



# **Effects of CAP on Alpine farming**

## **findings for Austria**

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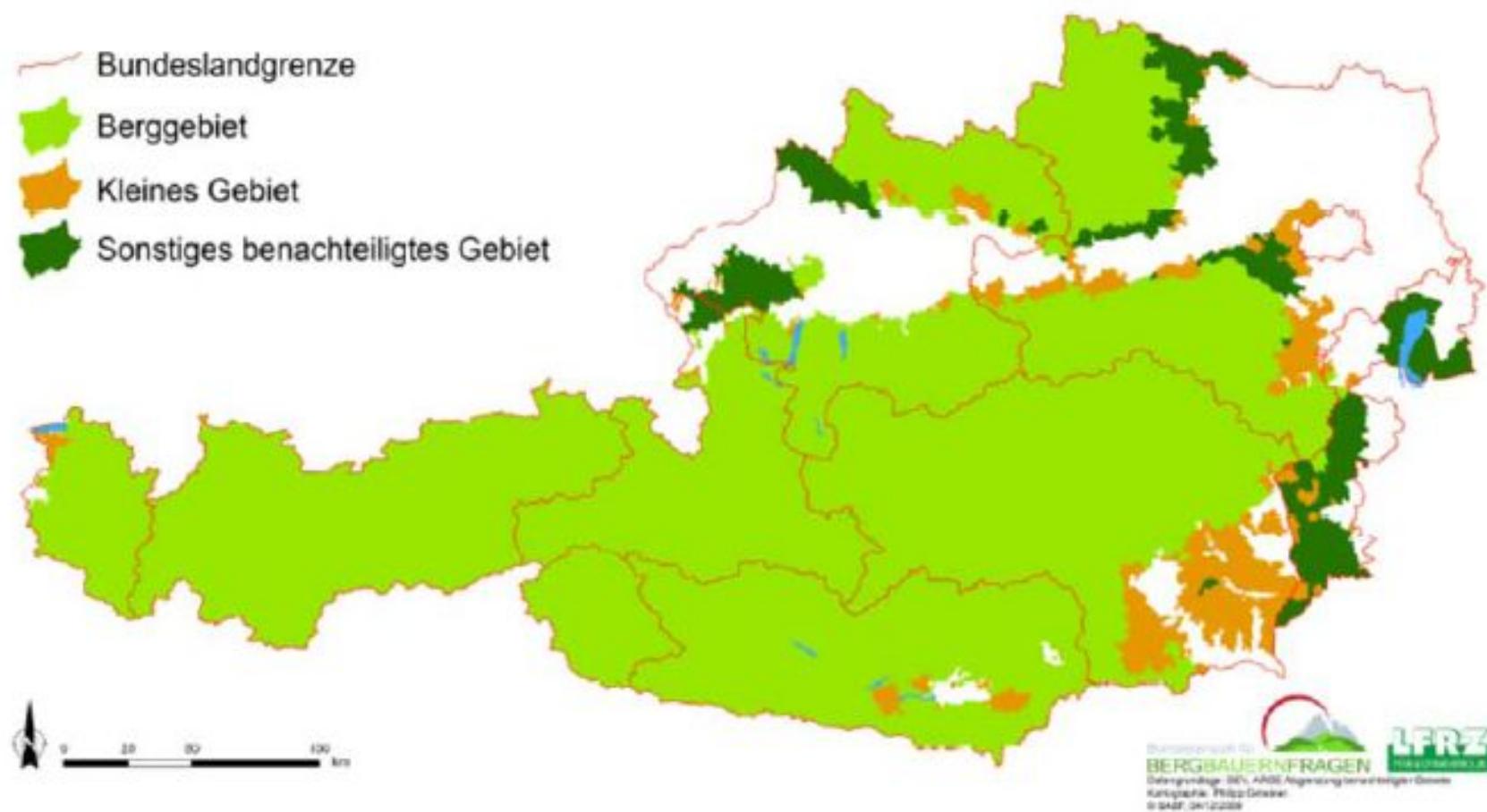
**Internationale Konferenz zur  
Zukunft der Berglandwirtschaft im Alpenraum  
13 Sept. 2017**

- scope and focus of the presentation
- the relevance of CAP for mountain farming
- some empirical findings on economic performance indicators
- key challenges for the years to come
- looking ahead

