positive impact on the group feeling. In the beginning the emphasis was laid on being an open group to professionalise farmers who then would continue on their own (also as an argument for receiving heavy institutional support). Later the strategy changed to supporting a highly professionalized group. Still members are fluctuating, but the total number is rather stable at about 500 members.

With the professionalisation more and more human capital of members became important. The combination of advisory department in the Chamber of Agriculture and UaB led to the development of new products in the educational sphere. A special (very expensive) coaching for business development was started. UaB members took up these opportunities more
frequently than others. It seems that there was an innovative milieu created. Also the creation of regional alliances

Financial capital was provided right from the start also by the farms which were matched by funds from public and tourist side. But financial capital for the COFAMI as such was never of prime importance as the infrastructure was provided by the Chamber of Agriculture to a large extend and money was mainly needed on a case by case project base. Therefore the COFAMI does not dispose of a high degree of physical capital

Finally the development of the USP of the product is based on the natural capital of the farms who are members. Its importance has risen over time. Also the use and the profile of their own farm products have been constantly increased.

Translation of capitals into capacities

As already described in the paragraph on organisational changes the capital assets were translated into new competences and influences the strategies of the COFAMI. Also the increase in human capital in the course of the professionalisation of members resulted in new strategic opportunities.

Skills needed in different phases

While in the first phase especially networking skills were needed to get the idea pushed through in the various institutions (esp. also in the Chamber of Agriculture itself) and to mobilise supporting networks from outside the agricultural sector, later the mobilisation of human capital in professionalizing members became of prime importance.

6. Dynamics of the COFAMI

Historical development

Before the initiative was founded:

The issue of providing accommodation on farms for tourists emerged during the 1960s with the rise of mass tourism in Austria. The demand was there and farms had empty capacities to offer. At that time no particular standard was required. In some villages within programs of farm modernisation in the 1950s and 60s already apartments for renting to tourist were foreseen. There was an association of private B& Bs where farms were part of and also sent members into the board.

During the 1970s until 1984 a generic brochure (like a “telephone book”) was issued yearly by the Chamber of Agriculture with financial support by the Tourism marketing board. It contained over 1.000 addresses where farmers offered rooms. On a local level farm beds were advertised on the lower end of the price scale, and local tourism offices were often reluctant to send guests to farms because of the problems with smell and dirt from farm operations.

1976 a first working group “holidays on Farm” was established when the travel agent of Raiffeisen proposed to the Chamber of Agriculture a cooperation to improve the incoming sector. Raiffeisen had already a considerable number of French guests who expressed the wish to make holiday on farms. The language barrier was a big challenge. The working group (members of the Chamber of Agriculture, representatives of Raiffeisen travel, local tourist representatives) concentrated on a small test area in the tourist region “Zillertal”.

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At that time there were some similar aspirations in Upper Austria, the Tyrolean went there to assess these first experiences. A first local association of 17 farms was founded 1977, a marketing concepts was provided by a professional tourist advisor and the working group agreed on a test phase for three years. A first evaluation after the summer season 1978 proved the success: 17 farms had received 8,155 overnight stays via Raiffeisen travel service. The farmers had to reserve all beds for Raiffeisen travel and they booked the guests. Farmers were not used in paying commission for these services and it took time to convince them.

The founding of the provincial association

Until 1983 the model was modified and extended to four districts in Tyrol (Lienz, Landeck, Imst and Reutte). First working groups were established through the farm women associations. These working groups were formalised as associations in spring 1983.

During this time the head of the advisory department in the Chamber of Agriculture had to convince her superiors that these tourist endeavours were of relevance. At the beginning they were sceptical and did not want to develop a parallel structure to the existing local and regional tourist organisations. By that time farms were together with private B&Bs in one organisation. All interview partners agreed that the ability of the head of the advisory department to argue the case within the Chamber of Agriculture and to provide evidence of the financial contribution, together with her networking abilities to Raiffeisen and later to the tourism marketing board were key factors for the initial success. In the beginning of 1983 a closer cooperation between the Chamber of Agriculture and the tourism marketing board was formally agreed.

In 1984 a provincial association was founded. Members were the district associations which were also formed (almost simultaneously) in the remaining five districts. There the organisational structure of the Chamber of Agriculture with district offices and a network of farmers’ functionaries into each and every village for both the farmer and the farm wives was essential. The managers of the district associations were in personnel union with the farm wife advisors. Raiffeisen travel did not want to extend the activities over the entire province. So the booking had to be taken over by the association and Raiffeisen travel provided still the legal umbrella.

The institutionalisation process

The Chamber of Agriculture has supported the association with personnel ever since. The managers of the association on provincial as well as on district level were and are staff of the Chamber of Agriculture (with also other tasks especially on district level). Initially this close connection to the general advisory service led to frictions within the Chamber of Agriculture as the staff was accused of devoting too much time for a small group of farms. The personnel union of advisory staff and manager of district association posed some problems as the same person gives advices and has also controlling tasks.

This led to a strategy of advocating the association as a means of professionalisation for farms who wanted to enter the tourism business. During the first phase – which was already characterised by professional marketing concepts and financial support not only from the Chamber of Agriculture but also from members, Tourist marketing board and provincial and federal agricultural funds), at least official the idea was to keep the group open. The members were almost encouraged to leave the association when they did not need its support anymore. The experiences with the tourist sector led also to the development of new programs of entrepreneurial professionalisation for farmers in general.
The first president of the provincial association became later also the president of the provincial Chamber of Agriculture. This led to a further integration into mainstream institutionalisation within the Chamber of Agriculture. Also then the director of the Chamber of Agriculture (the later agricultural minister and EU-commissioner Franz Fischler) was after initial reluctance supporting the initiative. Until 1994 the head of the advisory department in the Chamber of Agriculture was also the manager of the association. During this time also the booking service was transferred from the travel agency of Raiffeisen into the Chamber of Agriculture (while Raiffeisen still provided the legal frame). The main problems of that time were found in the provision of quota of beds to the booking service as many members of course had direct bookings as well and didn’t tell the booking service in time about their vacancies.

1989 a working group was established on a national scale. This seemed to be important as travel agencies who had negative experience in one province would not cooperate with another province. In 1992 the national association was formed building on the experiences of the Tyrolian association. This was strongly encouraged and supported by the ministry of agriculture. The former president recalls that in the beginning there was reluctance to form a national association as the Tyrolian activities were more advanced and they did not want to share their know how with other provinces of Austria. Also the loss of independence in decision making was an obstacle, but soon they realised that they were stronger also in negotiating support from the ministry when they joined forces.

When the present manager was employed in 1996 he had also the legal requirements for running the travel agency himself. Since then the cooperation with Raiffeisen travels ceased completely. Today the UaB travel agency serves niche markets for tourists who do not want to book direct. The average turnover is about Euro 500,000.—per year.
Timeline:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>Institutional development</td>
</tr>
<tr>
<td>1975</td>
<td>Reg. Testass.</td>
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<tr>
<td>1980</td>
<td>Extension: ass. in 3 districts</td>
</tr>
<tr>
<td>1985</td>
<td>Generic Brochure „holidays on Farm“</td>
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<tr>
<td>1990</td>
<td>Extension on the other 5 districts. 1984 founding prov ass.</td>
</tr>
<tr>
<td>2000</td>
<td>National catalogue for special programs</td>
</tr>
<tr>
<td>2005</td>
<td>Co-operation with prov. Tourism marketing board</td>
</tr>
</tbody>
</table>

Marketing development:

- Co-operation with Raiffeisen travel agency
- Own organisation of incoming under legal cover of Raiffeisen
- Own incoming travel agency
- Cooperation with prov. Tourism marketing board
- Testphase, organisational development
- Professionalisation in an „open group“ improve standard
- Product development, quality assurance, group formation

Strategy development:

- Testphase, organisational development
- Professionalisation in an „open group“ improve standard
- Product development, quality assurance, group formation

Tourism development:

- Sellers market, little competition, summer and winter tourism
- Producers market, increased competition, stagnating summer growing winter tourism

Agricultural development:

- Modernisation phase
- Eco-social agric policy, diversification
- EU accession, agro-environmental program
- EU accession, agro-environmental program
The strategic development

In the **first phase** (1984-1996) the main concern was to build up the institutional base and to provide an adequate standard for accommodations on farms. First of all accessibility had to be improved. This concerned the connection to road network as well as to communication networks like telephone. Support programs were developed to improve the infrastructure. The first quality assurance methods were developed which concentrated on the “hardware” (communication infrastructure, sanitary facilities, general appearance of the farm etc.) For instance, in the beginning only 30% of the members had a telephone. From the beginning the positioning of the image of UaB was in the upper segment. Already at that time the necessity of having animals on the farm all year round despite alpine summer pasturing was expressed and also the provision of homemade products was advocates. Also during the late 1980s and early 90s first attempts of joining forces between the upcoming direct marketing endeavours and holiday on farm were made. Joint advertising and promotional material was developed. Still the ties remained very weak.

About 15 years ago the initiative was already so successful that also owners of big hotels who have a farm aside wanted to become members. The association made a limit with 50 beds and installed a category of “rural farm inn” to keep a more farm profile.

The **second phase** (from 1996 to now) is characterised by a focus on professionalisation of the product and the marketing. Starting from Tyrol, 1993 a categorisation system of “flowers” – similar to the quality “stars” in hotels – was introduced on a national level. Besides developing a catalogue of criteria for the product also specialisations were promoted and criteria developed.

The categorisation criteria include the physical and natural environment of the farm, the technical quality also participation in the accommodation provided and the special services available. This section includes also participation in the association and the implementation of the brand on the farm. The use of criteria has changes over time. At the beginning they were merely on paper, now they are implemented more strictly and serve also as a base for advice and extension.

The pricing policy was developed to be in the upper segment, providing quality accommodation plus authentic farm experience including cultural traditions, farm products etc. Some interview partners termed this strategy as “going back to the core competences”. During this phase also the development first of fax later of internet use and online booking was implemented. In 1996 the aim was to achieve internet use by 50% of the members within five years. This aim was achieved already 1999. By now there are only about three to four members left who do not dispose of a computer with internet. 110 farms offer online booking. The Incoming travel agency of UaB has contracts with 25-30 farms where they can dispose of the accommodation. Others manage the booking on their own. Every farm has its homepage managed by the national association. About 20-30% of the members have their own private homepage in addition to that.

The following current factors of success were mentioned in the interviews:

- the family atmosphere
- small structures
- living culture and tradition
- animals all year round
- natural products direct from the farm
- quality of accommodation and additional services
There were also some dangers for the future development of UaB mentioned:

One is that the farm develops into two distinct enterprises, one run by the farmer and one run by his wife. If the enterprises become disconnected the USP of UaB gets lost.

Also the development of quality criteria and categorisation has some dangers inherent as it might lead to a thinking of complying with regulations rather than encouraging creativeness and innovation.

The increase of membership fees (end of the 1990s) limited the possibility for growth.

**The development of collectivity**

While in the beginning (during the test phase) the farms had to reserve their beds for the travel agency this high degree of collectivity decreased over time. For long time there were many problems associated with this central booking system. Today there are only a handful of farms which reserve beds for the UaB travel agency.

The collectivity is therefore restricted to the common use of the logo and promotion (homepage, catalogue) as well as the product standardisation through classification (flowers) and quality assurance.

However the group feeling has developed over time. During the second phase the strategy changes also from the “open group” to a more “closed group”. At the same time during this phase the group feeling was increased. The tasks of the district presidents were increased and excursions etc were started.

The number of members is stable between 400 and 500. According to an evaluation 2001 about 250 of the founding farms are still members. Others have left and new ones joined, mostly associated with a change of ownership during the succession cycle. Some of those who left the association have stopped offering holidays; others have found their own distinct program outside the initiative. Also during the professionalisation phase some could not cope with the investments necessary due to increasing quality criteria. Some didn’t want to cope with the increasing use of modern communication technologies like internet and internet-booking. Also accessibility became increasingly important.

The biggest barriers to new entries are the membership-fees. They were increased sharply during the 1990s. Partly in well developed tourist areas farmers do not see an additional benefit in participating in the initiative. New members apply when they experience problems in renting their beds. Others said that the brand is well established and complies wth their value system, therefore they opted for membership. One former member said she thinks some ways of quality assurance by employing “mystery guests” to check on the performance by anonymous control agents could be putting some farmers off. She voiced out some critique about a top down control system versus a “participating” development of professionalisation.

