

Contribution of rural tourism to the market for livestock products in LFAs in Germany

Gerold Rahmann

Department of International Animal Husbandry, University of Kassel, Germany.

Summary

Compared to the world market, the production of animal products like meat, milk and wool has a low competitiveness and comparative cost advantage in the European Union (EU). The protection of the common market and subsidized products was the way to maintain animal husbandry in the marginal areas (LFAs) of the EU. With the WTO negotiations and the reformed Common Agricultural Policy (CAP) this closed European market will be opened to the world market. This will lead to high competition with other countries and between the regions resulting in large structural changes in agriculture in the community.

Rural tourism plays an important role in the local economy of many LFAs. The consumption behaviour of tourists while on holiday is different to their behaviour at home. While on holiday, adventure buying is more important than cheaper buying when at home. Tourists are often willing to buy extraordinarities (e.g. souvenirs) or pay more for products with local identity. This is even the case of food eaten while on holiday. A "good holiday" for many rural tourists includes a "good" breakfast, lunch or/and dinner in a restaurant or hotel with rural atmosphere, hospitality and traditional or tasty food of the region. Nowadays, many restaurants offer a menu with special emphasis on the origin of the meat. As with the BSE-crisis, this has become an important marketing strategy of many butchers and restaurants.

Besides the "direct products" from animals sold in LFAs to rural tourists, the marketing of "indirect products" has become of more interest in the last decade. Tourist enterprises have identified the cultural landscape and the "intact world" as an attitude for tourists to their chosen holiday location. These expectations of rural tourists have received more attention in public relations of the region. Beautiful landscape, rural lifestyle and farming adventure holidays are advertised by tourist agencies. Currently, German rural tourism is performed in the spirit of "competition of the regions", every region tries to attract tourists with its local identity.

This paper will show in the example of the Biosphere Reserve Rhön (BR Rhön) the potential and problems of marketing animal products to rural tourists in LFAs. The paper is divided into marketing of "direct goods," like meat and wool, and "indirect goods," like recreation on farms, participating in rural lifestyle and landscape management in the BR Rhön.¹

The Development of Sheep Production in Germany:

- low competitiveness of livestock products in LFAs and changed marketing structures

The development of the sheep industry for wool production in the last century has shown that changed world markets can destroy a specialized animal production in a very short time. For example, in Germany there were about 30 m head of sheep in the year 1860 due to the excellent prices for wool (terms of trade between wool and meat, 1850: 1:17). With the improvement of transport (steam ship, railways), the enormously increased flocks of sheep overseas (e.g. New Zealand, Australia, South Africa, USA) and the inventions of synthetic fibre and the cotton deseeding machine, the numbers of sheep in Germany decreased to 5 m head within 30 years. The price for wool fell rapidly (terms of trade between wool and meat 1880: 1:1). The wool production in Germany lost its comparative advantage to other countries and sheep were nearly all abandoned. Today, there are about 2.4 m sheep in Germany for meat production. The shearing of the wool is more expensive than the value of the sheared wool (terms of trade wool and meat 1996: 1:0.20) (Rahmann, 1997).

Mutton/lamb has a low competitiveness to beef or pork and to mutton/lamb produced overseas. For example, the New Zealand sheep industry can offer 1 kg of lamb for about 6.00 DM in a German supermarket, while German lamb of this quality has to be sold at a minimum of 9.00 DM/kg to cover production costs. The only thing sheep traders from overseas cannot offer is meat with local identity (e.g. meat from Rhön sheep produced in the Rhön).

Without governmental support and new marketing strategies, the production of milk, meat and wool would decrease and eventually be nearly abandoned in disadvantaged areas. The actual governmental support to farmers in the frame of GATT and the reformed CAP based on 2078/92 and 2091/92, gives an income transfer to the farmers. These regulations are not any more product-orientated but production-orientated: the subsidies are not given for a kg of milk, meat or grain. It is given for extensive farming, eco-farming, landscape management. Currently 50 to 70 per cent of the income in sheep production comes from subsidies. Nevertheless, the income of sheep producers is one of the lowest in farming in Germany, particularly in LFAs. Additional improvements of marketing the products are necessary to have an economically successful enterprise. Rural tourists are an excellent source of income in LFAs.

