**Title**: Agricultural drought risk management in Austria: A farm level study.

**Authors**: Susanne Hanger-Kopp and Marlene Palka

1. **Theme**

Drought is increasingly becoming an issue in Austria, both in regions with a traditionally arid climate, and elsewhere. Farmers operate in a very complex decision space between nature, market and public regulation, and drought risk is only one among many threats they have to manage. Indeed, only few risk management options are available that directly address drought, such as irrigation, and many more, which reduce drought risk as a positive side-effect, such as certain tillage practices. It is thus interesting to understand the role droughts play in the intricate management of a farm; the strategies farmers apply to manage potential negative impacts; as well as the underlying drivers. Beyond economic factors, empirical research suggests risk perception and personal coping capacity as influential to adaptive behavior. Personal values and worldviews additionally shape behavior in the face of complex decisions. At the same time the available private and public offers supporting risk management may be decisive for ultimate strategic behavior. This is relevant for developing sustainable, effective, and socially acceptable policies that reflect the heterogeneous profiles of Austrian farmers.

1. **Method**

We conducted over 40 face-to-face interviews with farmers, following a semi-structured interview protocol. The aim was to collect detailed individual narratives on risk management strategies, and underlying motivations, with a specific focus on the role of droughts. Moreover, we intended to identify perceptions and preferences with respect to public and private policies and risk management instruments, particularly subsidized drought insurance. Better than standardized methods semi-structured interviews are suited to explore the details and nuances of farmer’s choices with respect to risk management, which often are decisive when choices need to be made. They allow us to collect more intricate information, which we need to deduce worldviews. Such methods are particularly important for emerging policy issues, which are insufficiently understood, in this case drought risk management, which are insufficiently understood in countries. The geographical focus of the data collection is on the Northeast and East of Austria. The farm-level study is embedded in an analysis of relevant regional, national, and EU agricultural policy relying on document analysis, and key-informant interviews.

1. **Results**

Currently, drought is still not a major concern of Austrian farmers, such as most weather and climate related risks, which have been part of farm-live and risk management for a long time. It is therefore difficult to identify all relevant direct and indirect risks management mechanisms, as many are not perceived as such. Most certainly, we can identify a trend in crop selection and diversification that reflects increasingly common choices for more heat tolerant crops, such as sorghum, or crops avoiding dry periods, such as winter crops. Moreover, sustainable soil management is widely practiced. Financial instruments for risk management, including insurance, are not actively sought and employed, particularly not by small farmers. Especially in the case of droughts, insurance is nothing farmers rely on. Reference values and calculation methods for drought compensation seem to be unsatisfactory for all farmers. As a consequence, public support will have to go beyond risk financing tools. However, to date drought has played only a marginal role in agricultural policy. Identifying the relevant entry points, synergies and trade-offs for drought risk management remains an important task. Public and private actors need to coordinate, and promote available management options, and follow-up with adequate support.