EDF – *agri benchmark* Snapshot 2010:

Cows are on the move, but where to?

Saluzzo, June 25th

Birthe Lassen, Claudio Lopez Garrido, Markus Oskarsson on behalf of EDF STAR

Future developments in Europe

- Who participated?

Short term developments:

- Economic situation in the countries
- Adoptions to recent market developments
- Investments in 2010

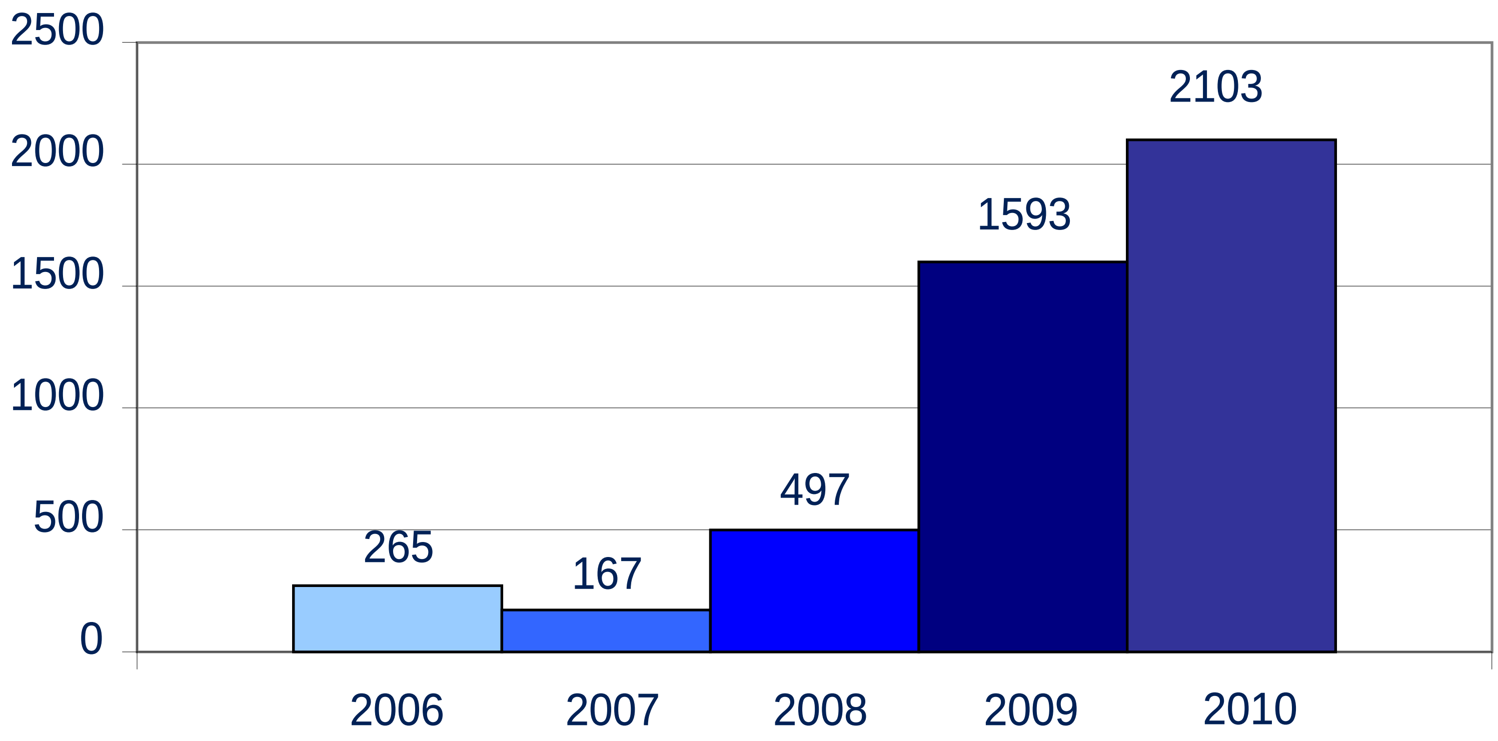
Medium/long term developments:

- Regional development in the future

Spotlights: Spain, Germany, Sweden

Source: EDF – agri benchmark Snapshot (2010).