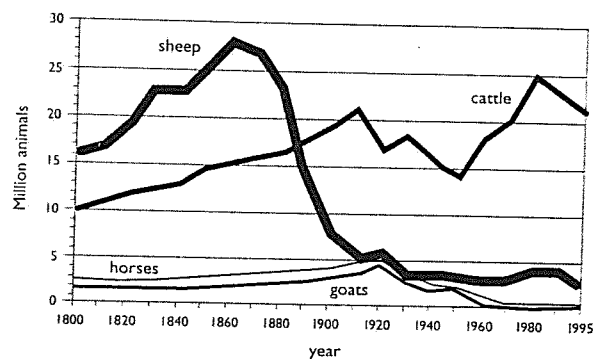


Figure 1. The development of animal production in Germany in the last 200 years. Source: Rahmann, 1997.

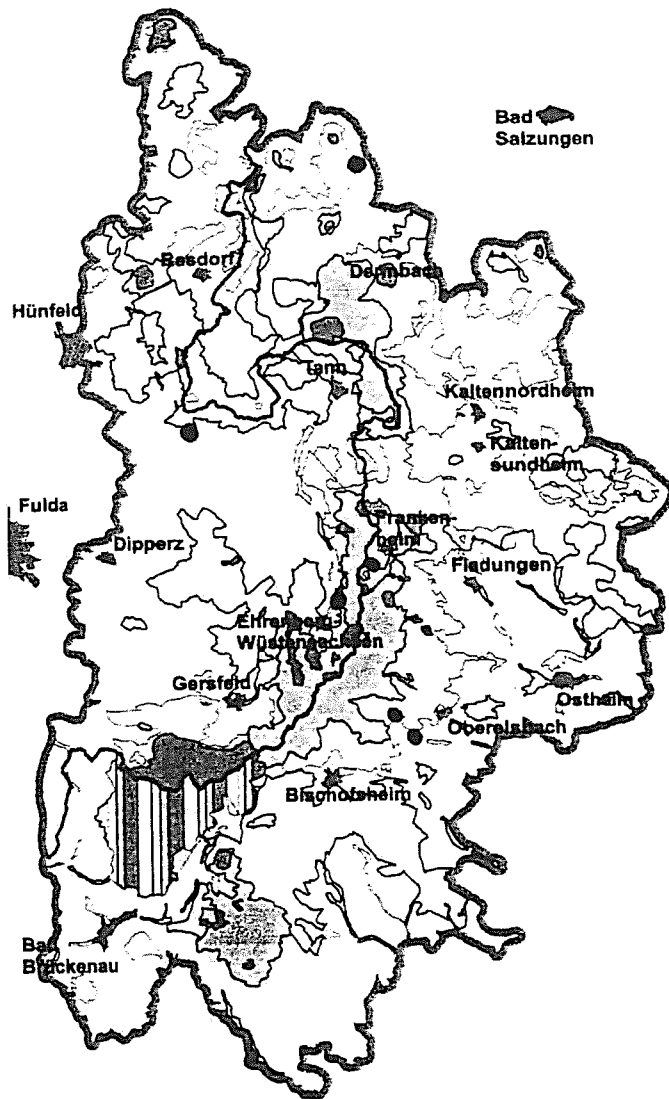


Figure 2. The Biosphere Reserve Rhön
Source: Grebe & Bauernschmitt, 1995

The Biosphere Reserve Rhön

The BR Rhön is a hilly LFA in Germany which has exhibited a rapid change in agricultural structure during the last few decades. The BR Rhön was established in 1991 as the 12th biosphere reserve (BR) in Germany. It is situated in the middle of the country in a triangle of Bavaria, Hesse and Thuringia and comprises about 166,674 hectares (Table 1) (Grebe & Bauernschmitt, 1995). In terms of flora, fauna and geology, the Rhön is one of the most remarkable low-range mountain areas in Germany (Figure 1). Apart from the numerous precious woodlands and vast areas of meadow land, the Rhön is characterised by extensive hill-top clearings in the upper reaches. These originated during the clearance period in the Middle Ages. Reforestation has been inhibited to date through natural grazing by native breeds of cattle and sheep (old domestic breed is the Rhön sheep).²