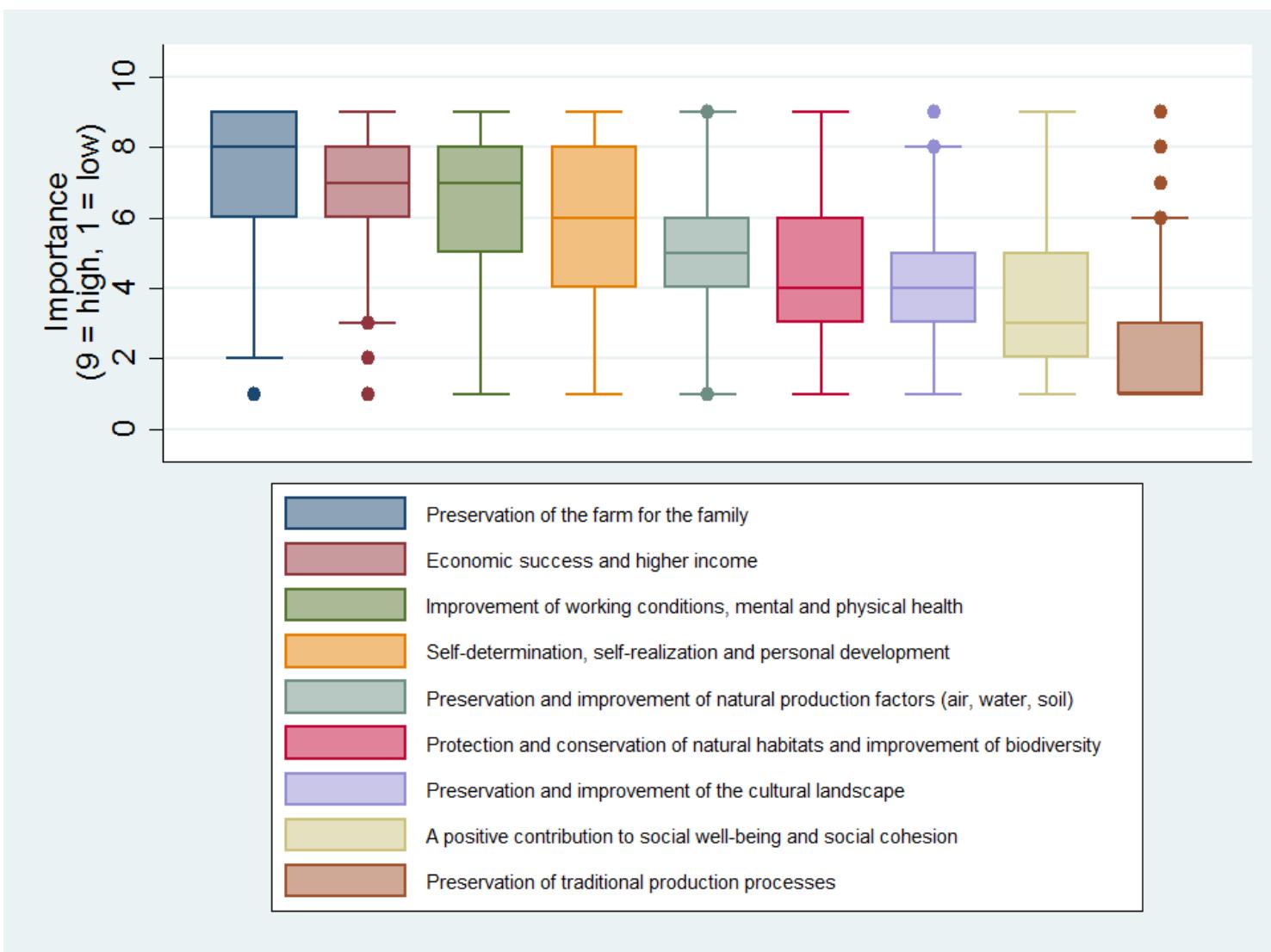
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## scope and focus of presentation