Development in number of participating farms

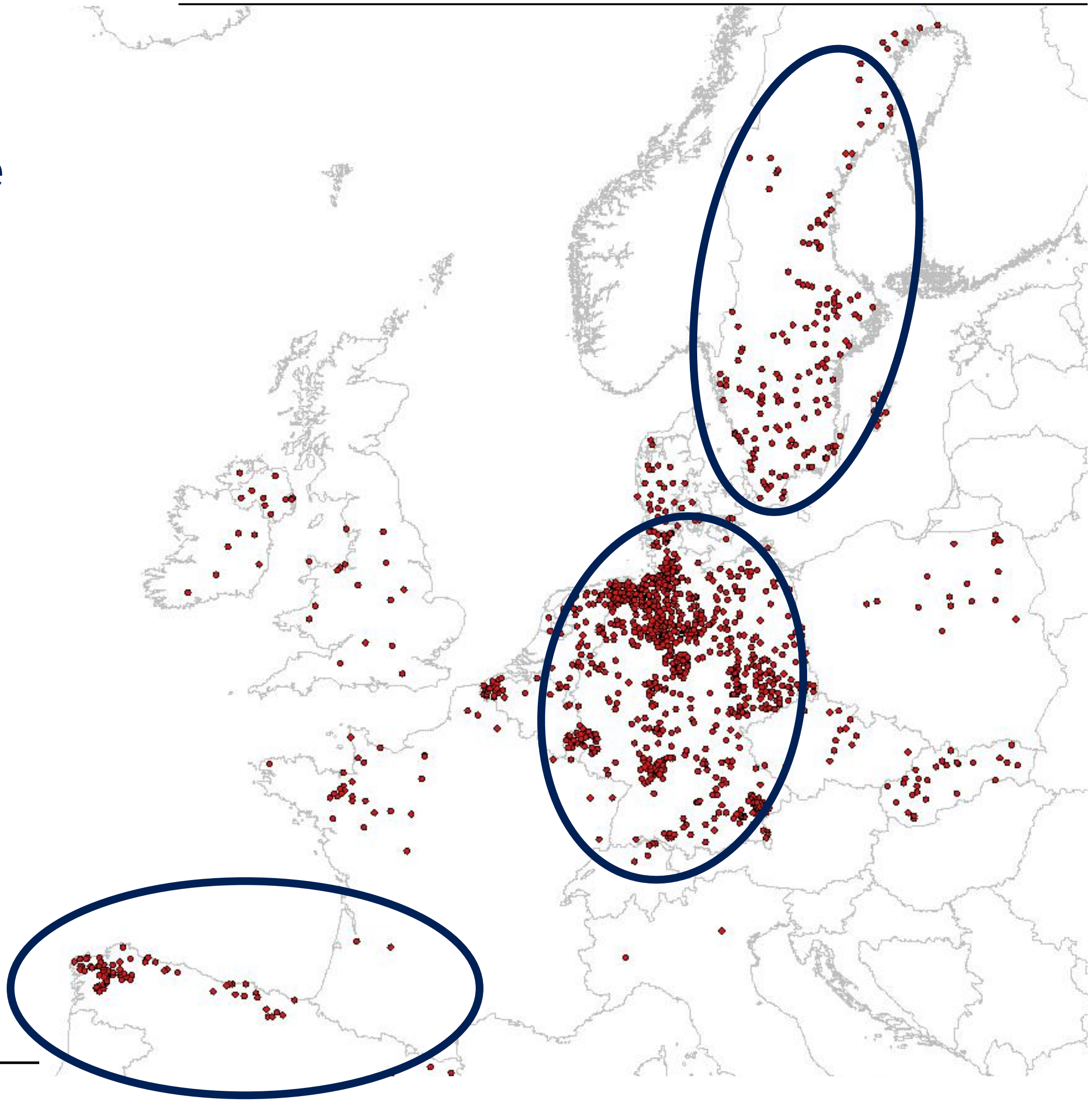


Increase in participation shows interest from farmers towards more orientation on European scale

Source: EDF – agri benchmark Snapshot (2010).