In recent years the group feeling has increased due to joint excursions and more frequent exchange of experiences among members. They also pass on requests if their capacities are full. They pass on requests first to other members and then, if needed, to hotels in the region.

The form of collective use of resources has changed over time. In the beginning the central booking was the focal point, whereas now it is the joint use of a logo and promotional material as well as having a basically standardised product (by the categorisation with “flowers” and the grouping in special service packages). The president of the provincial association phrased it in this way that “there is a common recipe to the meal, but each cook disposes of different spices to create an individual flavour”. Cooperation between members to form small groups who share products or services (regional alliances) is encouraged by financial support programs. There is the obligation, if joint investment is supported, to keep
up the cooperation for seven years. Sometimes these cooperation’s break up after this time, if they were service induced. Others saw the necessity to pool services and grew into strong groups.

Interview partners stated that members are proud of being part of the association. They feel recognised not only within agriculture but also within the tourism sector. They view themselves also as “ambassadors to the non-agrarian world”. They have adopted an entrepreneurial spirit and the self perception as tourism experts. This is also supported by the fact that they seem to be picking up opportunities for further training more than other farmers. Essentially they feel belonging to distinct group of farmers. The personal relation to the district manager and to the female advisors in the district is a crucial factor.

However there is also an element of competition. Some members book their own holiday on UaB farms (in other provinces) to investigate how others do. Some call this “flower tourism”. Some even do not disclose that they offer holiday on farm themselves.

There is an open question on how to integrate more farmers into the system, also without direct membership. This discussion is linked to the implicit discussion on the heavy institutional support by the Chamber of Agriculture. So far attempts with a so called “Info-partnership” to let associate non-member participate in newsletters did not meet the demand.

Collectivity has been increased by a constant transfer of the value system to members by a recurrent discussion and adaptation of the “Leitbild” (development vision). Today the members are said to be a relatively homogenous group.

Explanation of dynamics as a result of contextual factors and capital assets

The development of the various strategies of UaB can be explained as a combination of contextual factors with opportunities and constraints and the available capital assets. The strategy can be further divided into networking, organisational set up and product development and placement.

We can distinguish three phases:
- the trial and founding phase
- the institutionalisation phase / test of time
- the professionalisation phase

In each of these phases the strategies of UaB can be explained as a combination of contextual factors and available assets

In the phase 1 (trial and founding 1970 up to 1984) there was a demand for accommodation on farms (as an opportunity) and at the same time the necessity to look for alternative income close to the farm (as a constraint), because the limits of farm intensification became visible. These were the major contextual factors when the responsible for home economics within the Chamber of Agriculture saw a potential to upgrade the so far rather unprofessional touristic offer of farmers. The top functionaries of the chamber however remained sceptical at first, comparing farms with hotel enterprises. Also the tourism agencies were sceptical considering the smell and level of cleanliness of farms. As farmers (and especially farmers wives) had high level of trust into the chamber extension services trials were run in a pilot region with intensive tourism experiences. This was possible due to the level of bridging and linking social capital available from the department of home economics. The success resulted also out of the partnership with a professional travel agent.

The strategy was to run a test, start to organise a first test organisation and to transfer the experiences to other regions (which was possible due to the network of female farm advisors). The first product was to offer simple accommodation in natural conditions. The main measure
was to increase the accessibility of the farms in terms of transport (like roads) and communication infrastructure (like telephone).

The outcome of this strategy was a success which impacted the contextual factors in the way that the institutional partners in the Chamber of Agriculture got a more favourable attitude towards the association, which resulted in a higher willingness to support it with personnel and room resources. Also the tourism institutions became interested in the new product which complied very well with the image of the country they wanted to advertise.

It had an impact on the capital assets in the way that trust (social capital) was build up and confidence that farmers were able to establish themselves in this business as reliable partners. Also the network created increased the social capital and the experiences gained increased the human capital. The good relations to institutions helped to transform this linking social capital into financial capital by the way of support programs and the provision of personnel and infrastructure by the Chamber of Agriculture.

**The second phase (institutionalisation) from 1984-1996** started with the founding of the provincial association.

In the meantime the market conditions had changed from a sellers market to a buyers market. Also the agricultural framework context changed to support for pluriactivity and multifunctionality of farms where UaB was seen a positive example. But this had also the implication that the chamber expected the association to be open for new members in exchange for increased support.

The capital assets had been extended to use the existing linking social capital for the formation of district associations. The first CEO who was at the same time leader of the Department of Formation, Advisory Service and Family adopted a strategy of positioning UaB as an “amplifier” for tourism activities. The association was supposed to be an open group, offering in connection to the chamber a number of courses and lobbying for support programs. This aimed to increase the human and physical capital of the members and to make it attractive to new entrants. The association started to operate the booking service (under the legal umbrella of Raiffeisen travel as a partner).

The network enlarged especially on the tourism side by linking up with the provincial tourism marketing board. On the agricultural side closer links were made with direct marketing initiatives that started just around that time. This aimed in a better positioning of the product together with farm food in promotion and supply. The regional success led to the formation of a national association and to the creation of a national brand. This enlarged the network of capacities which could be mobilised if needed.

**The third phase (professionalisation) 1996-today**

The competition on the tourism market had further increased considerably and the use of new communication way (like the internet) had created new challenges. On the agrarian context the shift from support for production to support for protection (e.g. landscape management) had been effected with the accession to the EU in 1995. This led to a situation where farmers became very insecure of their position in society. They felt being perceived as beneficiaries of subsidies only.

While the transition from phase one to phase two was marked mainly by a fundamental change in the context of market and agriculture which progressed merely in the third phase, now major internal shifts took place. The new CEO had a licence for operating a travel agency and also extensive operative experience in tourism business, but was a farmer himself at the same time. The new CEO was also only responsible for UaB and tourism in general but not heading the department. The network configuration and the organisational set up changed.
The cooperation with Raiffeisen travel ceased and the association set up a cooperative structure for the incoming travel agency business.

While in the former periods, the association tried to position itself as an “amplifier for professionalisation”, now the fostering of a strong professional group of tourism enterprises was promoted. This was due to the categorisation (with “flowers”), standardisation and specialisations of the different products on national level. This led to the creation of “flowers” to grade the products. In Tyrol it resulted in the promotion of regional alliances and measures to increase group consciousness on district level.

This resulted in a shift from focussing on bridging and linking social capital in the earlier phases to bonding social capital. Also the raising of the membership fees (to increase the financial capital of the association) had a bonding effect on the group as it created an entrance barrier for new ones who were not so specialised on tourism. The increasing professional capacities, on the level of the management but also on the level of the members led to a pronounced quality strategy, using the latest available market intelligence, communication technology and marketing technology. The intensive building of human capital in the former period had resulted in a well trained group of members who are eager to professionalise further. This led to an early adoption rate of the internet for promotion, email and online booking. The growing emphasis on natural capital in the product development led to an embracement of the landscape management strategies in agricultural policy. The members of UaB have the feeling that they can sell the virtues of the landscape directly to the consumer (i.e. the tourist).

Thus we can conclude the dynamics of strategy development in the interplay of context and assets were not only reactive but actively shaping the context as well as the available asset configuration. On the side of the contextual factors the success of association shaped the apprehension of their activities and of multifunctional agriculture in general by the institution as well as by wider society. On the side of capital assets it is evident that the learning environment enhanced especially the social and human capitals.

But not only internal factors shaped the dynamics, also the changes of the market conditions and the agricultural framework conditions, especially with the accession to the EU had an influence on the dynamics. The capital configuration changed due to new entrances (like the new CEO and through changes in the perception of nature etc. by wider society.

The change in the agrarian structures introduces new ideas of innovation. At moment the use of alpine huts for accommodation is proposed by some members in response to land use changes on alpine pastures (no more milk processing, only young animals etc.). However this is viewed critical by others and will not meet political support at present.

The individual strategies for the members differ: some members develop their farms strongly towards tourism and find most of their income there. They also invest more into the tourist side than on the farm operation. The farm operation serves in these farms as a necessary base for the tourist activities. Other members are using the income from tourism mainly for agricultural investments. It depends of course also on the size and structure of the individual farm.

For the future development it seems necessary to find the right “symbiosis” between the two parts of the farm enterprise
7. Impact assessment

It is sometimes difficult to distinguish between the impact of touristic activities of farmers in general and the impact of the association. Especially the social and cultural impacts mentioned are hardly in direct relation to the association, although the high degree of professionalisation has of course added to these impacts.

Economic and market improvements of their members

The relevant market of UaB is the tourism market in Tyrol. Competing products are some other special programs supported by the Tourism marketing board like Family hotels or the “ordinary” B&Bs. Also non organised agro-tourism products are of relevance to the group.

Premium prices are secured by a internal pricing policy of minimum prices (partly even secured via administrator right for the homepages where prices are corrected if the individual farm offers lower prices). The figures at hand on the number of days of utilised capacity show favourable data:

**Table: Days of utilised capacity**

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial (hotels)</th>
<th>Private total</th>
<th>Private non-farm</th>
<th>Private farm</th>
<th>UaB rooms</th>
<th>UaB apartments</th>
<th>UaB total</th>
<th>Tyrol total</th>
</tr>
</thead>
<tbody>
<tr>
<td>99-00</td>
<td>137</td>
<td>66</td>
<td>68</td>
<td>59</td>
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<td>118</td>
<td>119</td>
<td>117</td>
<td>123</td>
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</table>

(The tourist year runs from November to October)

The table shows that UaB is close to the commercial tourism sector and far above private B&B or non organised farm holidays.

The president of the association said UaB is the only agricultural product which is not sold by price but by quality. The income is not so much depending on financial support programs. The return of investments is better calculable than for farm investments.

Besides these impacts on the individual farm also impacts on the regional economy were mentioned. The private forms of tourism (were UaB is one of the most successful ones) are important to keep up village infrastructure (public swimming pools and tennis courts, but also shops and restaurants) as hotels as resorts have their private infrastructure and do not want the guest to leave their premises.

Social performance or inclusion

There are a number of impacts which were highlighted in the interviews:

Some relate to the *personal enrichment*:

- getting in contact with people all over the world and even making new friends
- change of perceptions, enlargement of personal horizon
o enhancement of entrepreneurial spirit, better appreciation of further education offers
o innovative spirit

Other statements focus on the work motivation:
{o} appreciation of work, direct feedback not only for the farm products but also for work related to maintenance of cultural landscape
{o} better relation to non farm population
{o} a general increase of self confidence and self esteem

Some impacts relate to the family situation and farm succession:
{o} a separate field of work for the farm wife. This makes it easier to find a spouse (especially for spouses who come from a non-agrarian background).
{o} A working place at home which reduces the necessity to look for part time work outside of the farm
{o} Apartments are used as separate living quarters in the succession cycle, either for the young or the old generation

Other relate to the quality of live:
{o} the necessity of taking a holiday is understood also for the farming couple
{o} modernisation was not only restricted to the farm operation but extended on the domestic side

Impact on gender relations:
{o} women have their own income but also an additional labour burden)
{o} new role ascriptions in the gender relations – farmers taking part in domestic activities, changes in division of labour, women work less in agriculture, partly new labour extensive forms of farming)
{o} especially in the second phase of professionalisation also male farmers took part in the association
{o} however internet use remained a female domain (as opposed to wider society)

Three interviews gave also an account of impacts on agriculture in general and the image of farming in wider society:
{o} growing appreciation of farm products and direct marketing
{o} contribution to stabilisation of agriculture in marginalized production areas
{o} improved image of farming in wider society
{o} introduction of business thinking into agriculture
{o} alternative to the prior focus on cattle breeding
{o} creating an innovative milieu

Educational performance
The innovative an entrepreneurial spirit of the UaB members has been mentioned many times. Also the creation of special educational programs for business development by the Chamber of Agriculture came out of the demand raised by members of UaB.

The members (and especially the women) were also certainly pioneering among farmers in the use of new communication technologies.
Cultural performance

UaB sees the cultural traditions and living culture as one of the core features of their product and its USP. The work with tourists and their feedback to the farmer surely has an awareness raising effect on aesthetical issues, cultural richness of the area, local traditions etc. This is reinforced by the regulations of categorisation which take these features into account. It is also reflected by the special programs developed by the regional cooperation groups.

Environmental performance

UaB provides a direct feedback from consumers not only of products but also of landscape. Therefore this gives also the possibility of accepting the shift from a producer of agricultural products to the provision of public goods (which is often a problem especially in mountain areas) easier than for other farmers.