# mountain regions in Austria



# motivations of farmers in Austria

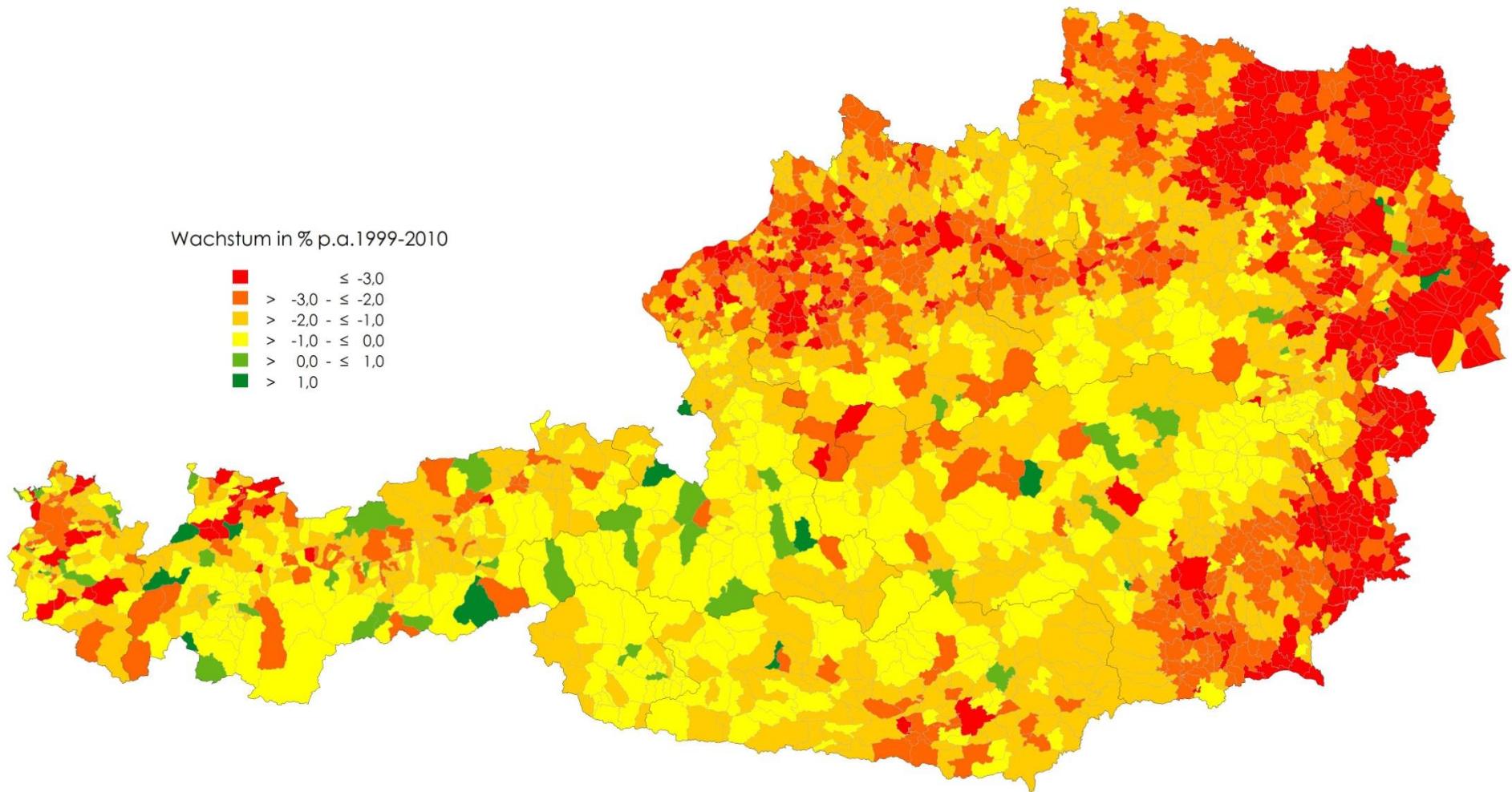


# a puzzling finding: structural change in (Alpine) agriculture



decline of farms between 1999 and 2010  
green: Alpine municipalities  
blue: whole country

# a puzzling finding: structural change in Austrian agriculture



**annual rate of change of farms between 1999 and 2010 in Austria**

# WIFO ■ key elements of CAP and other policies and Alpine farming