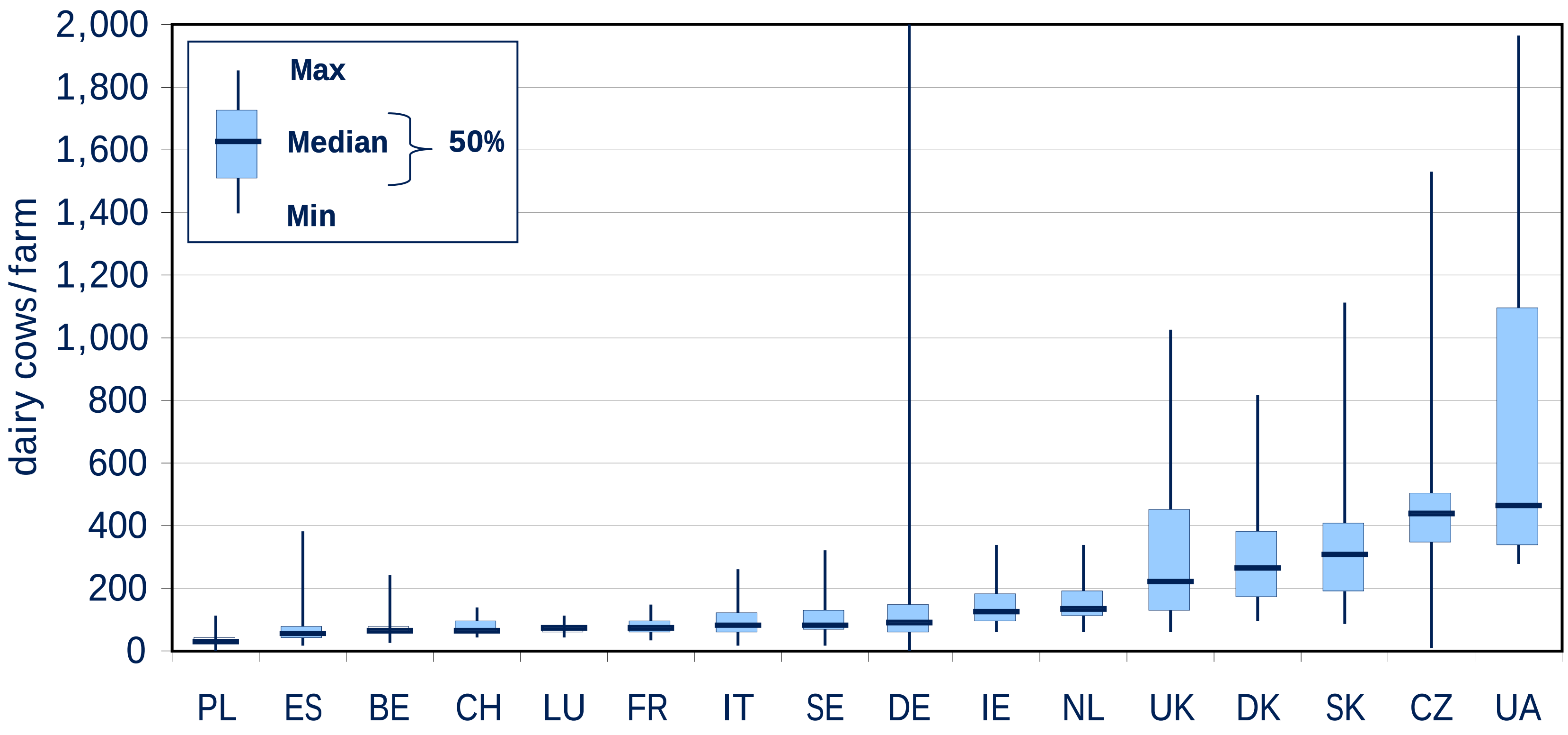
Participation throughout Europe

- 17 EU-Countries
- > 2/3 of the sample from SE, ES, DE



Source: EDF – agri benchmark Snapshot (2010).

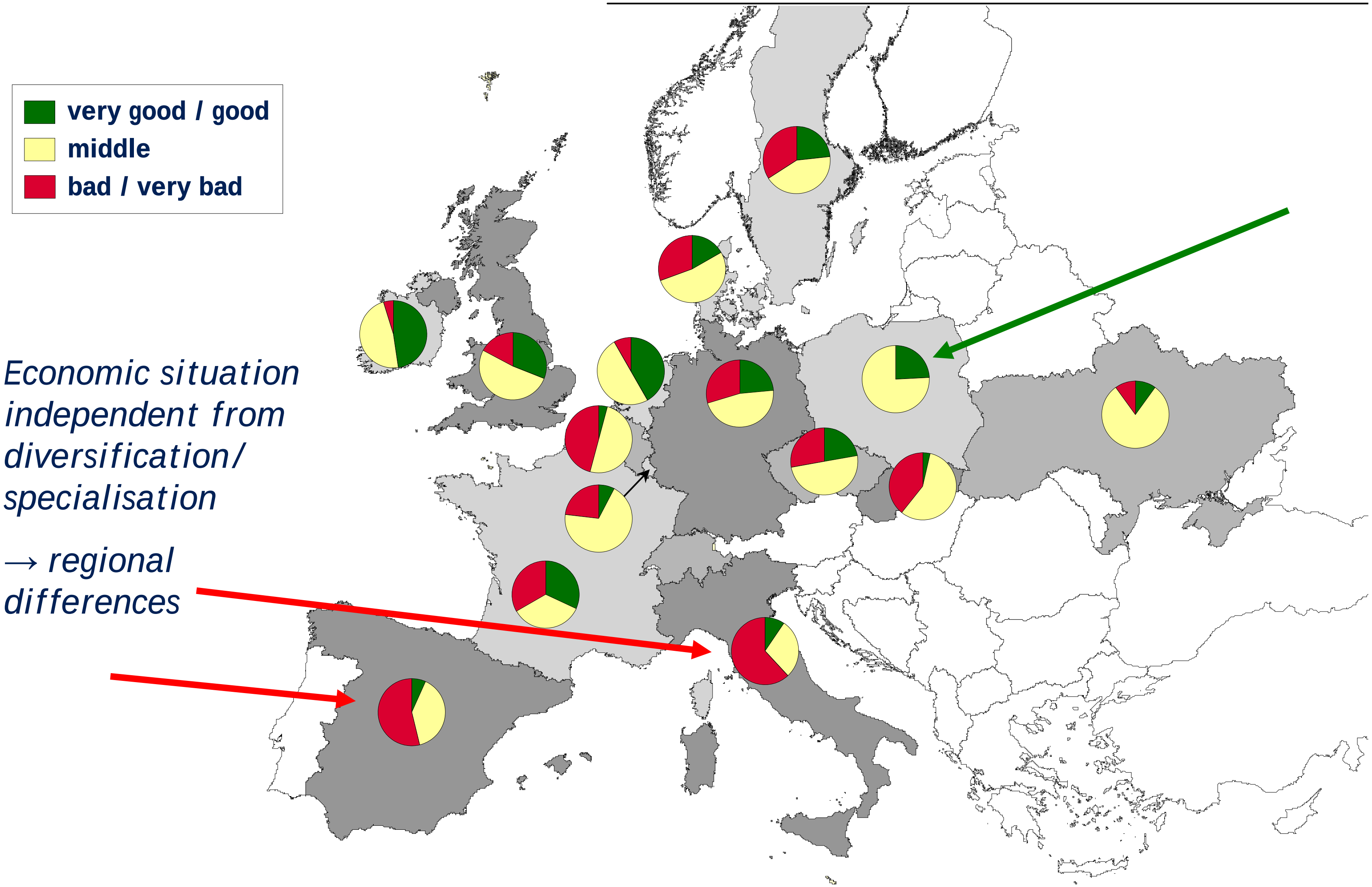
Herd size distribution: differences within & between countries