There are great differences between Thuringia and Hesse/Bavaria. In Thuringia, part of the former GDR, one former, agricultural co-operative manages 2,000 to 5,000 ha. In Bavaria the average farm size (full-time farmer) is 50 ha, for all farmers (part time farmers and full time farmers) only 9 ha per farm. Part time farming is very important in the Rhön, particularly in Hesse and Bavaria (in the Bavarian part of the

Rhön there are about 2,700 farms: 2,350 part-time farmers and 350 full-time farmers; in the Hessian part of the Rhön: 2,550 farms: 1,870 part-time farmers and 680 full-time farmers; in Thuringia: 13 farms as LPG-followers; no part-time farming, many hobby farmers (<3 ha)) (Grebe & Bauernschmitt, 1995).

With 1.5 m overnight stays per year (1991: Grebe & Bauernschmitt, 1995), tourism is one of the most important branches in the economy of the BR Rhön. Approximately 300,000 rural tourists stay for one day, 100,000 for rehabilitation and over 1,100,000 for holiday. The average length of stay is roughly 4.3 days and the daily expenditure of day-tourists is about 29 DM and for holiday tourists about 65 DM (FUTOUR, 1996). The expectations of the Rhön as a holiday area are mainly orientated to nature and active recreation (hiking, biking etc.).

The cultural landscape gives the Rhön the tourist perception of "a land of open spaces". With the declaration of the BR Rhön the Rhön sheep was chosen as an emblem of this cultural landscape. Free publicity for the BR Rhön has been given by the local Hessian radio station taking the Rhön sheep "Manfred" as their mascot.

One hundred years ago the Rhön sheep, excellently adapted to the harsh conditions in the hilly areas of Germany, could be found nearly everywhere. The population of more than 200,000 head of this breed declined rapidly during this century (Kolb, 1996). In the '50s there were only 300 herd book-registered head of sheep. The breed had nearly become extinct. In the '60s, the number increased a little to 1,000 head but the breed was still endangered. Nearly all of them were kept outside the Rhön by hobby farmers. In 1987, the BUND (a Germany-wide nature conservation association) bought a herd of 200 sheep to re-introduce them into the Rhön to maintain the endangered cultural landscape with an endangered domestic animal (Popp, 1993). In 1996, the number of Rhön sheep in the Rhön had increased to 2,000 head.

Marketing of "Direct Goods" from Sheep to Rural Tourists

"Direct goods" are defined as material goods which can be quantified and qualified. In animal production, these goods are milk, meat, eggs and wool (often processed). Sheep produce meat and wool as direct goods. Meat can be sold in kg and classified in the EUROP-system (alive or slaughtered), wool is sold in kg and classified in mm, colour or dirtyness.

The definition of high quality food has been changed by the German consumer during the last 10 to 20 years. Besides the official classification (EUROP) and measurable quality (low fat, cholesterol), many consumers have recognized with increasing attentiveness the origin of the product and the means of production. These expectations have been fulfilled by an increased number of animal farmers. They advertise their products with ecological and local distinctiveness (like trademarks). One of the best markets for these products are the rural tourists.