Political performance

UaB had an influence on policy development. The later agricultural minister, Franz Fischler, was as director of the Chamber of Agriculture in Tyrol highly involved in the development of UaB and promoted the founding of a national association when he became federal minister. Also on a regional level the influence on provincial agricultural policy was significant as the president of the association became later the president of the Chamber of Agriculture.

8. Summary and Conclusion

The particular features of this COFAMI are:
- The multi level organisation on local (regional alliances), district, provincial and national level.
- The strong dependence on the institutional structure of the Chamber of Agriculture
- That it has as a female bias (although the leading functionaries are often male)
- The strong focus on human capital building among members and thus the high level of professionalisation
- The strong relations between the COFAMI and non agrarian stakeholders (Tourism sector)
Satellite cases to Urlaub am Bauernhof - different organisational set ups and their effects

The satellite case compares the organisational set up of the activities in Auth Tyrol / Italy and Norway with the situation in our main case in Tyrol / Austria.

The two satellite cases are situated in countries with similar natural characteristics and with similar agricultural structure. However the legal framework and the resulting organisational framework in the three countries is different. The level of comparison is therefore to see the impact of different administrative and organisational frameworks on the activity in general and on the members in particular.

a) UaB South Tyrol

Material/Literature:
- Karin Grießmair (2005) Regionale und betriebsgruppenspezifische Unterschiede im Urlaub am Bauernhof Angebot Südtirols, BA Thesis Free University Bolzano
- Margit Plaikner (undated) Farmholidays in South Tyrol An example for Sustainable Tourism? MCI-Innsbruck
- Interview with Karin Grießmair (13.10.2007)

Legal provisions:
The Organisation of farm holidays in South Tirol bases on a federal level framework legislation in Italy on (Legge del 5 dicembre 1985, n. 730 - Disciplina dell'agriturismo). Regional laws to support and regulate the activity are possible (and have been implemented in the case of South Tyrol).

The goals envisaged by the federal legislation are:
- to support Agriculture in less favoured regions,
- to enhance valorisation of farm products
- to support the natural environment
- to support local traditions and culture
- to improve relations between rural and urban population

The law gives the following restrictions to holidays on farm:
- Provision of accommodation and hospitality (including gastronomy services) to guests by agricultural entrepreneurs (including cooperatives)
- The activity has to be located on the farm and the working time has to be less than for farm work

The following activities are included:
- The provision of accommodation for short duration including Camping.
- The provision of food and alcoholic and non-alcoholic beverages, which have to be predominately originating from own production. Products which have been produced on the own farm but processed in other enterprises are not considered farm products.

- The organisation of cultural and leisure activities

The region of South Tirol has included in their **regional regulation** not only the above mentioned regulations for holidays on farm, but also for direct sale of farm products and traditional handicrafts, for farm bars “Buschenschenken”, for food provision on alpine pasture huts (“Almen”, summer farms, where the food has to be traditional, including alcoholic drinks, restricted to a maximum of 30 seats),

The raw products for food and drinks have to at least 50% own production and a further 40% from other farms of cooperatives from South Tirol. Only 10% can be sourced elsewhere.

Labour is restricted to family members and persons who live in the farm household. Maximum annual opening days for “Buschenschenken” are 180 days.

**Administration & Organization**

In South Tyrol there are about 26,000 farms, about 20,000 of them are active in the sense that they are run as distinct enterprises. Over 18,000 farms are members of the Südtiroler Bauernbund, the provincial farmers association (which in contrast to the Austrian “Bauernbund” is no political organization). 2,546 farms offer holidays (figures of October 2007) and are registered in the provincial register of Urlaub am Bauernhof.

The province maintains a **register**, where all farms which want to run these activities have to be entered in order to obtain a licence. Moreover farmers have to make a written application to their municipality where they explain extent and location of the activity including opening hours, capacities and price lists (valid for one year). Within 90 days the mayor has to answer the application and to issue the licence.

There is a regional commission which validates the applications. If the license is granted there are a number of support measures available. The regional government supports infrastructure improvements (like building, enlarging, improving of rooms, improvement of sanitary conditions etc.) with 60% subsidies.

The juridical and administrative issues of Holidays on farm are dealt with by the provincial agricultural administration, department of agricultural infrastructure (the “Assessortat für Landwirtschaft – Amt für Ländliches Bauwesen”). This department also handles the quality grading. The affiliation to this department shows also the main direction of support: the regional government offers high subsidies (up to 60%) to farms investing in physical infrastructure to improve the offer. Financial support for improvements in infrastructure for accommodation is restricted to enterprises offering up to 10 beds.

The quality grading system is organized now in a similar way as in Austria with flowers ranging from one to four. Until recently there was a self assessment by the farmers, but now two advisors are employed to make the assessment and to grade the farms.

Marketing issues are handled by the „Südtiroler Bauernbund, SBB, the farmers association. The department of marketing is one of eleven departments within the Südtiroler Bauernbund. About 90% of the working time in this department is spent on holidays on farm.

The SBB offers marketing tools to the farm, on internet ([www.roterhahn.it](http://www.roterhahn.it)) as well as in a catalogue. About 1200 farms use this offer. They market the offer under a common logo the red rooster. There are two packages with different prices:

1. Advertisement on the homepage only 200 €
2. Advertisement on the homepage and catalogue  330 €

Besides marketing assistance the SBB offers also further education through a 100 % daughter association, the “cooperative for further education” or through the regional government administration (Assessorat für Landwirtschaft - Abteilung 22: Land-, forst- und hauswirtschaftliche Weiterbildung).

b) UaB in Norway

**Material / Literature:**
- Tove Raasad Breien (undated) Norwegian Rural Tourism and Traditional Food
  Powerpoint presentation (supplied by RRC, Trondheim)
- Interview with Karoline Daugstadt and Magnar Forbord (of RRC Trondheim on 30.10.2007)
- Karoline Daugstad (in press) Negotiating landscape in rural tourism *Annals of tourism*

**Legal provision and statistical data**

There are about 7500 rural tourism businesses in Norway, of which 325 (4.3%) are recorded as businesses related to agriculture (for instance, they include farmers who run a small café or a camp site, or who rent out cabins). In comparison, rural businesses recorded as “fishing tourism” make up 0.2% of the total, “adventure tourism” 1%, “camping and cabins” 6.3%, “hotels” 15.4%, “taxis” 19.3%, and “cafes, restaurants and bars” 21.7%. Rural tourism is small-scale: for “tourism related to agriculture” 97% of the enterprises are micro-businesses (defined as less than 6 employees) while 3% are small enterprises with 6-20 employees. The high number of micro-enterprises indicates that the activities are often attached to farming, and that they provide additional income for farmers. (Daugstad, in press)

**Administration & Organization**

In Norway the activities of holidays on farms are guided by a private association called “Norsk Bydetourisme og Gardsmat (NGB)”. This organization has been merged 2004 from two organizations, one dealing with rural tourism, the other with traditional food. Membership to the organization is not obligatory to offer the activity.

The association assembles enterprises (about 550 in twelve regions) who offer accommodation, culture heritage tourism, traditional food, seminar and conference facilities, bed and breakfast, art, crafts and galleries, museums (including farm museums) activity firms (hunting, fishing dog-sledging, horse riding rafting), farm shops and farm produce outlets.

Membership is not obligatory

The office of NGB is located in the “house of agriculture”, together with the farmers union. However ties are stronger to the ministry of agriculture (LMD) than to the farmers union.

The NGB is supported by the LMD takes a flat rate member fee and is financially based on income generating projects.

It offers to the members:
- an internet platform
- a catalogue
- a common logo (the red rooster, but only for traditional food)
- help for members to draw up contracts with other companies
- quality checks
- training
- study trips and international cooperation
There is no quality grading, the logo for traditional food (the farm rooster) serves as a quality sign, the logo of NGB is the quality sign for members

c) Comparison of the organizational forms with the main case:

<table>
<thead>
<tr>
<th></th>
<th>Tyrol / Austria</th>
<th>South Tyrol / Italy</th>
<th>Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legal status of the organisation</strong></td>
<td>Association on a provincial level with district branches; part of a federal organisation</td>
<td>Department in the farmers association organised on a provincial level</td>
<td>Association in a national level</td>
</tr>
<tr>
<td><strong>Relationship to agricultural institutions</strong></td>
<td>Close ties with provincial chamber of agriculture and ministry on federal level</td>
<td>Close ties with provincial government administration</td>
<td>Close ties with national ministry</td>
</tr>
<tr>
<td><strong>Activities for members</strong></td>
<td>Marketing</td>
<td>Marketing</td>
<td>Marketing</td>
</tr>
<tr>
<td></td>
<td>Market intelligence</td>
<td>Training</td>
<td>Training</td>
</tr>
<tr>
<td></td>
<td>Lobbying</td>
<td></td>
<td>Lobbying</td>
</tr>
<tr>
<td><strong>membership</strong></td>
<td>voluntary</td>
<td>obligatory</td>
<td>voluntary</td>
</tr>
<tr>
<td><strong>Quality assessment and grading</strong></td>
<td>Yes since 1992, flowers 1-4</td>
<td>Yes, flowers 1-4</td>
<td>no</td>
</tr>
<tr>
<td><strong>Range of members</strong></td>
<td>Farmers only</td>
<td>Farmers only</td>
<td>Rural enterprises</td>
</tr>
<tr>
<td><strong>Range of products</strong></td>
<td>Accommodation plus related services</td>
<td>Accommodation and/or gastronomy and/or direct marketing connected to farming</td>
<td>Wide range of rural products and services not only connected to farming</td>
</tr>
</tbody>
</table>

**Preliminary conclusions on the effect of the different organisational systems:**

All Organisations maintain a close relationship to funding institutions. All have marketing for members as a basic activity. The “private” organisations in Austria and Norway also do lobbying for their members. In South Tyrol the organisation concentrates mainly on the marketing and parts of the tasks are directly organised by the concerned department of the regional government. This splitting of tasks at least in theory avoids the potential conflict between the same persons advising and checking quality standards by quality classification.

While the Austrian organisation is multilevel the Norwegian is multisectoral. It would theoretical fit better to the new requirements of cross sectoral, territorial development.

In South Tyrol in contrast to Austria the legal basis regulates not only accommodation but also direct marketing and offering of food. The same is achieved by the combined efforts in Norway. This allows the development of a broader product base than in Austria where the
cooperation between holiday on farm and direct marketing always remained weak and on a personal level.
Second case study - Walserstolz

1. Material

- 16 Interviews in two waves, different stakeholders, farmers, cheese makers, regional politicians, dairy functionaries, cheese marketers, administrators etc
- Way of analysis: each interview was conducted by a team of two. All interviews were recorded. After the first round of interview (6 interviews by team 1, 5 interviews by team 2) each team wrote their narrative of the findings and the second team member was listening to the recording of the other team and made notes on the additional information. Two reports were made one of each team. These two reports were exchanged and in a team meeting discussed to come to a common understanding. A second round of 5 interviews was conducted (by only one interviewer) to get additional information and to fill gaps which had become obvious during the first round of analysis. A preliminary report was sent out to all interview partners for comments and as a base for discussion at the focus group meeting.
- The focus group meeting was held on 11th October 2007. Participants were members of dairies of Sonntag and Thüringerberg plus Mr Frei from EMMI and Mr Türtscher of the dairy union. Besides discussing results some points for establishing a new governance structure were discussed.

2. General description of the case

Walserstolz is a COFAMI consisting of 3 dairies (Marul, Sonntag, Thüringerberg) and a large scale commercial enterprise which is partner for cheese ripening and marketing. The farmers belonging to the initiative are inhabitants of one valley, the Großes Walsertal, a tributary of the Rhine valley in the most western province of Austria. The valley consists of six municipalities (Fontanella, Sonntag, Ragall, Thüringerberg, Blons, and St. Gerold).

About 150 farms are members of the cooperatives. They include almost all dairy producers of the valley. The farming members are mainly breeders and dairy farmers. About 50% are part time farmers. Farms are relatively small (about 15 ha utilisable agricultural area, and an average of 10 cows the average milk quota is 48,000 kg. Most farmers are also members of Brown Swiss breeders associations. Altogether they keep about 2800 head of cattle. Alpine
pasturing is of special importance. On 21 of the total of 48 collective alpine summer farms milk is processed into cheese.