*> 50% of the farm land used for dairy production, more specialised on dairy**

Source: EDF – agri benchmark Snapshot (2010).* Exception: Eastern Germany

Farm‘s economic situation *today*

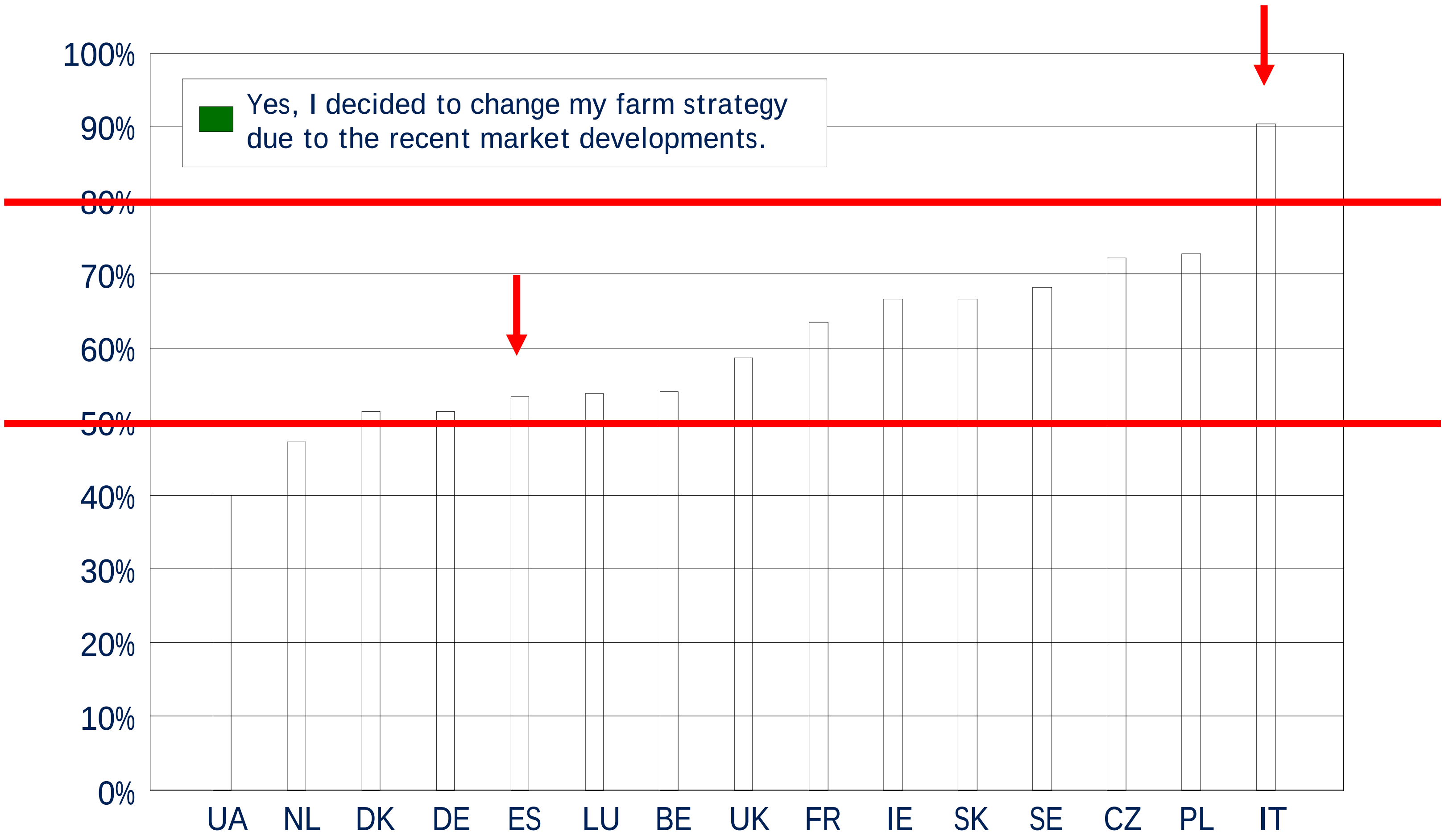


Economic situation independent from diversification/ specialisation

→ regional differences

Source: EDF – agri benchmark Snapshot (2010).