Meat

German culture has a special attitude to the meat of sheep. At home, lamb is less preferred than pork or beef, while in many regions it is declared as a delicacy or speciality, particularly in LFAs with a important history in sheep farming (*Lüneburger Heide, Rhön, Deichgebiete*). Many regions have created a label to promote their lamb to the consumer. These effects stretch from national advertising (*Fleisch aus deutschen Landen*) to

Table 1. Statistics of the Rhön Biosphere Reserve

<p>Geographical Location: Situated at the point where the three Federal States of Thuringia, Hesse and Bavaria meet.</p> <p>Type of Landscape: Rhön foothills (up to 500m) Northern Rhön clearings (up to 830m) Black Mountains in South (up to 840m) Geba in East (up to 750m) Plateau (up to 950m)</p> <p>Plant Families: Sparse meadows, bristle grass meadows with arnica, silver thistle, Turk's cap, lily, golden oat grass meadow, lime grass meadow, water meadows with globe flowers and high lying moors.</p> <p>Animals and Birds: Black grouse, capercaillie, common snipe, dipper, kingfisher, black stork, wild cat.</p>	<p>Area (including extensions): Total: 184.939ha of which: 72.802ha in Bavaria, 63.564ha in Hesse and 48.573ha in Thuringia.</p> <p>Population Density: 110,000 people (including the extensions); 65i/sq.km, distributed in villages between 100 and 5000 inhabitants.</p> <p>Area Utilisation: Forest: 68,000ha (41%) Meadow Land: 50,000ha (30%) Arable Land: 36,000ha (22%) Settlements, roads etc.: 12,000ha (7%)</p> <p>Zoning: Core Zone: 4.199ha (3%) Cult./Develop. Zone: 67.483ha (37%) Transition Zone: 107.557ha (58%)</p> <p><i>Source: Popp, 1995</i></p>
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state level (*Thüringer Lamm*), regional level (*Rhönschafffleisch aus der Rhön*) and local levels (*Seifertser Hirtenpfanne*). The regional and the local level especially are important for marketing to rural tourists.

Lamb can be offered successfully to these tourists at a high price level (Figure 5). Some restaurants in *Bad Neustadt*, a town in the *Rhön*, serve Rhön lamb, the typical and endangered breed of the region. They co-operate with the German Railway Company (*Deutsche Bundesbahn*) (Hess, 1996). On special days, extra chartered trains carry tourists to *Bad Neustadt* for lunch. Restaurants buy the Rhön lamb for 13.50 DM per kg carcass weight. Compared to the wholesaler price of 6.40 DM (free slaughterhouse, Aug. 1996; ZMP, 1996), this is double of the price.

Besides the individual co-operation between farmers and tourist suppliers, marketing co-operation on a regional level tries to promote local products. In such a co-operative farmers, restaurants, tourist offices and individuals work together to

market a special product, for example Rhön sheep. The marketing is based on special characteristics of the sheep (endangered), special purposes (landscape management) or the method of production (eco-farming, traditional farming). The co-operative organises the marketing and restaurants offer specialities of this particular sheep breed.

One example is the marketing association "*Aus der Rhön für die Rhön*" which aims to promote the Rhön sheep. With the establishment of the BR Rhön in the year 1991 this breed has become a label for the area. New marketing strategies have had to be established. In 1992, a restaurant and the LEADER supported organisation "*Natur- und Lebensraum Rhön e.V.*" organized a meeting of several restaurants from the Rhön. About 25 restaurants attended the meeting but could not be convinced to participate in a special marketing offensive for the Rhön sheep. By 1993, the marketing of the Rhön sheep had become successful and other restaurants joined the group. The marketing co-operation "*Aus der Rhön für die Rhön*" was