Organic farming is quite prominent. All farmers belonging to the dairy of Marul are producing organic, therefore Marul calls itself an “organic village since 1996. Also about 60 % of the farmers delivering to the dairy of Thüringerberg are producing organic. The dairies produce various dairy products (butter, yoghurt and different cheeses) but only one type of cheese, a traditional mountain cheese, is marketed in different stages of maturity as Walserstolz.

The main objective of the COFAMI is to raise the milk price for the participating farmers by selling a premium product directly in the valley and on national and international markets together with a professional marketing partner

The initiative operates a joint maturing cellar, and sells the matured cheese under a common label (Walserstolz)The “green” cheese is produced in dairies or on alpine summer farms and than transported to the common maturing facility at the market partner. There the cheese fit for long maturing is branded Walserstolz by the marketer.

The producers receive a higher price of about 10% for their milk regardless of the marketing possibilities.

**Indication of what makes the initiative especially interesting / innovative**

Interesting points are the organisational set up between the dairies and the market partner, the connection to regional development via a Biosphere park and the mix of organic and conventional producers.

### 3. Contextual factors and driving forces

<table>
<thead>
<tr>
<th>Specific factors</th>
<th>Relevance</th>
<th>In what specific way limiting/enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proximity/remoteness to urban centers: Specific market opportunities Transport, infrastructural cost</td>
<td>MEDIUM</td>
<td>Enabled direct marketing efforts. The Rhine valley is just outside the valley. There one of the highest concentration of purchasing power is found. The marketing partner is located in the Rhine valley</td>
</tr>
<tr>
<td>Natural conditions:</td>
<td>MEDIUM</td>
<td>Natural conditions (landscape, biodiversity) are offering synergies with other economic activities (e.g.: tourism, handicraft). Especially the Biosphere park which was established almost at her same time as the Walserstolz created synergies with other sectors (tourism, gastronomy). Natural conditions proved increase of milk production</td>
</tr>
<tr>
<td>Relative importance of agriculture for regional income and employment</td>
<td>HIGH</td>
<td>Still relatively high farming, crafts and tourism are almost of equal importance for the gross regional product. But full time farming is also here on decline, options for parttime farming are seen on suckler cow production</td>
</tr>
<tr>
<td>Density of farms with similar production structures:</td>
<td>HIGH</td>
<td>Still a high number of dairy farmers, relatively high percentage of full time farmers. This allows a critical mass for joint activities. Diversification tendencies show a decrease of dairy farming in part time farms. With intensification the status of a silage free zone was endangered</td>
</tr>
</tbody>
</table>

The natural conditions are not favourable for intensification and modernisation, thus the strategic direction of farm development is towards niche production and a quality strategy. This is not only on a individual level but also on a collective level the case. The natural
conditions on the other hand allow encapsulating into the product positive connotations of biodiversity natural beauty and sound environmental conditions.

### Socio-political/institutional context

<table>
<thead>
<tr>
<th>Specific factors</th>
<th>Relevance</th>
<th>In what specific way limiting/enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role for farmers' associations in rural policies/influence in policy processes</td>
<td>HIGH</td>
<td>Although the Walsertal has quite a tradition in territorial development the farmers associations have quite a big say. The ruling party on a regional level is the peoples party which has a very important agrarian wing the Bauernbund. This organisation is almost synonymous with the chamber of Agriculture. The provincial agricultural minister is a former employee of the chamber.</td>
</tr>
<tr>
<td>Attitude of farmers' associations/unions towards collective marketing: Relevance of historical experiences with/tradition of collective action and cooperation</td>
<td>HIGH</td>
<td>The traditional cooperative system is of big importance and politically associated to the conservative party. The first agricultural cooperatives were founded around 1900, in the dairy sector as well as for breeding associations. Both structures are very influential for the socialisation of farmers.</td>
</tr>
<tr>
<td>COFAMIs role in policy networks</td>
<td>MEDIUM</td>
<td>The umbrella association of traditional COFAMIs, Raiffeisen is influential behind the scenes on a national level but does not so much interfere on a regional level in the day to day business.</td>
</tr>
</tbody>
</table>

The socio-political context is enabling for COFAMIs especially as there is a small scale farming structure institutions favour collective strategies. Also LEADER and other territorial programs have a positive impact on the appreciation of collective endeavours by policy and professional institutions.

### Institutional support to COFAMI

<table>
<thead>
<tr>
<th>Specific factors</th>
<th>Relevance</th>
<th>In what specific way limiting/enaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural public-private partnerships</td>
<td>MEDIUM</td>
<td>The Biosphere park is promoting economic activities which are sustainable in the sense of added regional value.</td>
</tr>
<tr>
<td>Institutional innovation approaches (top-down versus bottom up),</td>
<td>HIGH</td>
<td>The REGIO a local conference of mayors on valley level is responsible for managing rural development</td>
</tr>
<tr>
<td>Institutional capacity to facilitate individual/collective/territory based learning processes,</td>
<td>HIGH</td>
<td>The Chamber of Agriculture runs the advisory support and has a department for dairy issues. This is a focal area of advice to farmers but also to dairies.</td>
</tr>
</tbody>
</table>

Institutional support comes from different sides on different levels. On a local level it is the Biosphere Park management which encourages activities to enhance the regional added value. They support local and regional partnerships (like dairies and gastronomy). They have an interest in the COFAMI as it makes sustainability more concrete. The biosphere park is managed by the REGIO. Support comes also from institutions outside the valley, the Chamber of Agriculture on professional issues and the regional government structures making available structural funds money.

### Socio-cultural context

<table>
<thead>
<tr>
<th>Specific factors</th>
<th>Relevance</th>
<th>In what specific way limiting/enaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture and positive experience of cooperation:</td>
<td>HIGH</td>
<td>Farmers' trust in collective action is high</td>
</tr>
<tr>
<td></td>
<td></td>
<td>However the cooperative dairies did not have to operate on a competitive market before 1992The tradition and experience of marketing has been thus lost</td>
</tr>
</tbody>
</table>

37
**Presence/absence of agriculture in local identity:**
Traditions of particular agricultural production:
Specific processing skills

<table>
<thead>
<tr>
<th>Presence/absence of agriculture in local identity</th>
<th>HIGH</th>
<th>The population of the Walsertal claims to be descendent of the Walser who came in the late middle ages from Switzerland (the Wallis), invited by the authorities because of their knowledge in dairy farming. Therefore dairy farming is part of the local culture</th>
</tr>
</thead>
</table>

**Regional and national food culture and societal demands for new rural functions and services**

<table>
<thead>
<tr>
<th>Regional and national food culture and societal demands for new rural functions and services</th>
<th>HIGH</th>
<th>Cheese from Vorarlberg has a high recognition within Austria, the consumption of cheese in Vorarlberg is significantly higher than the national average. Cheese and dishes made from cheese are national food</th>
</tr>
</thead>
</table>

**Economic and market context**

<table>
<thead>
<tr>
<th>Specific factors</th>
<th>Relevance</th>
<th>In what specific way limiting/enabling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition on relevant markets; number of actors, market share, competition with other market parties</td>
<td>HIGH</td>
<td>Competition on the cheese market is high, mainly small scale cooperatives and their umbrella associations are on the market. This requires innovation and quality production</td>
</tr>
<tr>
<td>Ownership of actors on the market:</td>
<td>HIGH</td>
<td>The influence of farmers on marketing strategies is low as mostly umbrella associations are acting on the market. Since the last 10 years the direct marketing of primary COFAMIs has considerably increased. However this happens partly in competition to the own associations</td>
</tr>
<tr>
<td>Relations between actors on the markets (strategic alliances, hybrid forms):</td>
<td>HIGH</td>
<td>There are several examples of strategic alliances with chain partners and territorial marketing partnerships in the region. Most prominent the Bregenzerwälder Käsestrasse. This provides examples but also the necessity to differentiate</td>
</tr>
</tbody>
</table>

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### 4. Organisation and network relations

**Organigramm at the beginning of the initiative:**

- **Organic producer (with premium)**
- **Producer without organic premium**
- **Delivering milk or cheese**
- **Membership**

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**Organigramm at the beginning of the initiative:**

- **Sonntag**
- **Türtsch**
- **Mittelberg**
- **Garstna**
- **Ragall**
- **Marul**
- **Sennereigemeinschaft Großes Walsertal (dairy union)**
  - channeling financial support
  - negotiating price
  - fostering cooperation between the dairies
- **HOSP**
  - maturing
  - quality grading
  - branding
  - labeling
  - marketing to retailer

**Thüringerberg sells milk to HOSP**
The dairy union had negotiated the conditions between the dairies and the cheese marketer (the private cheese firm Hosp). The first contract had duration of 4 years with automatic renewal. Major points were the following:

- each dairy produces mountain cheese and delivers it “green” for curing and ripening to Hosp
- Hosp paid a premium of 5 Schilling (today about 35 cent, which equals about 10-15% of the producer price) on top of the price paid by other companies, regardless whether the cheese can be marketed as Walserstolz or not.
- The dairies can buy back the mature cheese for direct marketing, paying only the additional costs of curing and ripening to Hosp
- The dairy of Marul sells Walserstolz in organic quality all other dairies produce conventional cheese even if they have partly organic farmers as suppliers
- Hosp is curing and ripening all cheese.
- Hosp is putting the label Walserstolz if the quality is sufficient
- Walserstolz is sold in three stages of maturity: 8 month old (the mild one) 12 month old (the aromatic one) and the “cellar master selection” with at least 16 months of ripening. The mild one is available in organic quality produced by the dairy of Marul.
- Hosp sells the cheese on markets outside the valley, within the valley it is the dairies who sell the cheese direct.

Besides selling mountain cheese to Hosp the dairies continued to serve the traditional sales channels to the umbrella cooperative ALMA and the private cheese company Rupp.

Volumes of milk processed

<table>
<thead>
<tr>
<th>Dairy</th>
<th>1998</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thüringerberg</td>
<td>1,8 Mio litres</td>
<td>2,5 Mio litres</td>
</tr>
<tr>
<td>Sonntag</td>
<td>1 Mio litres</td>
<td>1,8 Mio litres</td>
</tr>
<tr>
<td>Marul</td>
<td>300 000 litres</td>
<td>300 000 litres</td>
</tr>
<tr>
<td>Ragall, Garsella, Tütsch, Mittelberg</td>
<td>about 200 000 litres each</td>
<td>-- stopped production</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,9 Mio litres</strong></td>
<td><strong>4,6 Mio litres</strong></td>
</tr>
</tbody>
</table>

The dairy union as an umbrella organisation (with a deliberately weak juridical position) was mainly constructed to channel the financial flow of support. The financial support out of EU structural funds was used to build a ripening cellar on the premises of Hosp.

At the time of foundation all dairies in the valley were integrated. The dairy of Thüringerberg was the only one which operated all year round, all others processed only seasonal and closed down during the summer months. Thüringerberg was operated by Hosp directly, farmers were selling their milk. Still the dairy was part of the dairy union, but they profited only indirectly from it as the premium was related to the price of the cheese not of the milk.

Hosp owned the brand Walserstolz and did the maturing, quality grading, branding labelling marketing to retailer (no supply of discounter). Later Hosp was bought out by the Swiss firm Emmi who took over the ownership of the brand. The ownership of the brand with the
marketer created some tension every now and then. All attempts of farmers and dairies to get hold of the brand failed so far. While the critics claim that farmers gave out of their hand the power over the brand and are totally dependent on EMMI, others say that this was the only way to break the individual interests of the dairies and dependency is mutual anyway. Otherwise they would be more interested to sell the best quality locally and deliver to the external market a lower quality. Moreover they would be less strict on the quality rules, a problem seen at the Bregenzerwälder Käsestrasse where a common maturing cellar is fighting the problems of particularism and individual interests (the tragedy of the commons).

The organisation has changed since the beginning:

When the financial obligations have ceased (in two years) the dairy union will have also lost its function. The dairy of Thüringerberg has switched from selling their milk to EMMI to a contract with the Sulzberger Käserebellen (literally: “cheese rebels”). This company operated a dairy in the Bregenzerwald about 50 km away. The second dairy in Thüringerberg is very interesting to them, as it helps to smoothen market imbalances between mountain cheese and other younger types of cheese, thus increasing their degree of flexibility. In addition to that it increases the volume of organic milk available as the Sulzberger Käserebellen aim to specialise on organic cheese. The company is owned by a German who operates a number of outlets in Bavaria and the Allgäu under the name of “Schönegger Käsealm”. Their mountain cheese is matured by EMMI and they supply also Walserstolz to EMMI according to yearly fixed quantities. Out of the other 6 dairies only two have survived. Marul has continued to produce organic Walserstolz as always and feels rather independent. Sonntag has almost doubled their volume by taking in suppliers from other dairies which have stopped production. Also Thüringerberg has increased the volume. Today no dairy produces all year round, part of the milk from Thügingerberg is transferred to Sulzberg during the summer months. This resulted in a decrease of Walserstolz produces during the summer months. EMMI started to make contracts with 6-7 collective alpine summer farms to buy their cheese, which amount to about 30 tonnes (equalling about 30000 liters of milk).
External relationships

Within the valley the initiative Walserstolz is connected to the Biosphere Park and to the REGIO which is an association of all municipalities of the valley. The Biosphere Park operates also a project with the local gastronomy to increase the amount of local produce on the menu (“Genussspechte”). The dairies operate local shops as sales points.