Farmers changing farm strategies due to recent market developments



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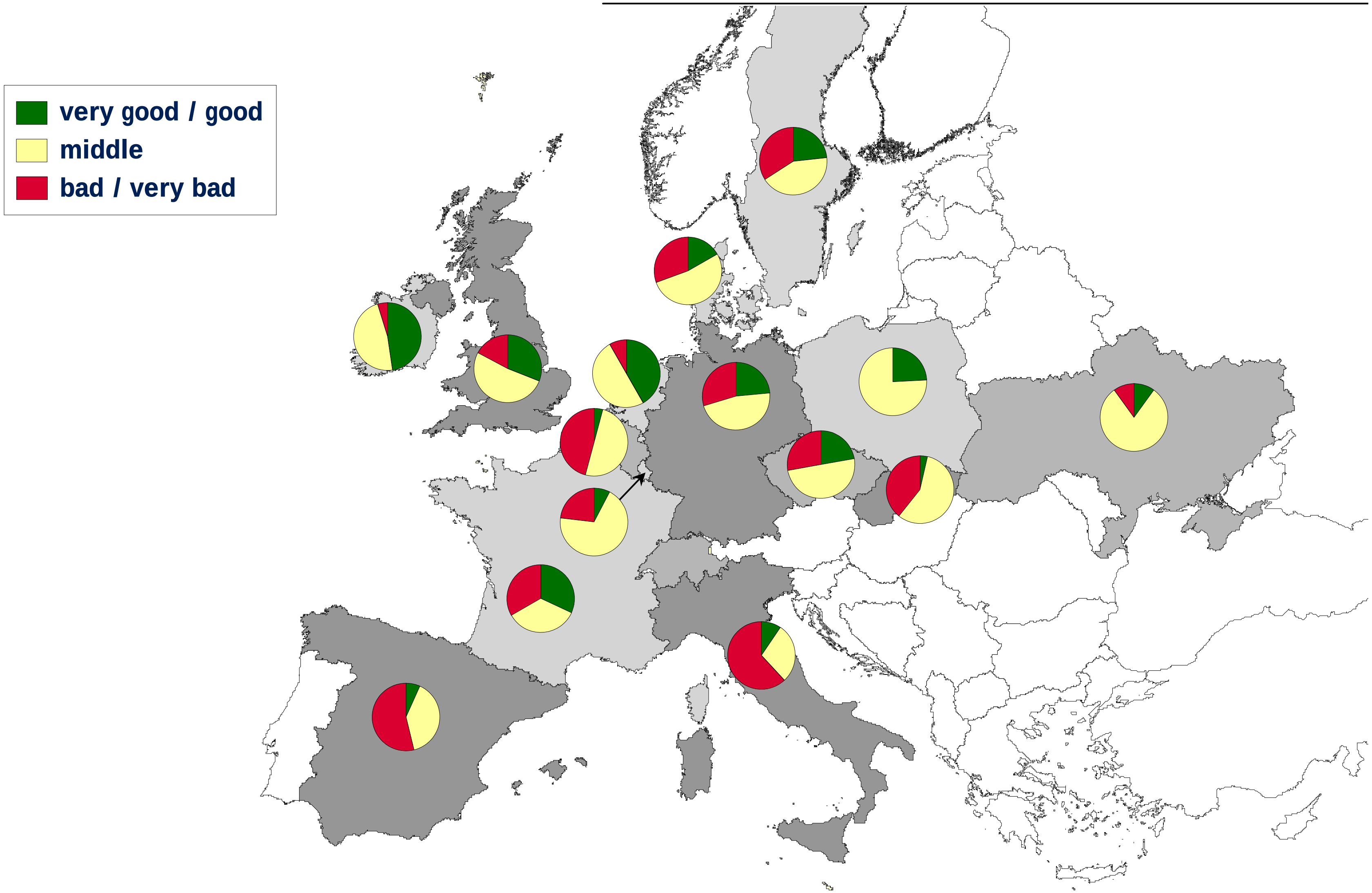
Source: EDF – agri benchmark Snapshot (2010).

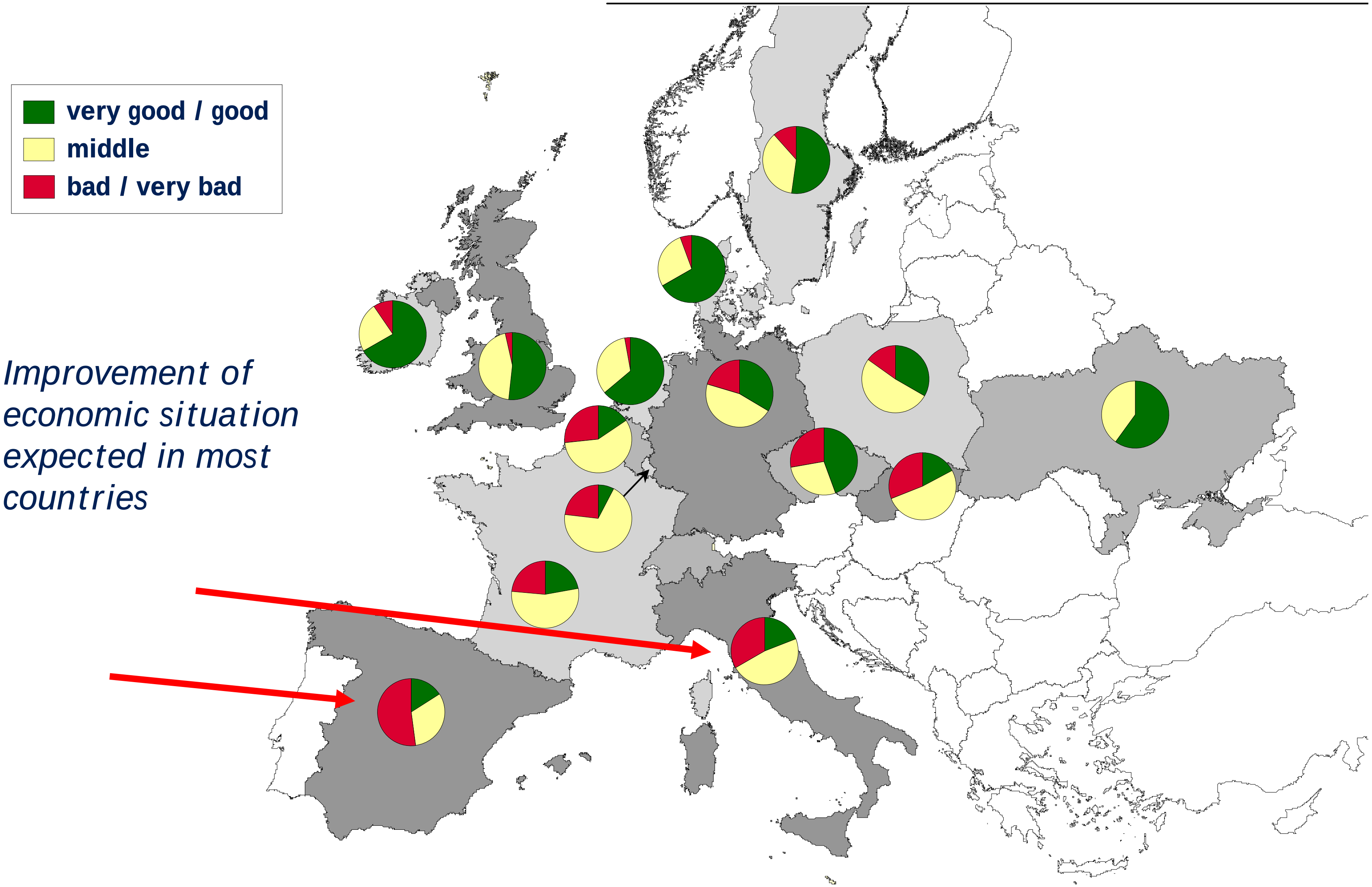
Farm's economic situation *today*



EDF STAR

Source: EDF – agri benchmark Snapshot (2010).