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- **common goals of agricultural policy (Art. 39)**
  - productivity
  - distribution: fair standard of living – increasing earnings
  - stability of markets
  - availability of supplies
  - reasonable prices for consumers
- **preserving/protecting/improving environment (Art. 191)**
- **common market**
- **common additional goals (e.g. EU 2020, Paris 2016)**

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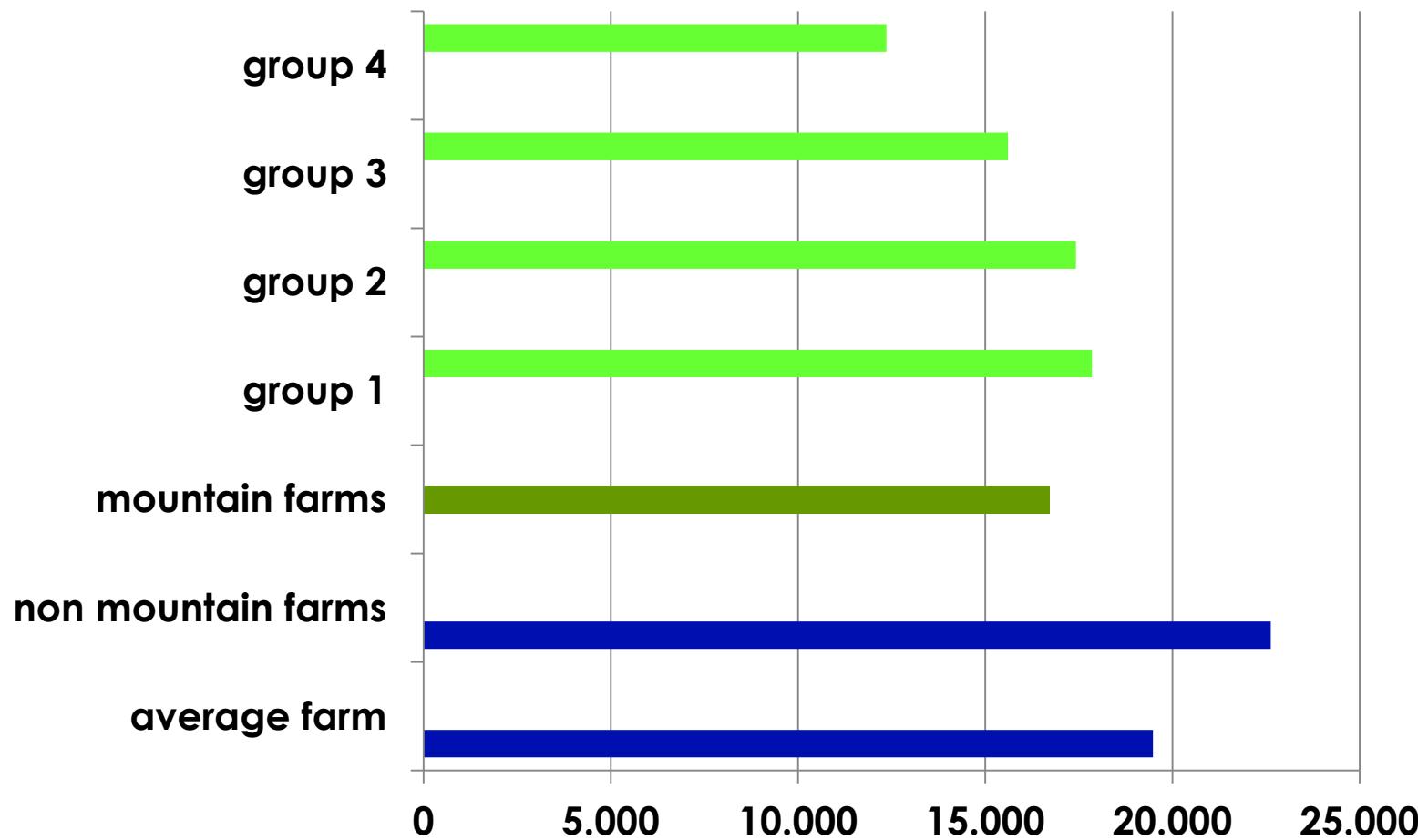
**some findings**

