

## CASE STUDY AT-1

### ORGANIC FARMING IN MOUNTAIN REGION MURAU (AUSTRIA)

#### BRIEF PROFILE OF THE CASE STUDY

- This case study focuses on **organic mountain farming** in the region Murau combined with a specific type of milk production, i.e. **hay-milk production**, which is a characteristic and long-established management system in the district.
- Organic hay milk is distributed throughout Austria by the retail chain Hofer which is also the proprietor of the **brand “Z.z.U.” (back to the origin)**.
- About **33 %** of all organic mountain farms in the district are represented by “Z.z.U.”.
- Organic hay-milk is considered the **highest premium milk product in Austria** at present.
- Analysis focuses on how this milk production encourages the provision of environmental and social benefits: (i) **biodiversity** and (ii) the preservation of the characteristic **regional landscape and cultural heritage**.



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#### KEY FACTORS IMPACTING THE PROVISION OF ENVIRONMENTAL AND SOCIAL BENEFITS

While the current policies under CAP pillar 1 puts pressure on the provision of environmental and social benefits (e.g. leading towards farm size enlargement and intensification), agri-environmental measures and Less Favoured Area Compensatory Allowance schemes are key measures of the second pillar supporting extensive agricultural practices and therewith positive externalities for the provision of selected key environmental and social benefits. On a regional level, regulations for organic mountain hay-milk production for “Z.z.U.” go beyond the requirements of EU organic production (e.g. silage-free and soy-free fodder, 75% of fodder from in farm production, specific rules on pasture management, certified animal welfare). The resulting **extensive mountain farming practices** and the production of organic hay-milk for which producers receive a **substantial price premium**, increase the **economic viability** of extensive modes of production. They also contribute to the **conservation of the prevailing features of cultural landscapes** and have a **positive impact on the level of biodiversity**.

#### EMERGING FINDINGS AND CONCLUSIONS



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- Extensive land management systems (both in agriculture and forestry) are inseparably linked to the provision of key environmental and social benefits in the mountain district Murau.
- An important prerequisite for the continuation of mountain farming (e.g. on a medium-term) is a **sufficient agricultural income**.
- While RDP measures in Austria are of great importance to mountain farming, a **combination with private schemes** renders **extensive forms of agriculture in mountain areas economically more viable, reducing the threat of farm abandonment due to market developments**.
- **Consumer choices** for organic hay-milk products (at the other end of the food-chain) directly impact the provision of relevant environmental and social benefits.
- Therefore, the case study exemplifies how economic, social and environmental objectives can be met simultaneously.