Farm's economic situation *in 2012*



Improvement of economic situation expected in most countries

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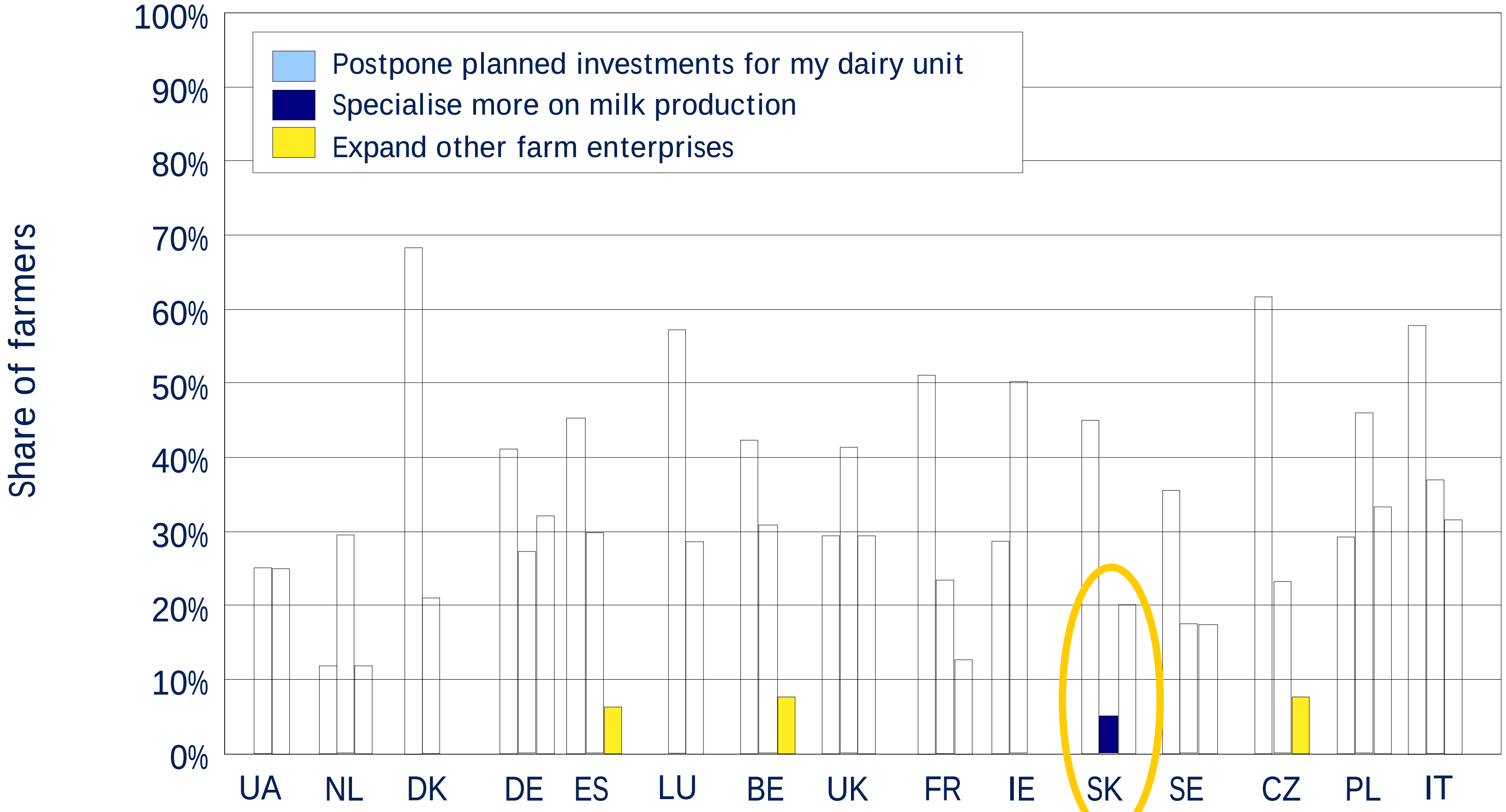
Source: EDF – agri benchmark Snapshot (2010).

