

Cheap imports and farmgate values are universal challenges for pork producers. But there are many innovative ways farmers can use to boost their bottomlines as **CATHERINE MILLER\*** found on her recent tour of Austria

# Value-adding lifts return for innovative Austrian farmers

**A**USTRIAN farmers may operate on a very different scale to Australian primary producers, with their average pig farm supporting just 60 sows.

But a small number are following the growing trend in Australia of marketing high quality value-added products direct to the consumer to increase their returns.

And they have a captive market, with Austrians eating a massive 57 kilograms per person annually of pig meat – the third largest consumers in the European Union.

One of these well-known success stories is Vulcano ham, established by three small farmers in 1990, which

## Key points

- Value-added products becoming popular
- Massive demand in market
- Higher production levels required

has grown to become one of Austria's largest producers – turning off 2000 pigs a year.

The regional trademarked niche product from Styria, in the south east of Austria, is produced from piggery to plate at the same location and was one of the farm businesses visited during the 52nd International Federation of Agricultural Journalists Congress recently.

Vulcano's ham is air dried for between eight months

and 27 months with the rest of the 140kg-160kg carcass either made into sausages or smoked.

The young pigs produced from Large White sows and a high intramuscular fat, stress-stable line of boars are fed a ration of corn, wheat, rye, soyabeans and minerals until slaughter at eight to 10 months.

Vulcano's on-farm shop, just metres from one of the straw-floored, open-walled piggeries, has about 10,000 customers – mainly from Austria, Switzerland and Germany – passing through its doors each year to indulge in the wafer thin prosciutto with a full-bodied taste.

They also directly supply many hotels and restau-

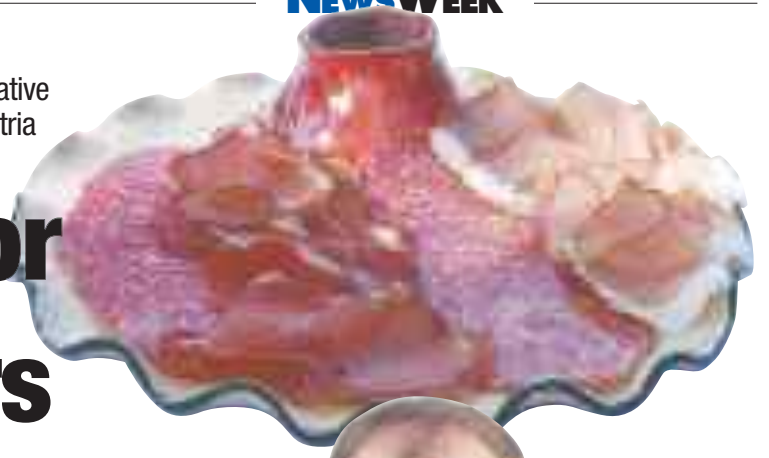
rants. Despite receiving a farm investment grant from the EU to build more infrastructure, one of the proprietors, Bettina Habel says it has been hard to "be in the black" financially. She hopes Vulcano has set itself up to be immune from cheaper imported ham in the future.

"Before we started Vulcano, we could only deliver and take the price for our pigs," she said.

"Now we are trying to earn a little more. Investment in the company has been high, on-farm and in-storage, so there have only been a few years where we have made a profit." She also acknowledges the need for Austrian producers to increase their scale and says Vulcano is aiming to turn off between 2500 and 3000 pigs a year.

Statistics from the Styrian Department of Agriculture in 2007 revealed that 12,000 farmers had at least one pig, but of these only 2000 were of an economic size. So the push is on to improve these economies of scale. For farms involved in piglet production, more than 150 sows are needed. Combination farms have 70 to 100 sows, and pig fattening farms need between 1000 and 1500 places to provide an income for one family.

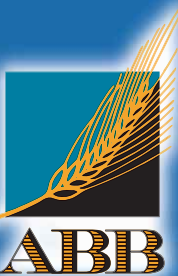
\* Catherine Miller was the national winner of the Alltech Young Rural Leader in Journalism and travelled to the 2008 IFAJ congress in Austria and Slovenia in September courtesy of Alltech.



**VALUE ADD (top):** Austrian pork producer Vulcano has taken on the challenge from cheaper imported pigmeat, incorporating an on-farm retail outlet, which serves 10,000 customers annually. It also supplies hotels and restaurants with its 'piggery to plate' produce.

**LEG UP (above):** Vulcano Ham's Franz Habel, with a Vulcano air-dried ham. Vulcano was established by three producers in 1990, and has since grown to be one of Austria's largest producers, turning off 2000 pigs a year.

**COMMON PROBLEM (below):** Similar to the challenges faced by Australia pigmeat producers, Austrian pork producer Bettina Habel says Austrian piggeries compete against cheaper, imported ham.



## Seed Manager

- Head Office Location
- Customer Service Focus
- Career Opportunity

ABB Grain Ltd (ABB) is a leading Australian agribusiness, providing a diverse range of services, including storage, processing, logistics and grain marketing services. ABB is also Australia's leading malt producer as well as operating a rural services division that provides wool and livestock exports, agchem, fertiliser and financial services to growers.

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Application close Sunday 26 October 2008

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There have only been a few years where we have made a profit

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