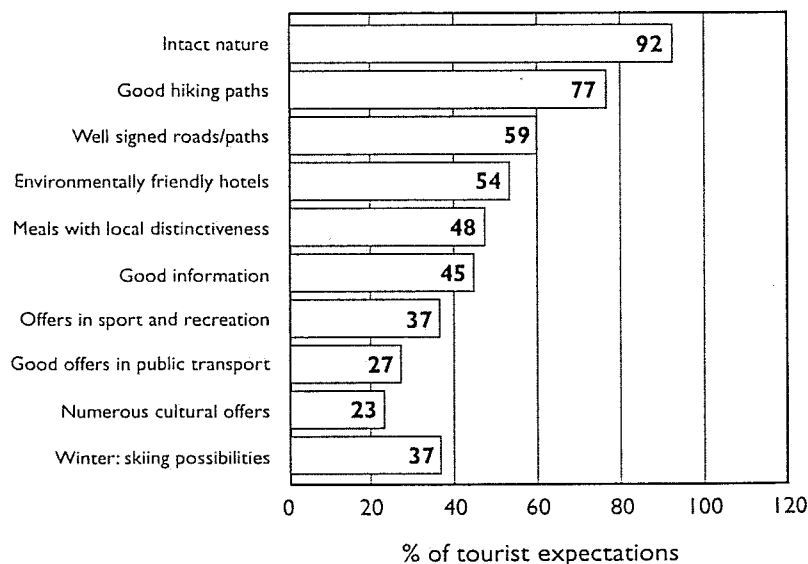


Figure 3. Expectations of tourists to the holiday area "BR Rhön"
 Source: FUTOUR, 1996

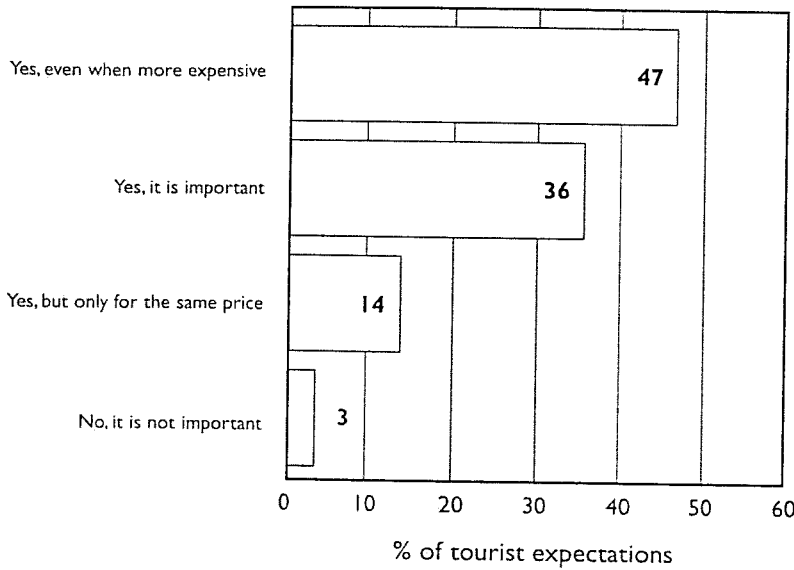


Figure 4. In the tourists' opinion, while on holiday the dishes should have local distinctiveness. *Source: FUTOUR, 1996*

established and local products were sold in 18 restaurants in the Rhön. In 1994, a second marketing co-operation was established with 60 restaurants ("Rhöner Charme"). The marketing strategy was slightly different. Rhön lamb is bought by these restaurants at an excellent price (13 to 20 DM per kg) and even the dishes with this meat are sold 200 to 300 % more than using ordinary lamb.

These are only two examples of co-operation between local producers and local tourist restaurants/hotels in the case of the BR Rhön. The marketing of meat as a speciality/delicacy with local identity to rural tourists is dependent on restaurants. Compared to souvenirs or other durable goods, this meat has to be consumed in the area (restaurants) while on holiday. Apart from sausages, no tourist would buy expensive meat to consume at home. Meat with local identity can only be sold as a speciality to rural tourists. This needs co-operation between farmers and tourist-orientated restaurants/hotels:

"The restaurants have in the marketing of regional products a key and multiplier function, which is only successful and

economically sustainable with good quality and ingenious marketing of the product (Krenzer, 1996)".

The consumption of meat with local identity makes the meal an adventure for the tourists. For them, this is a form of participation in the local environment. This shows that the consumption of lamb with local identity is more than the taste. It is the whole atmosphere in which it is consumed. Only if the atmosphere is as it was expected by the tourists, will they be convinced that they had a good meal for a good price. Besides hospitality, this atmosphere can be attained by special emphases like explanation of the products. The information on the origin and the history of the products, the method of production and the preparation is necessary to get a product with local identity (Kempf & Krenzer, 1993). The saying of "*protection by consumption*" was created.

Wool

At present, wool production in Germany is not profitable. The price for shearing a sheep costs as much as the value of the

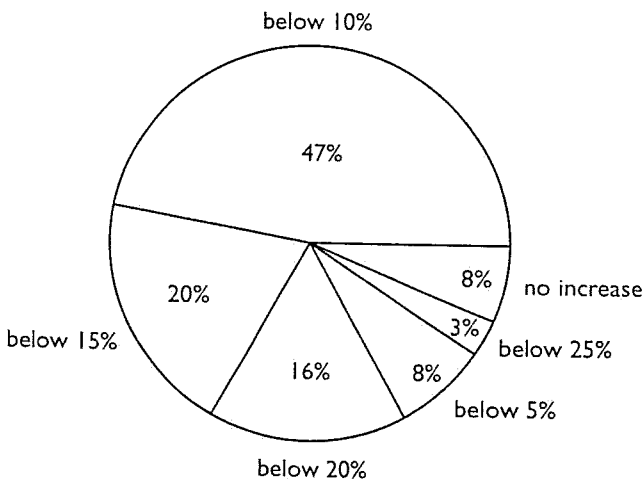


Figure 5. How much more would the tourists pay for dishes with local distinctiveness. *Source: FUTOUR, 1996*

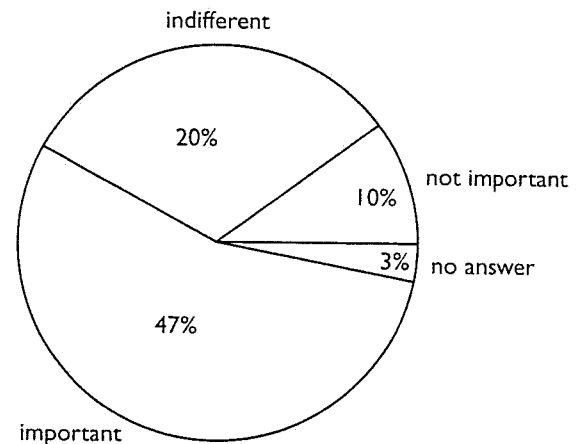


Figure 6. Information in the menu concerning the typical regional dishes is important for Rhön tourists (1995). *Source: FUTOUR, 1996*

shorn wool.³ Nowadays, wool is a secondary product in sheep farming. German wool is, with the breakdown of the German wool marketing company (Deutsche Wollverwertung GmbH) in 1996, not competitive on the world market and under heavy constraints.

Rural tourism can be used to make some profit even from wool production. In the BR Rhön (*Rhön Plüsch* aus Kaltensundheim/Thuringia) the wool of the Rhön sheep is used to make sheep toys for children and souvenirs for tourists. They cost between 15 and 50 DM and the income from wool per sheep can be doubled, despite only a small part of the wool being used. Of course, this is a limited market. It is, however, creating jobs and a marginal contribution to sheep farming in a LFA. Even textile manufacturers use the BR Rhön for marketing: e.g. neckties, shirts and socks made from Rhön sheep wool are sold at a high price to tourists in the Rhön. There are some other examples of marketing wool to tourists (e.g. sheep skins, wool paper) but the market is very limited. The selling of wool as insulating material in house construction (roof) could be a future market for wool and has actually been proven.

Marketing of "Indirect Goods" from Sheep to Rural Tourists in LFAs

"Indirect goods" are defined as non-material goods produced by animal husbandry. The consumption of these goods is done by viewing (taking in the beauty and the function of animals: on pastures/ housed, working/ in parks), touching (animal stroking by children: lambs, calves, chicks), using (horse riding, traction, guarding) or a "good feeling" (creation of cultural rural landscape, nature protection, animal welfare). Landscape creation and animal husbandry itself are goods which are "consumed" by non-farmers, society and - of course - tourists. Many LFAs in Germany are attractive for Germans to visit for a day-trip or weekend, often in special seasons. The "beautiful" landscape and "healthy" environment, quiet accommodation and hospitality are the main reasons for visiting the area. Families with young children coming from cities enjoy a day-trip or a weekend for recreation in a rural environment.