Change in farm strategy by country



Postponing investments = major strategy, Specialisation > Diversification

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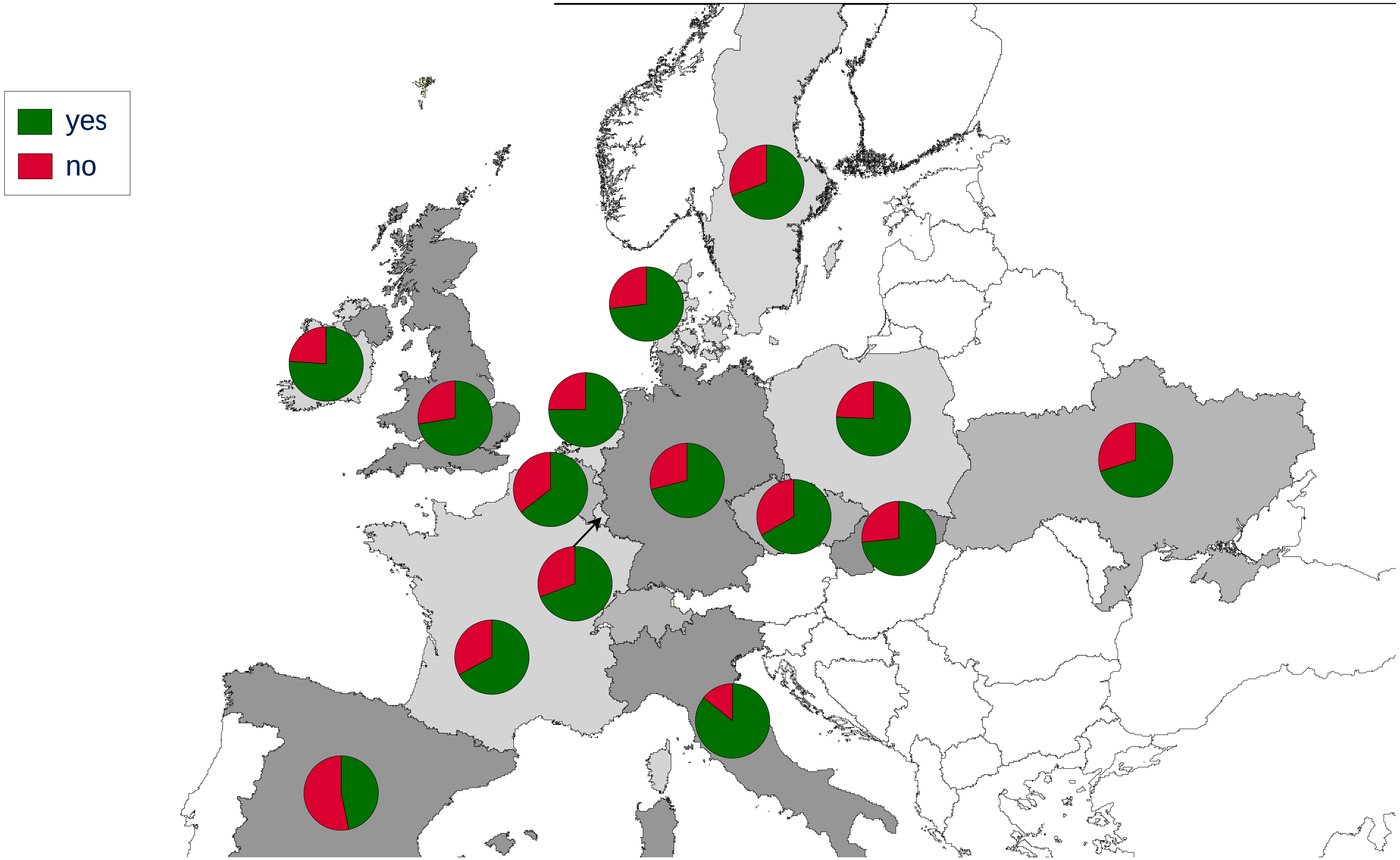
Source: EDF – agri benchmark Snapshot (2010).

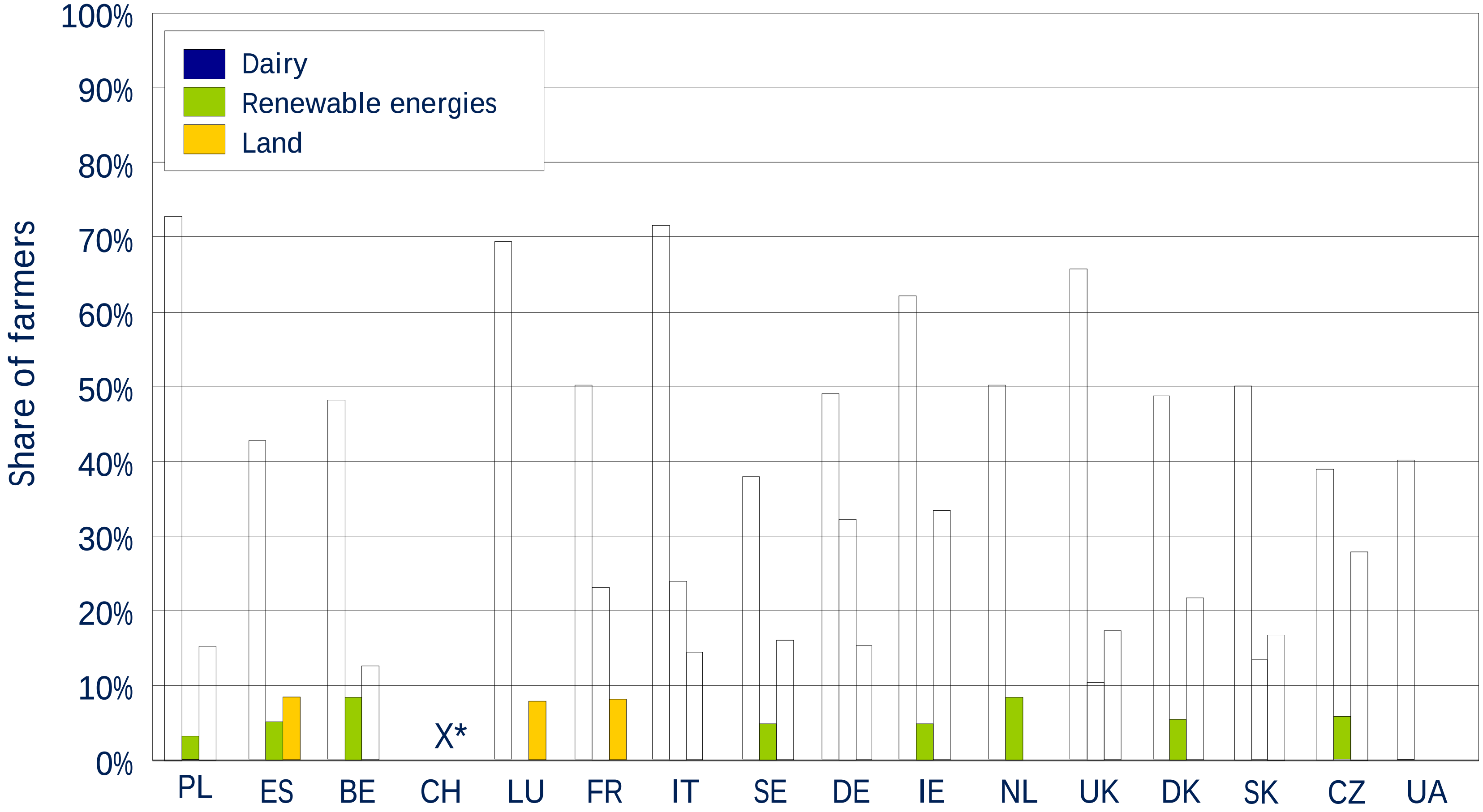
Investments yes/no within the next 12 month by country