On the level of the region major partners include the Chamber of Agriculture and the administrative offices which channel financial support to agriculture. Via EMMI the initiative is integrated into market networks to national retailers and also to overseas markets via EMMI international which operates in particular in the USA.

The Sulzberger Käserebellen GesmbH has a special role: they are not regarded as part of the initiative but they supply Walserstolz. They are no external marketing partner as they are not allowed to sell Walserstolz.

5. Capital assets and capacity building

The strategy as a combination of context and capacities

Organisation:

The internal organisation of the initiative is only weakly constructed. The initiative has no legal structure. The dairy union has also a very weak legal structure. There are contracts to arrange the relations with EMMI, but there is no common organisational structure. The reason for this is because the local dairies are the focal points of identification for farmers. Their organisation is strong towards the internal (as formal cooperatives). As each decision needs a support by the general assembly they have a low degree of flexibility and are weak towards the external relations. The motivation to make a dairy union was mainly to cater for financial
support, which was given only for collective farmers initiatives in the frame of the objective 5b of the EU structural funds. The support was needed to build the collective maturing cellar. The project became a model for collective initiatives in Vorarlberg. However the traditional division of labour and responsibilities remained as before: the dairies produce and their partner markets the cheese.

Product strategy

The aim was to build on the existing know how in the production of mountain cheese and to position the cheese in the premium segment as long matured. As EMMI takes over all the cheese supplied by the dairies and pays the premium of Walserstolz, regardless whether it can be actually sold as Walserstolz, EMMI has an active interest to increase the proportion of Walserstolz marketed. At the moment this is effected by increased export to the USA.

Initially the goal was to market 300 tonnes of Walserstolz per year (Vorarlberger Nachrichten 17.7.1998). 2006 actually a so far maximum of 175 tonnes had been sold as Walserstolz. A further increase is likely.

Networking

External networking is strongly connected to the biosphere park this increases the regional embedding.

Status of different capital resources (financial, physical natural, social, human, cultural) according to the grid proposed in the Budapest WG on capacities/contextual factors

<table>
<thead>
<tr>
<th>Capital</th>
<th>Relevance</th>
<th>Status</th>
<th>Description of effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td>0</td>
<td>medium</td>
<td>Not much needed as financial support from funds catered for investments. If needed (like for the new building in Sonntag) farmers dispose of the necessary funds.</td>
</tr>
<tr>
<td>Physical</td>
<td>+</td>
<td>medium</td>
<td>Old dairies were there to start, the ripening cellar added to it. Later four of the initial dairies were closed, now the rebuilding of Sonntag dairy is necessary.</td>
</tr>
<tr>
<td>Natural</td>
<td>+</td>
<td>high</td>
<td>The relevance of natural capital is increasing with the role of the Biosphere park in the marketing and shaping the image of the product.</td>
</tr>
<tr>
<td>Social</td>
<td>++</td>
<td>medium</td>
<td>Undoubtedly the most important capital. While linking is high the bonding SC, essential for the identification with the brand is rather low. Also internal quarrels between the dairies depress the possible SC.</td>
</tr>
<tr>
<td>Human</td>
<td>++</td>
<td>medium</td>
<td>Improved with the development of Walserstolz.</td>
</tr>
<tr>
<td>Cultural</td>
<td>+</td>
<td>high</td>
<td>The Walser see themselves a distinct people.</td>
</tr>
</tbody>
</table>

The COFAMI was build upon all different kinds of capital: there was the natural capital of the valley, an area of outstanding beauty an almost pristine nature fit for an UNESCO biosphere reserve. This assisted the marketing of cheese with a mountain image.

The physical capital of the small village dairies and the strong relations of local people to their dairy was one of the starting points of the initiative. The construction of the collective ripening cellar was a prerequisite to achieve continuously a constant quality.

Financial capital was not very important as the support by the EU-structural funds and the regional funds made investments by farmers and dairies not necessary.
The cultural capital of the Walser, a distinct tribe who had been called by the rulers in the late middle ages to colonise the valley. The Walsers were specialists in dairy farming and cheese making. This explains the historical roots for the human capital of cheese makers and dairy farmers. External interview partners acknowledged the competence and communicative skills of the core group who developed the first plans.

However what seemed most important was the social capital: the bonding capital among the members of the dairies, the level of trust into their leaders and the linking capital to the institutions especially brought in by Josef Türtscher. He made the connections to mobilise the financial capital of EU-structural funds like the Objective 5b. However the bridging capital between the different dairies remained low. Before the foundation of the initiative there had been reservations against HOSP in the rear part of the valley. Josef Türtscher was able to bridge between the dairies and link into the institutions on a local level (Biosphere Park) and on a regional level (regional administration, Chamber of Agriculture). Bonding social capital was available on the level of the single dairy (and remained largely there).

**Development of capitals**

It seems that over time the valorisation of the natural capital increased, mainly through the Biosphere Park. Walserstolz became a lead product for the Biosphere Park as it could be used to give a practical example for the empty shell of sustainability.

Also the human capital increased with the focus on quality. Experiences had to be accumulated on how to increase volume without losing on quality. This happened in the years of the “quality crisis” 2001 to 2005.

The physical capital decreased to some extent as the number of dairies (Türtsch, Mittelberg, Raggal und Garsella were closed) decreased, however at EMMI the maturing cellar etc. were build which increased the physical capital of the initiative. At the moment a further increase in connection to the rebuilding of the dairy in Sonntag is under discussion.

The importance of financial capital was decreasing after the initial investment into the ripening cellar, could be increasing again with the investment in Sonntag where also EMMI has promised to take part.

There is consent among all interview partners that the most important factor for the development of Walserstolz was and is Social capital. The mutual trust and confidence into the common idea are decisive for the success. In the beginning most farmers were sceptical but they supported the core group as they didn’t have any risk involved and no financial contribution. EMMI paid the same premium for all cheese delivered regardless of the amount marketed as Walserstolz. This was imported to overcome the “quality crisis” without hard feelings between farmers and EMMI. The core group had aims beyond the financial improvement for farmers. The core group was not able to transmit these idealistic aims (regional added value, survival of small scale dairies, increase of self-esteem etc.) adequately to the single farmer; therefore identification with the product remained rather low. Türtscher argues that the building up of Walserstolz happened without contribution of the dairies and the cooperative members was a success of his negotiations but he admits also that this resulted in a low identification with the programme. One of the cheese makers even argued that Walserstolz was just a mountain cheese like any other and nothing special, and the name would just make it easier to market the cheese outside the region. The impression of a low identification is also supported by the fact that most interview partners on the level of the cooperatives did not know how long the cheese is matured until it is sold, although this is the prime quality aspect which is communicated in the pamphlets. But some interview partners
reported also that farmers are proud of the Walserstolz and pride is increased by the feedback from outside the valley.

The coherence within the dairies seems to have decreased as well. In the dairies of Sonntag as well as Thüringerberg a number of new members joined after their original dairies closed down. This influx of new member influences the level of bonding SC in the dairy. A lot depends on the communicative skills of the functionaries. Sometimes even in rather small groups there is a communication gap between the board members and the “ordinary” member. This is also documented by attitude of the farmers in Sonntag towards the rebuilding of the dairy together with the Biosphere center. First the CEO and the president thought farmers would be in favour. Only when two members resigned their membership they realised that there were discrepancies. Only after a workshop with external moderation the farmers could be convinced. This shows that even in small COFAMIs it can happen that the managers and board members are developing plans without participation of the members. This works well as long as members are satisfied and no great changes are involved. But as soon as problems occur or decisions have to be made, the situation becomes critical. Therefore the leaders decided to hold a workshop in Sonntag on the day of the decision on the rebuilding of the dairy to make the implications of refusal clear. (for a negative example see the history of the Biobauern Sulzberg in Schermer et al 2004)

The dairy union did not manage to build up bonding social capital between the dairies. They never felt belonging to a strong group, especially the special situation of Thüringerberg prevented this. Later the relations even deteriorated to an extend that at the moment there is mistrust and envy between the Thüringerberg and Sonntag. Marul always kept separate.

The decrease of good relations between the cooperatives (especially between Sonntag and Thüringerberg) is argued by some respondents to be due to the lease of the dairy Thüringerberg to the “outsider” Krönauer of the Sulzberger Käserebellen GMBH. The manager of the Biosphere Park said cooperation went well until Krönauer came in. There are some irrational aspects like prejudices against the Germans, which have to be taken into account in this context. The bonds between Hosp and the dairies especially in the rear part of the valley developed over time. There seems to be a difference in the relation to EMMI between the dairies. While the functionaries in Sonntag have gradually built up trust into Hosp/EMMI was, even though there were preoccupations against them in the rear valley, now there seem to be greater preoccupation against them in the front part of the valley (Thüringerberg). Marul perceives EMMI as “a necessary evil”, needed for ripening and marketing, but not much liked.

Translation of capitals into collective capacities

Social capital, especially the individual linking SC of Josef Türtscher achieved the maximum financial support, which resulted in building the collective ripening cellar.

The social and human capital of the core group was employed for the collective strategy and the communication towards the outside (they won an agricultural project price in 2000). They were also essential in conveying the idea towards the members of the individual dairies. The human capital of cheese makers was used to produce a long ripened speciality. The successful overcoming of the quality crisis with the help of experts from the Chamber of Agriculture resulted in the increase of human capacities for production, processing and ripening of quality cheese. The individual knowledge of dairy masters and ripeners was transformed into a collective quality assurance system.

In the beginning it seems especially linking SC was needed to get the stakeholders from different sectors (farmers, cheese makers and cheese marketers) together. Linking SC was
also needed to secure the necessary financial support for the initial investment. High levels of trust by the members were needed to allow the representatives to make decisions which were accepted by members.

During the quality crisis it was essential to take an external undisputed expert (from the Chamber of Agriculture) on board to have a neutral person to ease the mutual allegations.

Now it needs to foster the bonds between the farmers and to mitigate the quarrels between dairies. There are only three dairies left who develop more and more divagating interests. Also to integrate non-agricultural stakeholders like the mayors of the municipalities and the tourism stakeholders in order to combine the dairy of Sonntag with the Biosphere Park center requires bridging SC. Again Türtscher is the central figure, but this would be a field of activity for a new integrative organisation structure.

6. Dynamics of the COFAMI

**Milestones:**

1995 EU-accession reduction of producer prices
First ideas how to counteract. Excursion to Switzerland, Plans for the Bregenzerwälder Käsestrasse.

1996 Formation of a core group to develop an initiative on the level of the Walsertal for marketing of cheese; first talks with Hosp

1997 Decision on the initiative and founding of the dairy union (17.4.1997)
Proposal for objective 5b support
Summer 1997: elaboration of agreements between the dairies and to Hosp.
Autumn 1997 General assembly of all members of the dairies concerned to communicate the agreements

17.7. 1998 public Announcement of the initiative in St. Gerold; Start of marketing

1998 Installation of Biosphere Park

1999 EMMI buys Hosp

2000 UNESCO approval of the Biosphere Park

2001 Setting up of the “experience dairy“ in Sonntag

2004 Termination of the contract for milk delivers of Thüringerberg to EMMI

2005 Thüringerberg starts selling milk to Sulzberger Käserebellen GesmbH

2006 Start of the discussion on rebuilding the dairy of Sonntag in combination with an Information centre of the Biosphere Park.

**Different Stages:**

Phase 1 Start up phase,
1995 -1997 preparation
1997 -2002 establishment on the market

Phase 2 Quality security phase, consolidation (2002-2005)

Phase 3 internal and external organisation and networking
2005-2006 break up of solidarity, (Thüringerberg)
2007 fostering local embeddedness (Sonntag) -

Phase 1 Start up phase

Preparation

Walserstolz was developed after Austria’s accession to the EU and the subsequent drop of producer prices. At that time the dairies sold their cheese to the regional umbrella cooperative ALMA. Only one dairy sold cheese to the private firm Hospand one dairy coop had rented their operation to Hospand sold the milk to him.

The first ideas started 1995 as a consequence of the decline of the producer price. Türtscher mentions the development of the Käsestrasse and some excursion to Switzerland, Bereuter a workshop on dairy strategy; however it seems that Türtscher was one of the leading figures who assembled the young generation of CEOs of the local dairies to discuss their future. After a visit to the maturing cellar at Hosp it became clear that it would be too much for the farmers’ cooperatives to build up the logistics and the investments needed to serve the market themselves.

After that a core group was build up. The major actors were:

Josef Türtscher, a local/regional politician (member of the regional parliament, arcricultural spokesman of the conservative party in the regional parliament, president of the regional planning association, major of a municipality, board member in the Chamber of Agriculture, organic farmer….)

The presidents of local dairy cooperatives (Sonntag, Marul, Raggal, Garsella, Türtsch und Mittelberg) Later also Thüringerberg was integrated into the Sennereigemeinschaft, although they were selling their milk to Hosp.

The private cheese marketer Hosp (who was also operating a local dairy in the valley, Thüringerberg)

The administrator of regional funds under Objective 5b

These proponents made up the core group which developed the concept. There are different stories on who had the first idea and how the founding idea started.

Türtscher and Nigsch claim that they had negotiations with the major private cheese marketing corporation Rupp and the umbrella cooperative Alma first but these were not interested. According to Türtscher, Hosp had not a positive image in the rear part of the valley as it seems some decades back there had been disputes about payment of cheese. Still they managed to convince the farmers.

There is common ground on the fact that the farmers approached the cheese marketer Hosp who was (in contrast to the traditional umbrella cooperative and the big private cheese marketing firm) interested to develop a new regional brand in the premium segment. The name Walserstolz was developed in analogy to a whiskey brand which was called the pride of the region and which was known to one of the participants in the core group.

There were some reservations of the farmers in the rear part of the valley against the marketer (who was Hosp at that time, later EMMI, a Swiss company bought a minority of shares in the beginning and the total firm at a later point) first but soon it turned out that he was very interested in a partnership.

The core group developed a concept of matured mountain cheese, longer matured than the usual 6 months, but up to one year (also to break the seasonality of the alpine pasture season). Together with the marketer the dairies established a maturing cellar. The premises belong to Hosp (later EMMI) the interior to the dairy association. The ripener/marketer (Hosp) offered
to buy all cheese and market the premium quality which was fit for longer maturing as a premium cheese under the label Walserstolz.

The region was interested in projects that were eligible under Objective 5b and supported the concept and funded the concept so that the farmers didn’t have to pay anything. The six dairies established a umbrella organisation to channel the flow of support.

Establishment on the market

Until 2002 there was a rapid market development. Hosp took the lead and started 1998 with 20 tonnes Until 2002 this was increased to 120 tonnes. 1999 EMMI, a Swiss cheese marketer took over from Hosp. EMMI stepped into the existing contracts and continued them. Also the CEO remained the same. Due to these factors of continuity the change of the firm was not disputed by the farmers.

![Graph showing sales from 1998 to 2006](image)

(Source: Mag. Frei, pers. comm)

Phase 2: Quality assurance 2002 - 2005

The rapid expansion led to quality problems. In the beginning not even formal quality grading was effected as long as the chief ripener at Hosp has “a good feeling”. 2002 problems with cheese quality came up cheeses started to crack during ripening and become patchy.

First there were allegations from farmers to the marketer and vice versa but then all parties agreed on a quality security program established with assistance of the Chamber of Agriculture. The real reason was never found most likely it was a combination of a number of factors in all stages. With a quality management system the quality improved again so 2006 the amount of marketed Walserstolz went up to 175t.

Originally there had been seven dairies producing Walserstolz. Six dairies were operated by the cooperatives themselves and sold the “green” (unripe) mountain cheese to Hosp/EMMI for maturing. The seventh was operated by Hosp/EMMI themselves. This was the only dairy which as operating all year round. All other were making cheese only during the winter months while they stopped during the alpine pasture period.

In the course of time four of the seven small local dairies had closed down. This was connected to quality improvement measures to consolidate production. Three were just too small while the fourth (Raggall) was closed party because of hygienic conditions and the unwillingness of farmers to invest in improvements. Their milk was absorbed by the two of the remaining ones (Sonntag and Thüringerberg). Especially after the closure of Raggall there were some quarrels when farmers sold the milk not to the dairy in Sonntag but to Thüringerberg. This was due to the fact that the milk was collected by a farmer who was delivering to Thüringerberg.
Phase 3 internal and external organisation and networking 2005-2007

2005-2006 break up of solidarity, (Thüringerberg)

The next critical stage occurred 2005 when EMMI cancelled the contract with the one dairy they had been buying the milk from (Thüringerberg). Reasons given for this move differ among interview partners, but it seems that EMMI wanted to have one model of cooperation for all dairies. They expected the dairy cooperative to operate the dairy on their own and to sell the cheese again to EMMI. As there were no prior discussions the cancellation hit the board members by surprise. They felt put under pressure as EMMI thought they would have no other choice than to enter a contract with them. The board member refused to be blackmailed and assessed several alternatives in marketing cheese, but they felt the amount of cheese was too much to market it without a professional partner as they were the only dairy which operated all year round and processed the major part of the milk in the valley. Finally it was Hosp who made the contacts between the board of Thüringerberg and a German milk buyer, Krönauer. He had taken over another dairy in Sulzberg in the Bregenzerwald and invested large amounts of money there. Moreover he had build up a net of regional sales units in southern Germany, the “Schönegger Käsealm”. Thus he had a good reputation.

The decision shook the relations within the Walserstolz initiative. Although it can be argued that this would not present a fundamental change as the dairy had already before sold the milk and not the cheese and as still cheese is provided for Walserstolz by Krönauer, who even uses the maturing cellar of EMMI, the change is perceived fundamental.

Even today there are preoccupations against this move. According to a recent article in the local newspaper (published during our interview phase) only two dairies (Sonntag and Marul) have resisted to the market pressures, while the third one has joined a German marketer. Even though Krönauer is buying the milk with an Austrian firm (Sulzberger Käserebellen Gmbh) and EMMI is a Swiss owned company, locals perceive EMMI as Austrian and Krönauer as German. Implicitly the newspaper article disputes whether Thüringerberg is still part of Walserstolz. The lease to the Sulzberger Käserebellen GesmbH is interpreted as “treason” by some interview partners.

There is also another development that adds to these discrepancies: Krönauer is buying organic milk at a better price and collects it also from farmers who traditionally delivered to Sonntag and Ragall. So there is a certain scramble on the milk resources. As the big regional milk processor Vorarlberg Milch is also buying milk in the valley there are three processors rivalling for the raw material.

The third point is that milk is exchanged between the dairies of Thüringerberg and Sulzberg in the Bregenzerwald (some 50 km away) where Krönauer produces a less matured type of cheese. Some interview partners claimed that up to 50% of the milk would be transferred to Sulzberg. Krönauer claims that amounts are allocated according to market requirements but the communities in the Großes Walsertal see it as a loss of added value if less milk is processed in the valley. This is especially against the intentions of the UNESCO Biosphere park, whose manager is focusing on projects that increase the internal circulation of money. However these days even Thüringerberg closes down operations seasonally during summer as there is not so much milk and this little amount can be processed in Sulzberg. After the loss of the last dairy that operated all year round EMMI started together with the dairy cooperatives to develop the production of Walserstolz from the alpine pastures. At the moment there are 6 alpine pastures (all communal operated) who produce Walserstolz for EMMI, about 30t.
2007 fostering local embeddedness (Sonntag)

These events had also some impact on the present development: at the moment there is the decision to be made on the future of the dairy in Sonntag. Up to now this dairy located at the roadside already operated a “event dairy” (or “experience” dairy) where visitors could make cheese for themselves, which was matured at the dairy and could be collected after six months. They also started in cooperation with the Biosphere park a delivery service to the local gastronomy. Now new investments are necessary to rebuild the dairy. The idea is that farmers have to invest but in collaboration with the Biosphere park who wants to establish an information centre for the rear part of the valley. About half of the investment will be covered by LEADER, the rest by the municipalities and the members of the dairy cooperative. EMMI has also announced to participate in it.

The farmers were very reluctant to invest (about € 8 000.- each) the alternative being to sell the milk to Thüringerberg or the Vorarlberg Milch. Both options would have been the end of Walserstolz. In a workshop on the evening of the general assembly the farmers were convinced to invest for the common goal. Now the mayors of the different municipalities and the tourism responsibles have to be convinced to bring in the part of the investment form the side of the Biosphere Park. Due to the quarrels Thüringerberg is reluctant to support investments in Sonntag. Also the tourism actors in the rear end of the valley (Fontanella and Faschina) are reluctant to invest in Sonntag as they would rather prefer to have a Biosphere information centre in their municipality.

Characterisation of main stages and relevant changes in initiative (strategy, degree of collectivity)

Overall Goal: securing/improving the producer price of milk through a premium cheese

Stage I: start up phase.

Strategy: developing a premium product. By the time Walserstolz started, mountain cheese from Vorarlberg had a good image but was a generic product. The aim was to develop a mountain cheese with a long maturing period and to establish it in a premium segment on the market. They developed different stages of maturing: the traditional one (8 month of maturing) the aromatic one (12 month matured) the cellar master batch (16 month matured), the organic (8 month matured, only from Marul). Marketing was restricted to either local marketing by the dairies themselves or marketing with retailers by Hosp/EMMI.

Degree of collectivity: the six dairies deliver all their mountain cheese to Hosp. Part of the cheese was sold as Walserstolz the other in the traditional channels. A better price was paid for all cheese. Hosp does the selection, grading, branding maturing and marketing. The farmers are not involved financially, but they achieve about 10% higher producer price as before. A long term personnel relationship with the CEO of Hosp develops. This continues when Hosp is taken over by EMMI, the CEO remains the same. They form an umbrella organisation to channel the financial support provided from the EU structural funds by Objective 5b. Decisions are made in a core group. The members of the cooperatives were not involved deeply; they had trust in the functionaries. However they did not deeply identify themselves with Walserstolz (to them it is the same cheese as before).
Stage II: securing quality

Strategy: securing quality. The rapid market development led to an increase of production as Walserstolz. Quality problems with maturing result. Especially the long maturing of 12 months and longer requires an optimum cheese. It means an improvement on the traditional techniques.

Degree of collectivity: farmers blame EMMI, EMMI blames the farmers for the bad quality. After emotional discussions the dairy department of the Chamber of Agriculture becomes involved to analyse all stages of production. Mistakes and problems are found in all stages and programs to improve are developed. The process takes more than two years. Some small dairies close as the necessary investment to improve on the quality would be too high.

Stage IIIa: The split of Thüringerberg

EMMI wanted in 2005 to streamline their mode of cooperation with the dairies. It seems there had been also some discrepancies of price which led to some pressure from the dairies in the rear of the valley to deal with Thüringerberg in the same way as EMMI did with them. EMMI expected that the dairy would start processing milk on their own and that they would get the bid for buying the cheese from them.

Surprisingly the farmers decided to sell the milk to the German milk buyer Krönauer who operated already a dairy in Sulzberg/ Bregenzerwald and had established an Austrian company (the Sulzberger Käsereibellen GmbH.) He had a good reputation as he had invested large amounts of money in Sulzberg, was marketing the cheese of another dairy in the Bregenzerwald and had build up an extensive net of sales points in Southern Bavaria and Allgäu. Moreover he offered a good price for the milk as there was a considerable amount of organic milk among the members of the dairy Thüringerberg. These organic farmers had not received a price premium so far. Krönauer offered also good price for conventional milk. His strategy is flexibility to react fast on changing market requirements. Therefore he was eager to have two dairies with different product assortment. Krönauer is dealing with EMMI and supplies a yearly quota of Walserstolz.

Krönauer would be interested in the brand Walserstolz and would like to use it for his business without involving EMMI. Therefore he argues with the framers to get the brand back from EMMI.