**flashlight on 2015**

# structural characteristics of farms in Austria 2015

	share in %	size ha RLF/farm	labour nAK/farm
average farm	100	24.0	1.23
non mountain farms	53	28.8	1.15
mountain farms	47	19.7	1.29
group 1	17	21.5	1.25
group 2	20	20.1	1.34
group 3	7	19.2	1.31
group 4	3	13.7	1.24

# earnings in Austrian agriculture 2015 in EUR/farm

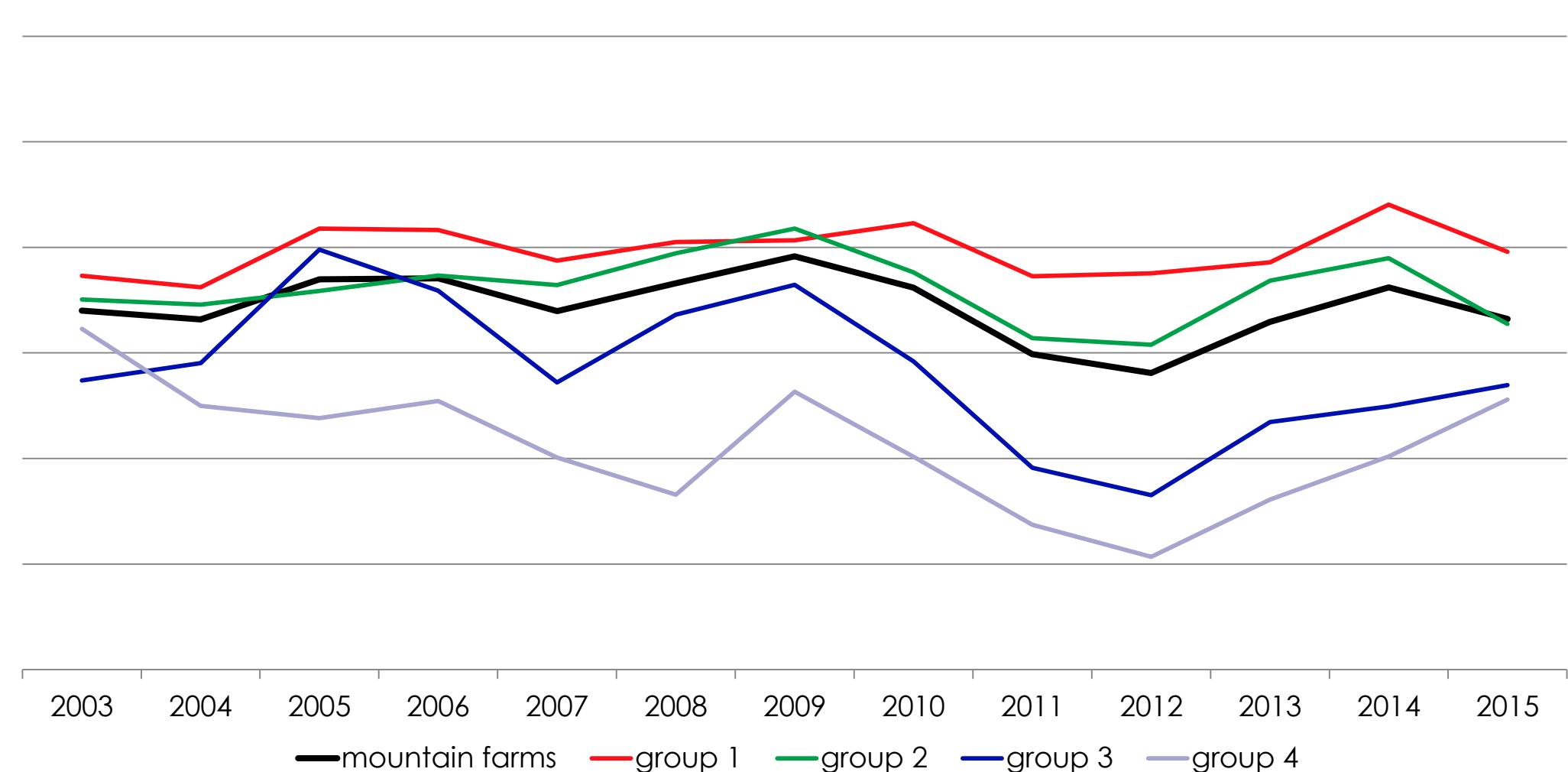


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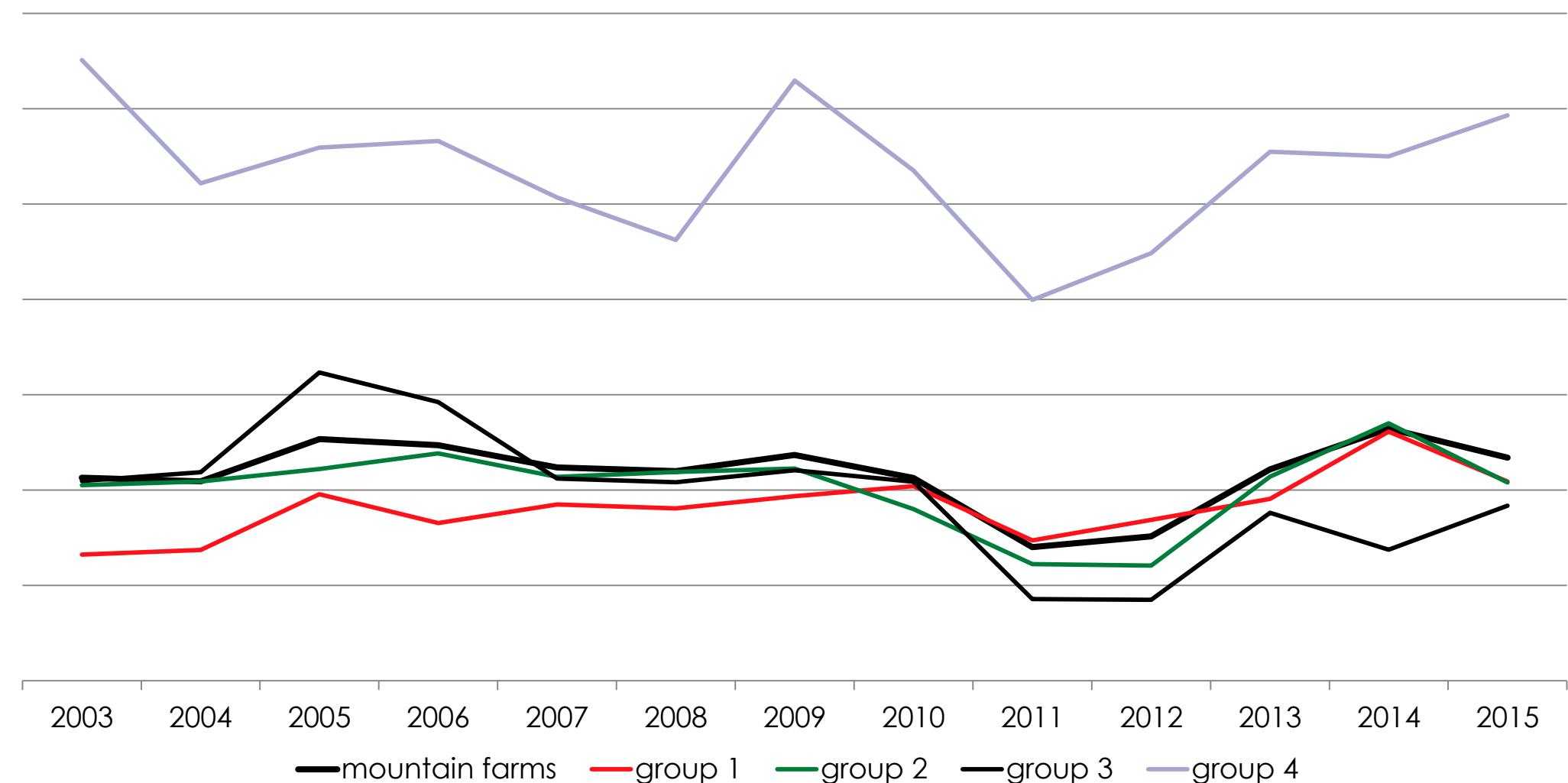
**more findings**