Even though some investments were postponed,
¾ of the farmers intend to invest in 2010

Source: EDF – agri benchmark Snapshot (2010).

Investments in different parts of the farm by country



Investments into dairy: majority of farmers per country,
into land: CZ, IE, into renewable energies: DE, IT/FR

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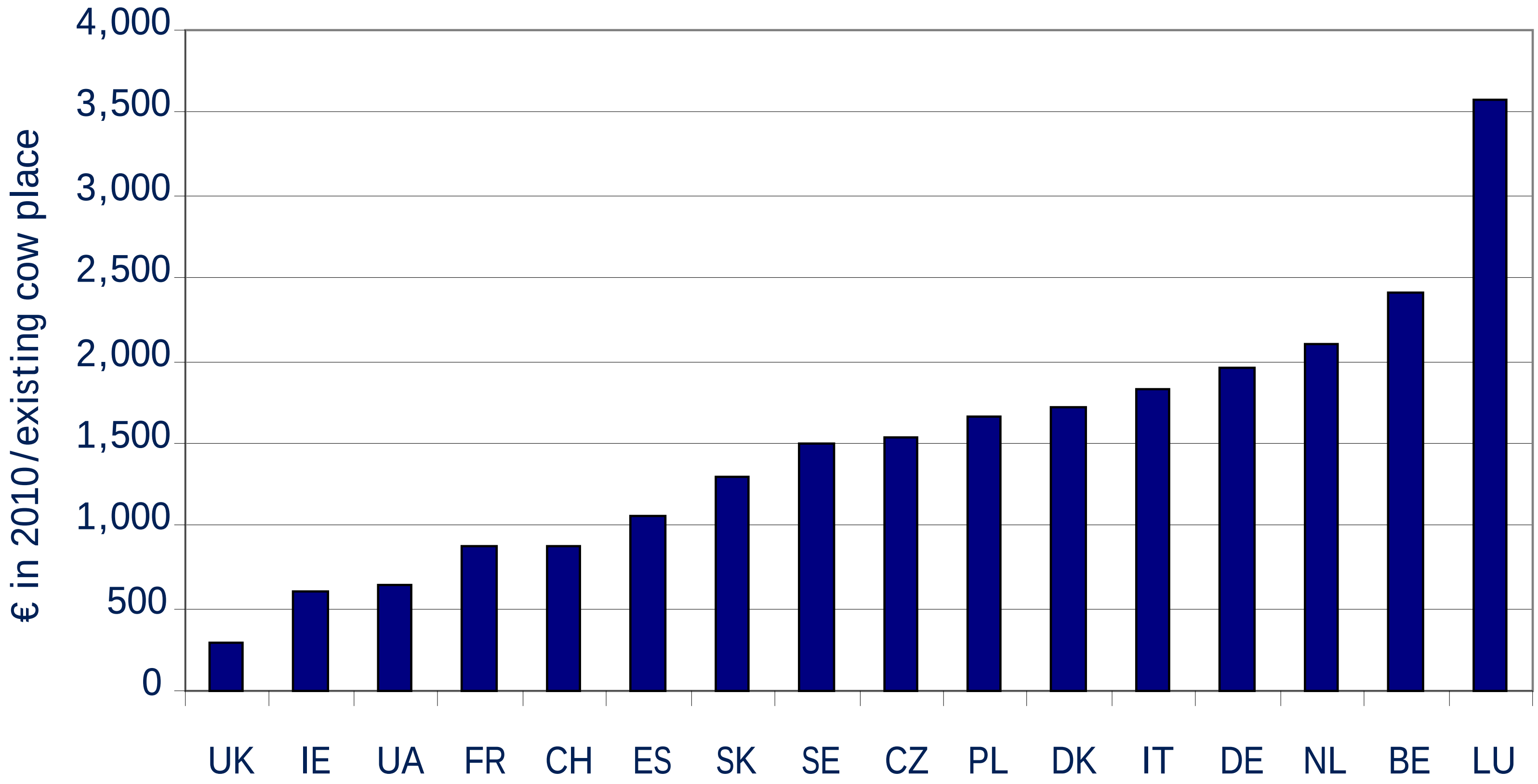
Source: EDF – agri benchmark Snapshot (2010).* