



WORKSHOP 3

“Connecting with the market; business cases for biodiversity management and agro-ecology”

First results

Four business cases:

1. Sustainability indicators (Frank Verhoeven)
2. Pasture based dairying (Nat Page)
3. Skylark (Adrie Vermeulen)
4. SAC (Ann Humble)

One overarching question:

Can business replace agricultural policies?

Business case 1

- Example of development of indicators for dairy farms in The Netherlands
- Evaluation model in form of a cycle compass (“happy planet”) in order to assess the environmental performance of farms.
- The aim is to improve craftsmanship, which is encouraged by rewarding the member farmers.
- Since the market is demanding quality labels, instruments to evaluate the performance of their producers on biodiversity are constructed under name of cow compass (“happy cow”)
- So consumers have recognized these certifications by paying higher prices.

Lesson to be learnt

Markets provide a carrot to improve positive agro-environmental behaviors. A stick provided by governments is still needed.

Business case 2

- Comparison between pasture-based farming and conventional/intensive farming for dairy farmers
- Result: The pasture-based management is more profitable while less productive.
- Benefits of pasture-based farming:
 - Economic: reduction of costs for farmers
 - Environmental: more sustainable practices
 - Social: Farmers hire more employees.
- However, spring calving synchronization is needed.

Lesson to be learnt

Recipe one-size-fit-all should not be applied.

Small cows and more employees are shocking but profitable.

Business case 3

- Skylark is a foundation within which farmers, buyers and processors cooperate.
- Underlying principle: farmers have to be connected with the market.
- Objectives:
 - promote a sustainable production of agricultural products
 - facilitate the establishment of sustainable supply chains
 - restore the social link between farmers and consumers.

Business case 3

- Results:
 - better farmers: share knowledge instead of competing
 - better farming : more sustainable production
 - better products: higher and guaranteed quality
- Approach: bottom-up. Farmers must have the key role.
- Evaluation: self assessments, group assessments and certifications.

Lesson to be learnt

Farmers must be in leading industries/processors and buyers/consumers.

Business case 4

- Example of cooperation with the market in Wales around a special area of conservation
- On the one hand, water pollution thresholds
- On the other hand, several potential water polluters: farmers, cheese factory, oil and gas factories + power plants
- The more farmers reduce phosphates and nitrates pollutants, the more factories can increase their production and compensate farmers.
- The same model of cooperation between farmers and factories was also proposed in the Netherlands, but there the project did not succeed.

Lesson to be learnt

Farmers must not be shy to search common interests with non-food producing industries.

Overall conclusion

- Demand from the market: consumers are ready to pay more for certified products.
- Industry can conclude contracts with groups of farmers.
- But industry will never discuss with individual farmers.

Cooperation among farmers is a prerequisite for establishing a connection with the market.