There is still some controversy about the ownership of the brand. This asset can be explained as a part of the cultural capital as Walserstolz means the “pride of the Walser”. Farmers and managers of the dairies generally regretted that the brand is owned by EMMI. Especially the interview partners from Thüringerberg and the employees of Sulzberger Käsereibellen Gmbh were giving the impression that things would be much better if the farmers would own the brand. The manager of the dairy of Sonntag however said that he thinks it is positive that EMMI is in control. If the brand would be operated by the dairies themselves, quality control would loose its rigor. Moreover there is the danger that then everybody would try to sell the first quality individually and only the second quality collectively. This would ruin the brand in the long run. (Similar discussions were raised in Bregenzerwald concerning the Käsestrasse during the case study within the OMiRD project in 2002, because then the Käsestrasse brand was still weak). The interest of Krönauer to own and operate the brand himself is obvious, but it looks like time to reclaim has past. There would be only a chance if the collective organisation of the Sennereigemeinschaft would be re-organised with a stronger position.
Stage IIb: The investment in Sonntag

In Spring 2007 it became clear that the dairy in Sonntag needed to be rebuilt. Due to the mergers with the smaller dairies and the increase of the amount of milk to be processed this became necessary.

Degree of collectivity: maybe the investment in Sonntag is seen as a concentration on the bigger dairy which is still loyal to the brand after Thüringerberg “has been lost to the Germans” (they are regarded “traitors” of some sense).

Explanation of dynamics as a result of contextual factors and capital assets

The start of the COFAMI was clearly resulting out of the price decline, a constraint in the contextual factors. This met with the natural and cultural capital of the valley the human capital of the cheese makers and especially with the social capital largely embodied in the person of Josef Türtscher but also in the old cooperative organisation of the dairy farmers.

This led together with the trend for regionalised food and the cheese tradition in the country to the creation of the Walserstolz as a regional based long matured cheese in a premium segment of the market.

7. Impact assessment

• Market: Walserstolz has successfully positioned itself in the market for mountain cheese within Austria. There is potential also overseas in the US market. Thus it has the potential to secure and increase its market share. For the farmers it led to an increase of the milk price by about 10%. With the regulation for direct sales, local dairies can sell Walserstolz at competitive rates in their shops. The arrangement is that EMMI charges only the real costs of maturing and no profit margin.

• Social: The initiative stabilises farms. Within the Biosphere reserve the initiative is a showcase for sustainability, therefore there is interest to combine the event dairy of Sonntag with the information centre.

• Educational: the event dairy serves as an educational point for tourists and schools to learn about cheese making and farming in general. There is little activity towards improving the educational status of members.

• Cultural: Walserstolz is culturally embedded. Through cooperation programs with the gastronomy the initiative tries to improve the culinary tradition in the valley. The positive feedback, mainly from consumers from outside of the vales contributes to the self esteem of the farmers and the local population in general.

• Environmental: the small scale dairy production systems are encouraged by the initiative. However so far the breeders mentality is geared towards intensification and increase of milk yield.

• Political performance: The initiative is regionally used as a showcase for regional development and locally as a materialisation of the concept of sustainability in connection to the Biosphere Park.
8. Critical event:

A critical phase cropped up in the beginning of 2007 when the biggest dairy producing Walserstolz had to consider rebuilding its premises. It had become necessary as the building was old, and the production level had grown because other dairies around had already closed down and more farmers delivered more milk to the remaining one. The financial investment for each farmer is substantial (about €8000.-) considering the size and economic output of mountain farms. Still the management was able to keep the amount low, as a cooperation with the Biosphere reserve, which would be interested to have an information centre in this part of the valley, can attract additional public money. The combination with the Biosphere reserve was entered because already in the present stage the dairy had offered to tourists to experience on hands cheese making in a separate room. This “cheese making experience” should be professionalized in the new setup.

The functionaries of the dairy had, in cooperation with the cheese marketer, regional stakeholders from the biosphere reserve and the support agencies worked out a concept which was to be decided on by the members of the cooperative. The decision in this particular dairy was of crucial importance to the entire Walserstolz COFAMI as over the years the concentration process had reduced the originally 7 dairies to presently only three remaining. Moreover the dairy in question is the only one where all year round cheese is produced, one other is a small organic dairy and the third one has a different organisational set up as the cooperative sells the milk to company owned by a German milk buyer who produces Walserstolz only on contract for the cheese marketer.

The manager thought farmers would agree, as he had not heard anything different. He was struck by surprise when two farmers cancelled their membership. The leaders realised that there had been a communication gap and organised a workshop externally moderated on the day of the general assembly of the dairy when the decision was to be taken. In a group discussion process the members realised the importance of the rebuilding project, not only for the dairy but also for the COFAMI and the entire valley. They finally agreed to the proposal. However it needs also the consent of the mayors of the concerned municipalities in the valley and the tourism associations as they have to agree to the financing model. There different interests clash: The mayors of the villages in the front part of the valley perceive the information centre as a competition to the existing administrative centre in Thüringerberg. In the discussions the financing of the event dairy and the information centre is mixed. This raises the feeling that the other municipalities are supporting the local dairy of Sonntag. Among the villages in the rear part of the valley it is Faschina which is the most tourist oriented one and the tourism officials feel an information centre should be build in their village.

If the COFAMI succeeds the regional network will be reconfigured and extended respectively strengthened. This would lead to a new configuration of social capital in the valley. The bonding social capital within the dairy however has been improved already by the workshop experience, and the dairy manager is considering to hold such workshops on a more regular basis.
9. Summary and Conclusion

Walserstolz is an initiative which has the following special features:

- it combines different stakeholders along the supply chain (Farmers, Dairies, Ripeners and Marketers)
- so far there is no overarching coordination structure. This poses problems in coordinating the diverging interests
- the initiative is locally embedded into the Biosphere reserve

Satellite cases for Walserstolz - chain governance structures

a) The Comte Case

**Question to be covered in the satellite case:**
How to develop structures which allow a good governance of the marketing chain for Walserstolz.

**Rationale:**
During the case study it became apparent that certain stakeholders problematise the ownership of the brand by the ripener and exclusive marketer to retailers outside the region of production. It seems this creates an asymmetry in the power relations. On the other hand there are a number of good arguments and also negative examples which support the present construction. However at the present moment there are a number of mutual allegations and mistrust between the different actors along the chain which demand a certain coordination body to discuss diverging views and finds common solutions for the strategic direction of the initiative.

The AOC consortia of cheeses in France and the PDO consortium of Parmigiano Reggiana provide examples of chain coordination which could be used as examples.

**Material used**
For the Comte case a number of research reports were consulted (see references below). No interviews were necessary.

**General description of the satellite case**
Location of the Comte"
The chain governance structures

Chain governance is carried out by the CIGC (Le Comité Professionel de Gruyère et Comté – the Interprofessional Gruyère and Comté Committee) and the Comté Technical Committee (CTC).

The Interprofessional Gruyère and Comté Committee

Created in 1963, the CIGC is both the representative of the actors within the supply chain, and their intermediary with the economic, administrative, political and university partners. It promotes Comté cheese commercially, defends the interests of the professional network, and organizes cultural and research activities. Its activities include market management, protection and regulations of the PDO, communication and advertising, and managing the internal cohesion of the network (van de Kop et al 2006).

The Interprofessional Gruyère and Comté Committee (CIGC) plays a central role in:

- The definition of annual production plan and the enforcement of the plan when agreed by the Public Authorities.
- The definition of the PDO decree and its evolution.
- The common advertising campaign. The collective advertising in Comté sector is very important as expenses are about 1.7% of the annual turnover of the industry. This collective action is mainly financed by the receipts from selling the right to produce (green plates) to cheese-making firms.
- It is also the CIGC which has developed the basis of the contracts that link cheese making firms and ripeners.

As compared to other PDO products in France, the Comté industry stands out as one of the best organised.

The CIGC has two missions, namely (CIGC website):

- The first is a socio-economic task, to allow producers of to the difficult “terroir” of the Jura mountains to carry out a sustained economic activity, positive for land settlement and landscape protection;
- The second is a cultural task, to ensure observation of consumers’ expectations in terms of environment safeguarding, non-industrialized craft processes and natural and authentic products (via the PDO decree).

The CIGC represents the different actors of the industry. The CIGC managing bodies comprise the plenary assembly and the board.

The plenary assembly is made up of sixteen representatives from four different colleges, each college having four representatives: 4 farmers, 4 cheese-makers, 4 ripeners and 4 retailers.
The plenary assembly votes the main orientations of the CIGC, and the committee implements them.

Within the board, there is a commission on each sphere of activity of the CIGC:
- advertising,
- information,
- economics and
- technical aspects.

**Production coordination:**
A major activity of the CIGC is managing the production of the industry through the sale of rights to produce. In practice, these rights take the form of green plates (made of casein) that are affixed to the cheeses. The rights are allocated to the producers of unripened cheese on a historical basis, being sold for approximately 4€ each in 2006, which corresponds to 0.1 €/kg of cheese or approximately 2% of the selling price of unripened cheese. If cheese producers wish to exceed their reference quantity, they can buy additional plates by paying a supplementary charge equal to, in 2006, 20 times the basic production levy, that is to say, 80 €/plate, i.e. 2 €/kg, which accounts for approximately 40% of the final price of Comté. The CIGC uses revenues from sales of rights to produce mainly for advertising.

**Chain coordination:**
The classical scheme is that of a non-integrated organisation, where the cheese dairy and the ripener are independent of one another. This scheme accounts for approximately 85% of the Comté production. The cheese dairy sells unripened cheese to a maturing specialist (or ripener), who, after ripening, sells it to the final retailer. The cheese dairy is either a cooperative (75% of Comté production) or a private company (10% of Comté production). All ripeners are private firms. Between the cheese dairy and the ripener, the transaction is usually based on a standard contract known as a CIGC contract. One third of the exchanges are carried out strictly according to this contract, while the remainder take this contract as a starting point. This contract mainly defines how the price of unripened cheese is determined. This price is based directly on the final selling price of ripened cheeses via the calculation of a reference price (called National Weighted Average or NWA). Two cases arise for the payment of milk producers. If the cheese dairy is a co-operative, the milk price is deducted from the selling price of unripened cheese and the costs of processing cheese milk. If the cheese dairy is a private firm, the sale of milk is contractual. In this scheme, a share of the risks of price variation of the Comté is taken on by the cheese dairies, which are paid according to the selling price of the ripened product. Conversely, the ripener’s payment is largely based on the lump sum refund of the costs of ripening.

The second scheme is a vertical integration of the ripening activity by cheese-making co-operatives. It accounts for approximately 10% of the production of Comté. This scheme is used by the Agricultural Cooperative Union of Traditional Cheese-making dairies (UCAFT). This cheese-making dairy co-operative carries out part of the ripening at a ripener integrated into the system, while sub-contracting another part to a ripener who is paid a percentage of the selling price. This system is different from the CIGC contract, which is based on the average selling price of ripened cheeses. Here, the subcontracted ripener is paid according to the selling price of his own cheeses. The dairy producers are paid according to the cooperative
system. Taking into account vertical integration, the price risks are supported by the agricultural producers (Paris, interview). The third scheme is an integration of unripened cheese production and ripening by private operators who purchase their milk through contracts with milk collection cooperatives. This system accounts for approximately 4% of the total Comté production. It is carried out primarily by the Entremont dairy group. Only part of the production of this firm is carried out through this scheme. For the major part of its production, this industrial dairy entrusts the production of unripened cheese to a co-operative in a form more or less resembling a CIGC-type contract (Paris, interview).

The current structure of the vertical chain is a result of history. In the beginning, only the first scheme (non-integrated organization) existed. The second scheme appeared in the 1930s, but partially collapsed and continued to exist on a smaller scale after the 1980s. The third scheme appeared in the 1980s and took a significant scale in the 1990s.

**Price negotiations:**

Each month, the CIGC calculates the average sale price of cheeses, called the National Weighted Average (NWA). It is based on the average selling price of cheeses, all categories taken together, on exit from the maturing cellar. This value is calculated from the ripeners’ declarations to the CIGC of the quantities sold and their turnover in the month. A base NWA is calculated by deducting the ripening costs from this NWA, which is inclusive of all charges. These ripening costs include transportation, general overheads and financial expenses as well as storage costs.

**The Comté Technical Committee (CTC)**

This committee is funded and financed by users, the CIGC and the French government. The CTC is the network’s technical and scientific arm. It is responsible for technical advice and monitoring as well as quality control.