**an in depth view on relative total farm incomes**

# total income per farm relative to average total farm income per farm



# total income per farm relative to average total farm income per ha

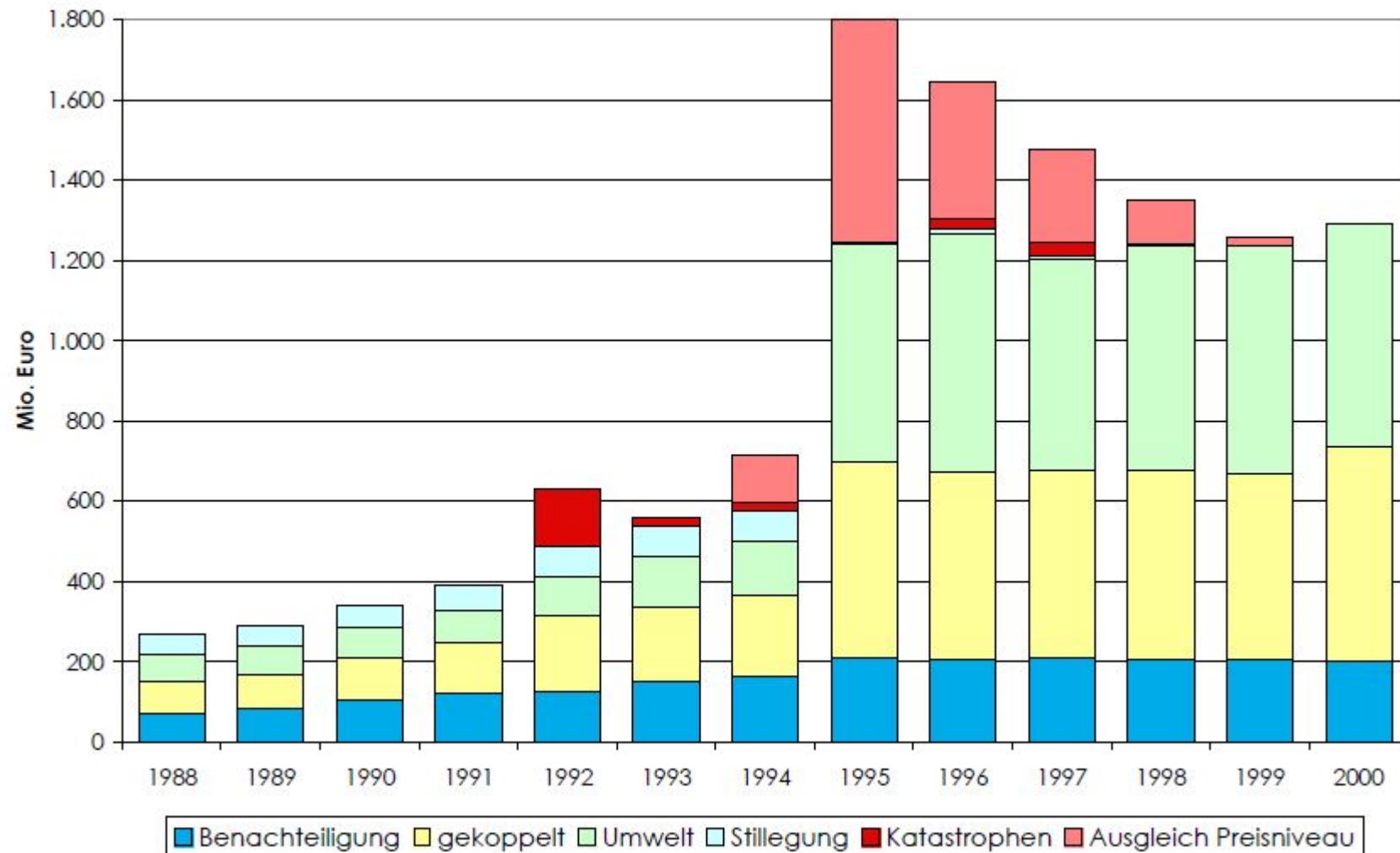


**mountain farming in Austria outside the CAP**

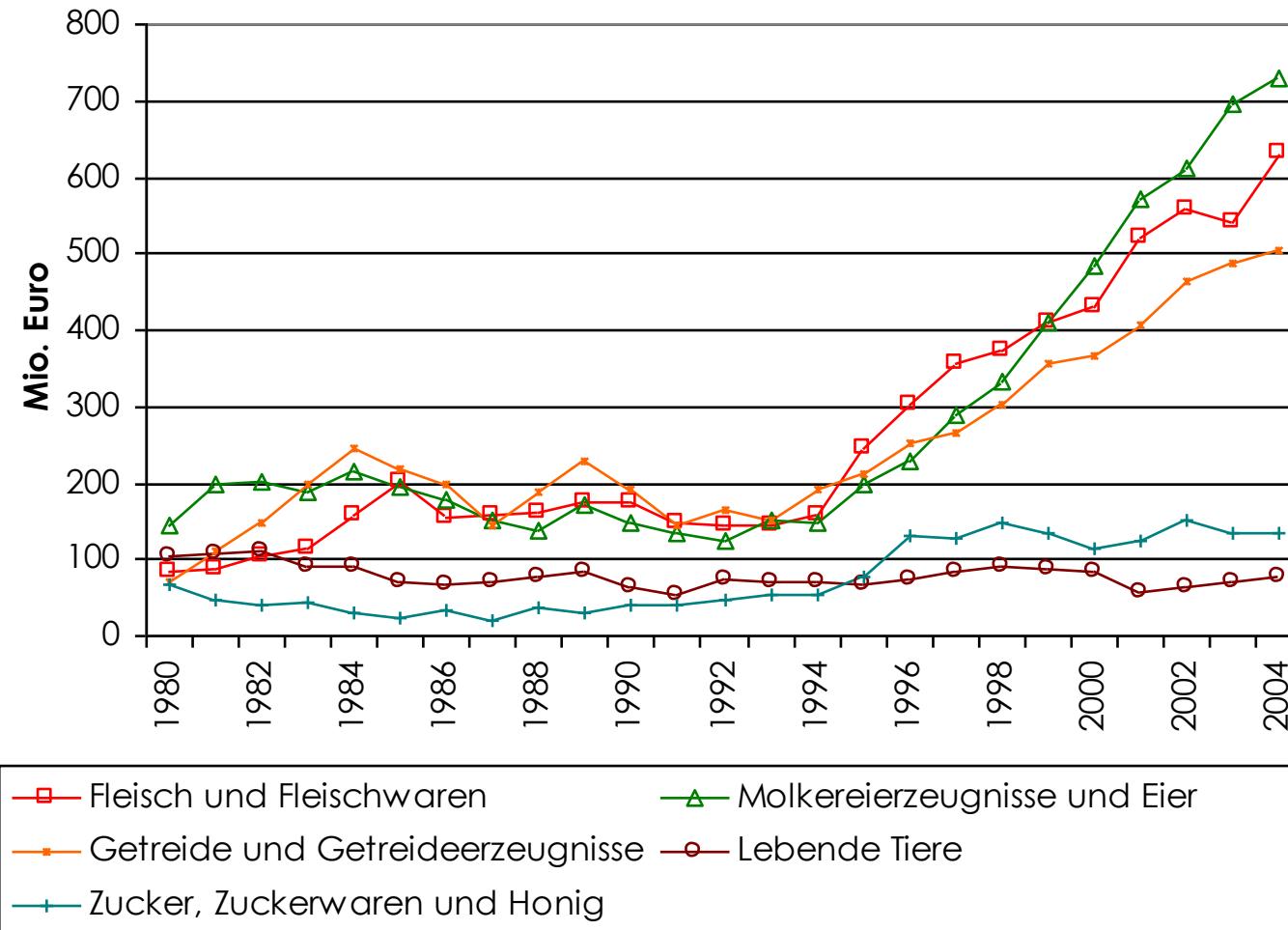
**living in a counterfactual world**

- GATT and WTO