Animals play an important role in the attraction of many rural areas to tourists. Landscape and villages become alive with animals on real farms with tractors, dogs, cats, horses and rural tradition. It creates the ideal picture of an intact world. The expectations of the rural tourist are being given more attention by public relations in these regions. Beautiful landscape, rural lifestyle and farming adventure holidays are advertised by the tourist agencies.

For farmers, it is difficult to market these "indirect products", which are a by-product of their farming. Only if it is provided on farm e.g. "holiday on farm", "domestic animal parks" or "riding farms", does the farmer have direct connection to the tourist and his spending. Not all farms, however, are willing to change to tourist activities; they want to be farmers. A way of participating in the expenditures of the tourists is the "maintainance of cultural landscape" for tourist attraction.⁴

Landscape management with animals is often only understood in the way of protection of endangered man-made biotope. It is, however, much more:

- Advancement of village life and farmers
- Sustainable production of healthy food
- Protection of resources (genetic, soil, water)
- Promotion of innovative and advanced animal husbandry systems
- Promotion of rural (eco-) tourism

Farmers in the BR Rhön get between 300 and 700 DM per ha/year when they keep their animals on endangered biotopes like bristle grass meadows or sparse pastures. In the BR Rhön these preserved biotopes are not only important for nature protection but also provide most attractive landscapes for tourists. For example, a Rhön sheep farmer in Ginolfs with about 800 sheep maintains 250 ha pasture in the nature protection reserve "Lange Rhön", which is about 63% of the total grassland (400 ha or 0.5 ha per ewe). Two thirds are pasture and grazed by sheep, one third is meadow for hay production. He received 250 DM per ha/year for this landscape management, which is about 62,500 DM per year in total or about 80 DM per ewe and year. This is important additional income for sheep farming, paid by the governmental nature protection offices and based on nature protection and tourist requirements (Kolb, 1996).

Besides the income from landscape management, sheep farming in the nature protection areas is an attraction for the numerous tourists visiting this area. Sheep farmers are meeting this demand. They keep flocks in the traditional way with traditional clothes, a shepherd dog and all the symbols tourists expect from shepherds. The marketing of this indirect product (entertaining the tourist) is done by advertising on television, on posters and in many books on the Rhön. This has been done so well that it becomes the "trade mark" for tourism BR Rhön. Schools and nurseries come by bus to let the children enjoy lambs in springtime (stroking them), tourists' groups take pictures of shepherds with their flocks, the tourist agencies market them as an attraction. Shepherds are getting 100 DM per hour for this. The income by this activity is not very high but is complementary to sheep production (Hess, 1996).

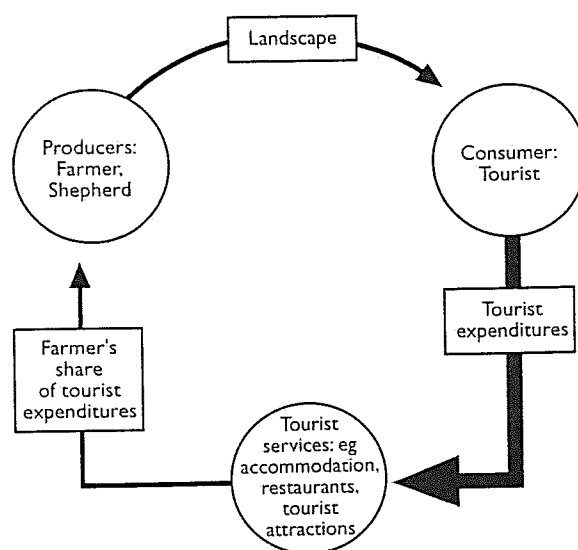


Figure 7. Model of farmers' participation to tourist spending in attractive rural environments. Source: Rahmann/Albert, 1996

