

From niche to volume with integrity and trust CASE STUDY FACT SHEET

Bio vom Berg - Austria

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General information

Bio vom Berg is a producer-owned brand operated by the BioAlpin-eGen cooperative founded in 2002 and covers a full range of organic products, produced, processed and sold mainly in the region of Tyrol, Austria. Over more than 10 years now the cooperative has set an inspiring example of how organic products from a mountain region can be marketed successfully under a common brand.

For instance, the product range has increased from initially 8 products (two meat products and six dairy products) to approximately 130 today and turnover has risen from 672,000 euros in 2003 to 6.3 million in 2014. As far as we know, Bio vom Berg is the only producer-owned brand in Europe which offers a full range of organic products in a supermarket chain. The main objective of BioAlpin is to sustain and facilitate organic and regional small-scale mountain farming by providing farmers with processing facilities and market access. In this respect the cooperative acts as a kind of mediator between farmers, processors and retailers. It coordinates production, negotiates prices and quantities with the retailer partners and organizes logistics. To simplify processes the cooperative organizes and coordinates individual farmers within producer groups. This helps to



Representatives of Agrarmarketing Tyrol (AMT), Chamber of Agriculture, MPreis, the federal government and Bio vom Berg at the cooperatives' 10th anniversary.

"In a controlled organic and local production I see the most sensible way to produce food of incomparable quality in tune with traditional values. With our work, we sustain small-scale Tyrolean mountain farms for future generations and provide valuable, natural products from the region."

(BioAlpin chairman, defining his vision)

reduce the number of contact persons and improves the personal relationship between partners. The internal organization is kept rather small. In turn, on an 'active' membership level, the cooperative comprises (as of July 2014) 49 members (farmers and processors).

Supply chain organization

The various supply chains involve about 600 farmers who produce mainly milk but also fruit and vegetables, eggs, meat or cereals. Additionally, in Tyrol, 10 small-scale dairy cooperatives for cheese, a big regional dairy, a bakery and a butcher are involved, plus a famous chocolatier in Styria as well as a grain miller and a dairy processor in South Tyrol.

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Legal form:
Cooperative

Established:
2002

Homepage:
www.biovomberg.at



Turnover:
Turnover has grown from initially 672,000 € to 6.3 million € today.

Product range:
Various (~130)
mainly dairy products +
vegetables, fruit & eggs

Number of employees:
5 (+3 subcontracted part-time
employees)

Distribution channels:
Primarily via dedicated retail
partner MPreis (~60%) +
German wholesaler (Weiling),
bakery (Ruetz), chocolate
processor (Zotter) & local
small shops/markets

Facebook likes:
1 547 (2 April 2015)

Google hits:
18 200 (2 April 2015)

The BioAlpin cooperative (owner of the brand) markets and distributes its products mainly through a regional family-owned supermarket chain (MPreis) which operates 235 stores within Tyrol and in adjacent regions (MPreis, 2014). Moreover, a special grain project based on traditional old varieties was initiated with a major regional bakery (Ruetz) which sells organic bread under the Bio vom Berg brand in 70 outlets throughout Tyrol. Further marketing channels include an organic wholesaler in Germany, some small and specialized natural food stores in the region and a number of further small volume wholesale partners supplying the catering sector. BioAlpin carefully selects market partners who share their values and are committed to supporting regional small-scale business structures.

Nevertheless, the cooperative is trying to diversify its distribution channels and seeks to enter new markets in order to reduce the dependency on their major retail partner (about 60% of the cooperatives' turnover is achieved via MPreis).

A rather recent venture is the focus on the tourism and hospitality sector (regional hotels, restaurants, catering) which, in a major tourist region like Tyrol, is seen as a sales channel with great potential. However, this market is very competitive and price oriented and challenging to approach. Most efforts to supply this segment with local high-quality products have only had limited success so far.

Another major challenge for the cooperative is to find processing facilities within the region which are suitable to their volumes. While this is possible in the dairy and meat sector, it seems virtually impossible to find a mill for their limited amount of cereal. The long-term objective is to increase the amounts needed to be able to choose local business partners and keep the added value in the region.

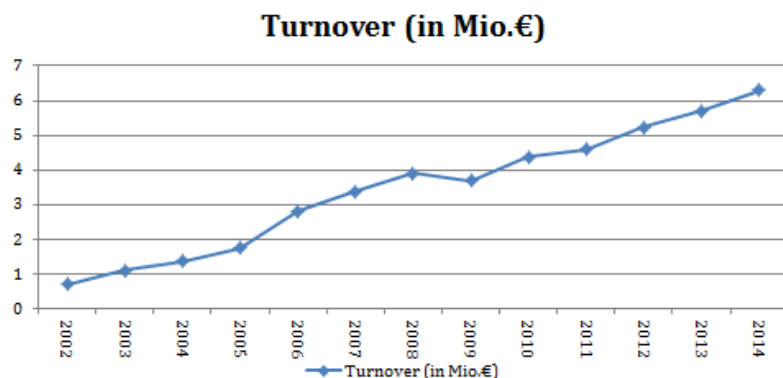


Figure 1: Table turnover (2002-2014)