- domestic fiscal discipline
- growth-effect of economy not realized
- market access
  - investments in food processing industries
  - milk and beef supply and demand relations

# looking at the counterfactual public transfers to agriculture 1998-2000

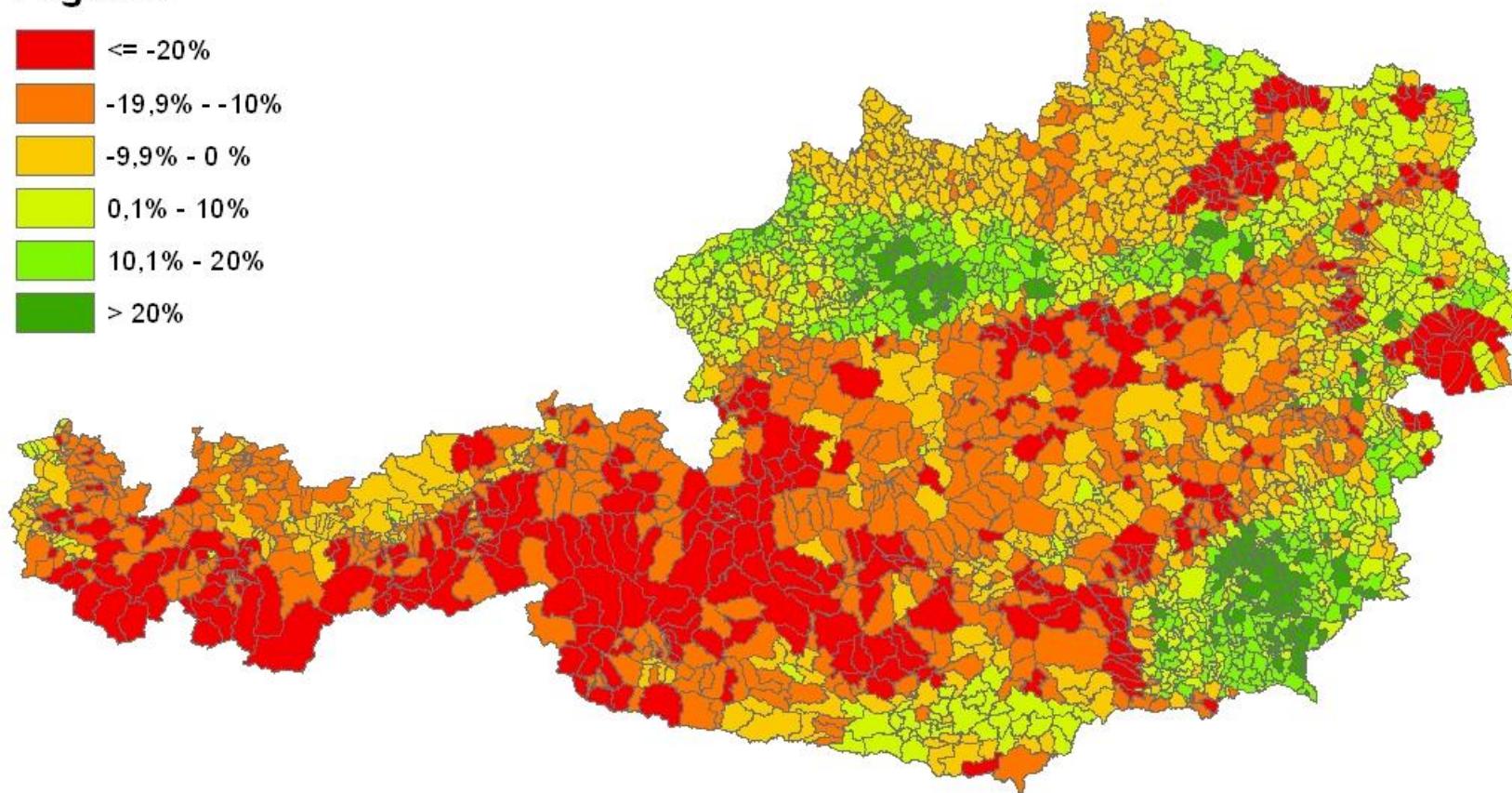
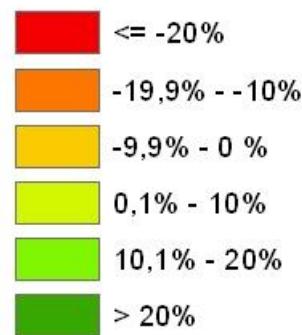