The central document for quality control is the PDO decree:

The Comté PDO decree assures the quality and distinctiveness of Comté cheese by defining the area of production (departments of the Doubs and Jura) and the production and processing methods. The main current rules with regard to milk and cheese production are as follows:
• **For milk production**, obligation to use local breeds of cows, prohibition of the use of silage, limitation to one cow per hectare of fodder surface-area, limitation of feed concentrate to 30% dry matter in the total feed, regional origin of feed, obligation to

• **For processing**, prohibition to collect milk from a radius of more than 25 km from the point of collection, duration of cheese ripening equal to at least 120 days, regulations on the duration and temperature for the various processing stages.

Table 1. Evolution of the specifications of the Comté AOC

<table>
<thead>
<tr>
<th></th>
<th>1986 decree</th>
<th>1998 decree</th>
<th>2006 draft amendment of the decree</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milk production</strong></td>
<td>– Cows must belong to the Montbéliarde or French Simmental breeds.</td>
<td>– The stocking rate is limited to one cow per hectare of grassland pasture.</td>
<td>– Farm size is limited.</td>
</tr>
<tr>
<td></td>
<td>– Silage and other fermented feed are prohibited.</td>
<td>– Concentrates given to animals must represent less than 30% of the consumed total dry matter.</td>
<td>– Production is limited to 4500 litres/ha of main fodder area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Two milkings per day are mandatory.</td>
<td>– The stocking rate is limited 1,3 livestock units/ha.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>– Concentrates must be less than 1800 kg/cow/year.</td>
</tr>
<tr>
<td><strong>Cheese dairy processing</strong></td>
<td>Milk has to be collected within a radius of 25 km.</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td><strong>Ripening</strong></td>
<td>Minimum of 90 days of cheese ripening.</td>
<td>– Minimum of 120 days of cheese ripening.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>– Mandatory manual operations during the ripening stage.</td>
<td></td>
</tr>
<tr>
<td><strong>Other changes</strong></td>
<td>– Casoin plate for cheese identification.</td>
<td>– A special dispensation must be granted for prepacking outside the PDO area.</td>
<td>– Grate comté production is authorized.</td>
</tr>
<tr>
<td></td>
<td>– Specific labelling other than Comté is forbidden.</td>
<td>– Brand labelling is authorized.</td>
<td>– Introduction of “terroirs” or particular geographical terrains, known as “crus” (analogous to districts) within the PDO area.</td>
</tr>
</tbody>
</table>


At present, the obligations of the Comté PDO specification do not appear very constraining for farmers. Indeed, on the whole, the levels of compliance observed in the PDO area remain well within the requirements of the regulation, just as much for the producers of Comté milk as for producers of other milks. Thus, the specification records and sets for the future the rules of production of the existing regional extensive dairy farming model.
<table>
<thead>
<tr>
<th></th>
<th>introduces a significant constraint</th>
<th>improves sensory characteristics of cheese</th>
<th>Causes a limitation of the level of production</th>
<th>role in land use and occupation of territory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mandatory breeds of cow</td>
<td>no</td>
<td>yes (could be possibly obtained with other breeds)</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>Limit of stocking rate per hectare</td>
<td>no</td>
<td>Not determined</td>
<td>No, provided it is nonconstraining</td>
<td>None, provided it is nonconstraining</td>
</tr>
<tr>
<td>Prohibition of silage</td>
<td>potentially for grass silage</td>
<td>Yes, if problem with silage quality, otherwise no</td>
<td>yes</td>
<td>yes (extensification)</td>
</tr>
<tr>
<td>Limitation of concentrates</td>
<td>Yes, for some farms</td>
<td>yes</td>
<td>yes</td>
<td>yes (extensification)</td>
</tr>
<tr>
<td>Requirement to carry out two milkings per day</td>
<td>Yes, for some farms</td>
<td>Not determined</td>
<td>no (on the contrary, single milking would decrease production)</td>
<td>yes (employment)</td>
</tr>
</tbody>
</table>

References:

http://www.comte.com/


Kasey Moctezuma (2005) Promoting Geographical Indication Extension as a Tool to Sustain Tradition: Examining the Comté Case Capstone Project prepared for the degree of Master of Arts in International Trade Policy at the Monterey Institute of International Studies

b) Additional aspects from the main case of Beaufort

Material:
- The case study report of COFAMI written by Gerard Assouline,

Results:
The internal organisation includes also alpine summer farms and pasture associations, which would be needed to be included also in the case of Walserstolz
Contrary to Walserstolz each dairy is responsible for marketing (but Beaufort is producing more than 10 times the volume of Walserstolz)

The UPB – Union des Producteurs de Beaufort [Union of Beaufort Producers]
It works like an intelligence service making circulate among members informations from each cooperative processing unit on :
- production / month,
- stocks / month,
- selling / month
- collective indicative average price to wholesalers.

The Syndicat de Défense du Beaufort - SDB [the Defence Union of Beaufort]
It is the legal body, recognized by INAO (Institut national des Appellations d’Origine), to represent the AOC. It was founded in 1975, as a legal structuring step of the AOC. It gathers all producers, cooperatives, independent pasture associations and local industry.

Its board is structured within 3 « colleges »:
- Milk producers : 1 representative for 8 producers,
- Processors : coop presidents + pasture associations representatives + industry representative,
- Qualified persons : 10

They market different types of cheese:
- “summer” for the one from mountain pastures
- “Chalet d’alpage” applied to summer productions, produced according to traditional methods, in mountain chalets above an altitude of 1500 metres, using the milk production from a single herd of cows in chalets.
Application of the Comte/Beaufort system on the Walserstolz

As the Walserstolz initiative is considerably smaller, only certain elements seem to be applicable.

One central point could be the introduction of strict regulation on production and processing. While there are quality controls on processing, so far no restrictions on the intensity of production have been established besides the abolishment of silage. As the example of Comte shows the restrictions applied there are not very constraining to farmers, but they give a signal against intensification. (At the moment new feeding regulations on alpine pastures are discussed in Vorarlberg, including prohibition of Soya feeding "Vorarlberger Nachrichten" Nr. 228 02.10.2007 p. A9 )

Proposed regulations could include:
- restriction of breeds to “Braunvieh”
- limitation of stocking rate to the ÖPUL density according to the ÖPUL regulations for alpine pasturing (max 0,65 LSU/ha) and animal friendly husbandry (max 4LSU per ha of pastureland) Overall stocking rate of 1.5 LSU/ha (?)
- limit of milk delivered to the dairy (including alpine pasture season) of 4600 liters per year
- silage free and GMO-free feeding
- restrictions in the use of concentrate feeds, (e.g. abolishment of Soya feeding, maximum of 6 kg per cow and day at home and 3 kg per cow and day on the alpine pasture)

These regulations should be controlled by an official controlling body independent from Walserstolz.

The other major point concerns the establishment of a structure that represents farmers, dairies, collective alpine summer farms, the ripener (who sells to supermarket chains and exports) and the (potential) regional marketer.

This structure seems to be of paramount importance to discuss the current mutual allegations and to regulate the use of the brand in a unanimously agreed way.

The use of casein plates could be considered to respond to the consumer interest into the providence of a certain dairy.

The proposed organisation structure for Walserstolz could include:

A board of Walserstolz including:
- representatives of farmers (according to the members of each dairy)
- directors of the dairies
- representatives of the collective summer farms producing “summer Walserstolz”
- the ripener & national/international marketer
- the regional marketer

This board discusses
- the allocation of milk especially in the beginning and at the end of the alpine pasture season,
- the general marketing strategy
- the price relations between the sales price and the producer price and the price for “green cheese”,
- the use of casein plates etc.
- changes of the regulations
Conclusions

The two cases started at different times with different contextual framework conditions: This chapter tries to compare the two in regard to contextual framework, lifecycle and strategies.

**Contextual framework**

While UaB was created out of the opportunity of an increasing demand in the tourism sector, the first ideas for the founding of Walserstolz were coming from the threats to agriculture posed by the accession to the EU.

The type of market environment was very different: while the milk market was up to 1992 (preparation to EU accession) highly regulated, UaB could operate in a fairly unregulated market environment; the dairies and dairy farmers had to learn how to market their milk and cheese with a long history of protected market conditions.

For both initiatives it was decisive to find strong partners who had the market knowledge, as for the farmers in both initiatives marketing was a rather new field. In the case of Uab this was the Raiffeisen travel agency while in the case of Walserstolz this was the cheese ripening and marketing company Hosp. Both initiatives were assisted by the agricultural institutional sector (the Chamber of Agriculture).

For both initiatives the development of clear arrangements was crucial, in the case of Walserstolz between the different dairies and the ripener, in the case of UaB mainly the quality scheme for members.

The general mentality towards the new activities was in both cases favourable. In Tyrol tourism had a very good image as the motor of economic growth; in the Walsertal (and in Vorarlberg in general) the entrepreneurial spirit is quite high.

The initial success of both initiatives depended on the connections of some stakeholders to funding institutions and policy. However, the role of support programs is ambiguous. Walserstolz was able to start without own contribution of members, otherwise farmers would not have joined the initiative; on the other hand this prevented strong identification.

UaB had received the support more in assistance with personnel and infrastructure than with money. Therefore the initiative right from the start asked financial contributions from members (membership fees), which fostered identification.

But also the type of product and the form of competition with other actors on the market influences the level of identification: Walserstolz is in competition with other dairies and milk buyers which pay the farmers more for their milk and alienate them. Opportunistic behaviour of farmers is a big problem at the moment because the cooperatives should produce a constant/certain amount of cheese. For a dairy it is necessary that most or all farmers in the area take part as they depend on the volume for processing. This is not the case for UaB as only those farmers participate in the initiatives who expect a benefit. At the beginning it as even a declared goal to professionalise farmers to that extend, that they can survive on the tourist market individually.

Both initiatives perceive the legal environment differently: while for the dairies the legal situation in Austria is felt permissive (e.g. high hygiene standards), UaB benefits from the positive image of Austria, because this brings also competitive advantages, e.g. environmental programs which support mountain farmers are one of the reasons why steep grassland is still cut in Austria which influences the landscape what again has positive effects on tourism.
Both initiatives were able to influence the political framework positively. UaB has the regular contact with politicians for lobbying even as a part of the terms of reference for president and CEO.

Lifecycle

The two initiatives are in different stages of their lifecycle, which plays an important role, first for developing the high profile of a product/brand, secondly for the self-identification of farmers with the label. Not only consumers have to accept a new label but also the producers (farmers); in the case of Walserstolz the label has still to grow and is perceived at the moment to be still in the pioneering stage. The value of the brand for members and farmers is still not so visible. In contrast to that UaB has a high recognition as a label and some professional tourism farmers joined the initiative recently because of the high value of the brand. On the other hand the brand “Walserstolz” is copyrighted, while the term “Urlaub am Bauernhof” can be used by everybody, only the logo is protected.

Strategies

The strategies of the two initiatives are similar in some ways and differ in others.

Both products try to tell tales of the region and traditions in which they are embedded; both products try to transmit authenticity, Walserstolz is offering “dairy experiences”, telling the consumers the story of the local population (“Walser”) and their “Walserstolz”. The “tales” told by UaB and the images connected with UaB (nostalgia, animals, nature, memories, etc.) are easier to communicate than the history of the “Walserstolz” cheese and its producers. On the other hand the values connected with UaB are more general and less specific than the ones connected with “Walserstolz” and the distinctiveness of the Walser people. The denomination “Walserstolz” is a very strong name and implies uniqueness.

The two products stand for different approaches on the market, “Walserstolz” is a standardized product in a long value chain, while UaB offers a individual product in a direct marketing way. UaB is like a common recipe with individual flavours and spices of each member, while Walserstolz needs to have standardisation to achieve marketable volumes. This has important impacts:

- Farmers in the Walser valley are producing “only” milk and do not process the milk to a final product (cheese) or market it by themselves whilst the UaB farmers produce a final product, market this product and have therefore more identification with their product.

- UaB enterprises are standing at the end of the supply chain and therefore a big amount of the added value lays in their hands, while the milk producing farmers of the Walser valley stay at the beginning of the supply chain wherefore they have to share the added value with others.

- While UaB enterprises have to market their product by themselves, the responsibility in the case of “Walserstolz” lies with a downstream company. The price for Walserstolz is made by the ripener who sells the product. The association of UaB has not a big influence on the price and defines only the minimum price; the price depends largely on the individual farm and UaB enterprises have therefore more financial scope.

- Most people are willing to spend more money for holidays than for food and this is an advantage for UaB and in the same time a disadvantage for “Walserstolz”. It is easier to sell UaB on reasons of quality while for cheese the price is always more important.