

The transition to sustainable agriculture in Europe must be viable for farmers

The debate on the future of agriculture is now more pressing than ever. A fast-paced industry driven by growth and global markets leads to relentless expansion and price slashing. This puts a huge strain on farmers and natural resources. And it is at the expense of the next generation of farmers and the planet. We dairy farmers are always responsive to new demands from society. For us, however, the economic viability of our farms must come first. This also includes ensuring that the workload can be fulfilled without overburdening and with fair remuneration for workers. But this is no longer the case today. An overhaul is therefore urgently needed. It is important that policy-makers use instruments that enable cost coverage. With the Market Responsibility Programme (MRP), the European Milk Board (EMB) has already presented an instrument whose use can bring the milk sector closer to cost coverage.

Society and, in particular, policy-makers must fundamentally rethink the doctrine of the free market in its current form. We farmers cannot be expected to produce to high-quality standards while at the same time our markets are flooded with goods produced to the lowest standards. It simply does not add up!

The billions spent merely to stop the local agricultural sector from going bankrupt is wasted money. If prices were paid for agricultural products that covered production costs (including the additional costs of sustainability) and made agriculture a viable business, then additional biodiversity, environment and climate protection measures would also be viable and achievable. **An agricultural policy that covers the costs of these measures is one that the members of the EMB are willing to support.**

It must be made clear that the transition is only possible *with* the help of us farmers. We therefore insist on being involved comprehensively and transparently in the transition to sustainable agriculture, which must draw on our hands-on experience and the knowledge accumulated over generations. We must plan for the long term, make investment decisions, and safeguard the transfer of farms between generations. But this requires decision-making based on well-defined impact assessments and clear pathways towards the desired goals.

Young farmers are in such short supply that the future of food production – such a vital occupation – is looking bleak. The younger generations need prospects for the future. This means making sure that the costs of production and, of course, the costs of the transition to sustainable agriculture are covered in the future. Policy-makers in the EU and in the Member States must provide a long-term legal framework to ensure that this is the case.

To all,

- who concur with the above,
- who recognise that we milk producers already do and have done a lot for climate and environmental protection and for providing society with a reliable supply of quality products*, but that the costs involved have not been and will not be covered,
- who are aware of the difficult economic and social situation we have been in for years, and
- who know that the cost of greater sustainability cannot be borne alone, but must be financed by society as a whole,

we offer our open and willing cooperation towards a more sustainable agriculture.

*** These important points have shaped agriculture in the past**

Since 1990

- Agriculture and forestry are the only industries that sequester CO₂. Grasslands, together with peatlands and after permafrost, store the greatest amount of carbon, which is locked into the soil. To preserve grassland, it needs to be grazed. Grazing animals improve soil fertility. As such, rather than causing climate change, cows help protect our grasslands.
- Since 1990, EU agriculture has reduced its greenhouse gas emissions by 21%. There has also been a significant reduction in fertiliser use and some improvements in habitat protection for wild species.
- In the milk sector in particular, many farmers have long relied on grazing, which contributes to animal welfare and landscape conservation. But this practice receives no recompense or, if it does, only very little in recent years through premium schemes, which, however, also entail additional costs.

Decline of dairy farming & cattle

- In recent decades, the number of dairy farms in the EU, Norway and Switzerland has steadily declined.
- The same applies to the number of cows.

Agriculture compared with the rest of society in terms of CO₂ equivalents

- Greenhouse gas emissions from international aviation have more than doubled since 1990, and the number of air passengers in the EU has tripled since 1993.
- Emissions from shipping and private motorised transport have also increased significantly during the same period.
- Agriculture (along with energy, industry, waste management) is one of the sectors that, as mentioned above, has reduced its CO₂ emissions since 1990 (-21%).
- The demand for consumer goods – electronics, communication, clothing, etc. – remains a top polluter.

What are the economic conditions in the sector and how much will the transition to sustainable agriculture cost?

- Below-cost selling has been a massive problem in the milk sector for a long time. Prices are so low that the average cost shortfall across the EU over a 5-year period was as high as 24 per cent. In most countries, producers received no income at all or only a low income that was far below the minimum wage.¹ This will be drastically exacerbated by the transition to sustainable agriculture if no action is taken.
- Industry experts estimate additional costs of at least 15-20ct/kg milk to be fully sustainable in the long term.
- To achieve the highest animal welfare standards, for example, would cost an extra 4-7ct/kg milk.
- Much investment is required in sheds, machinery, land, etc.
- Costs will also rise; an example is the case of extensive fodder production.
- With the European Green Deal and similar strategies in other countries, our political decision-makers and our societies aspire to more sustainability. This also means higher costs for farmers. However, the costs and the responsibility for the transition to sustainable agriculture must be borne jointly. Farmers should not be left to shoulder the burden alone.

¹ *What is the cost of producing milk? Milk production costs in eight European countries, EU average costs, and organic milk production costs in Germany, Results 2019*, BAL and EMB, 2021, p.13.

Link: https://www.europeanmilkboard.org/fileadmin/Dokumente/Milk_Production_Costs/Gesamtbrochure_2021/2021_Cost_study_EN.pdf

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