# looking at the counterfactual agricultural exports 1980-2004



# looking at the counterfactual change of GVA in case of non-CAP

## Legende



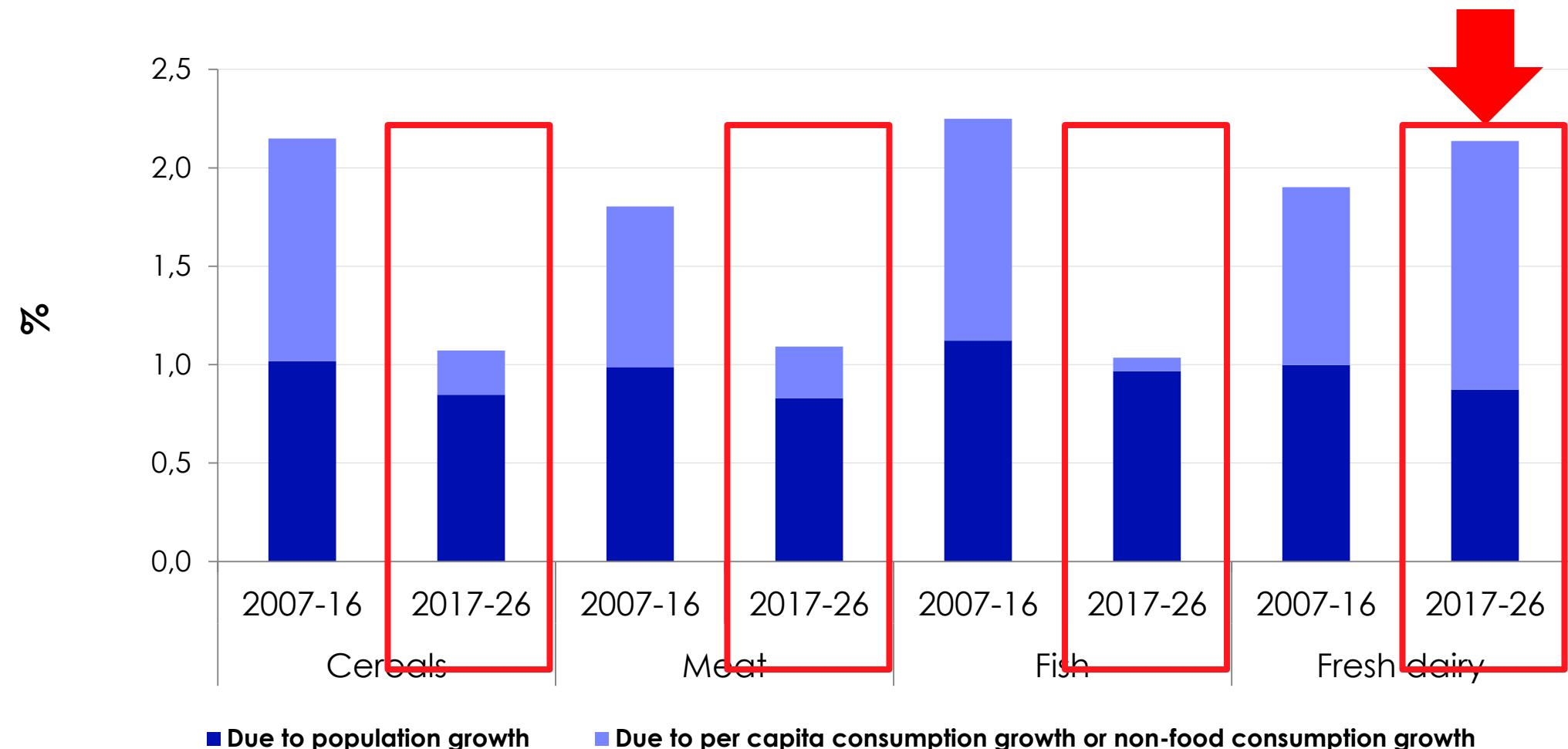
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**outlook and  
prospects**

# consumers value of mountain farm products



# Annual growth in consumption for key commodity groups, 2007-16 and 2017-26



- in Austria there is
  - a strong commitment of mountain farmers to stay farmers
  - a strong commitment in society to support the viability of farming in mountain areas
  - a relative closeness of producers to consumers
  - a retail sector with an interest in high premium products
  - an agricultural innovation system, that is supportive
- the CAP and the EU offers
  - a relatively fair and level playing field
  - the necessary clout to position EU products on the world market
  - the legal, intellectual and economic framework for prosperity, equity and sustainability in the long term

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**Thank you for your attention!**

# References

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