- Conservation of protected anthropo-zoogenic biotopes
- Conservation of rural culture and history *in situ*

Conclusion

Rural tourism is a resource, for which local animal husbandry can find a market without competition with other areas and countries. This market, however, has to be explored before it can be exploited. At first, there is a need to know tourists' expectations and consumption behaviour. Secondly, the fulfillment of these expectations is necessary. In detail it can mean changing farming management, the method of production, the marketing of products. One of the main restrictions and the reluctance of farmers to participate in rural tourism is either the low experience in marketing to these special clients or that they have no access to them. Co-operation with tourist agencies, hotels, restaurants for marketing are necessary. Besides this, it has to be accepted that rural tourism in Germany depends on the regional and rural charm, the hospitality of the people and beauty of the landscape. This has to be maintained by all who are interested in having a part of the income from tourist spending.

The example of an individual sheep farmer in the Rhön shows the survival as a sheep farmer not only depends on the political frame conditions, but also on good advertising and marketing strategies. Sheep farming can be an excellent enterprise even in competition with the world market. The case of Rhön sheep farming in the BR Rhön shows the potential of rural tourism for rural development, particularly in marketing of animal products in LFAs. The sheep farmer, the landscape, the nature, the endangered old domestic breed, Rhön sheep, and the restaurants have all gained by the joint promotion of the Rhön sheep to rural tourists:

- the sheep are financed by a nature protection association,
- the meat is sold to the marketing association "Aus der Rhön für die Rhön" and the restaurants in Bad Neustadt,
- part of the wool is sold for toys to the tourists. It brings a better income than the rest of the wool.
- landscape management is a well paid outcome of grazing and the activity as a tourist attraction in the BR Rhön brings extra income.

In 1996, the Rhön flock of sheep in Ginolfs had grown to 800 and in the Rhön to 2.000 ewes. Despite the large increase in nine years and the high price per kg, the demand is still higher than the supply. It was a successful strategy to promote an animal product with local distinctiveness for a high price to rural tourists.

There are many such examples throughout Germany. Examples like this show new functions and strategies for animal husbandry. Local distinctiveness and co-operation with tourist agencies, restaurants, nature protection offices and associations are a possible way of successful marketing of animal husbandry in LFAs, when the area is attractive for rural tourism. Imagination can be an advantage for sheep farming. It was shown that sheep have not to be marketed cheap. There is competitive sheep production even in LFAs and possible EU markets are open.

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Notes

- ¹ A share cost project of the EU (DG VI, FAIR) is analysing the impact of tourism to ecologically friendly and socially acceptable animal husbandry (EQULFA). The German partner (Dept. of International Animal Husbandry; University of Kassel) is carrying out the research in the BR Rhön.
- ² A short description of the agriculture in the BR Rhön: Land use by farmers has created the landscapes in the Rhön (actually 54% of the total area is farm land), particularly by extensive animal husbandry like sheep herding or extensive meadow use systems (e.g. hay production). The structural changes during the last decades has led to conditions by which this created landscape cannot be preserved by actual dominant land use systems (e.g. intensive meadow and pasture use, abundance of farming). Without extensive land use systems, the character of the Rhön will be lost.
- ³ The average quantity of wool per sheep is about 4 kg. The farmer gets between 0.70 and 1.50 DM per kg of wool, the shearing costs between 2.50 and 5.50 DM/sheep (DVL, 1995).
- ⁴ In Switzerland, some villages in the Alps finance a farmer to stay with his animals, the tourists in the villages expect this and without this support there would be no farmers any more.



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Craigiebuckler
Aberdeen AB15 8QH
Scotland, UK

Tel: +(44)(0)1224 318 611
Fax: +(44)(0)1224 311 556
Email: j.laker@mluri.sari.ac.uk
URL: <http://www.mluri.sari.ac.uk/~mi361/lisird.htm>

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Cover illustration: Feeding vegetable by-products to sheep near Nafplio, Greece.

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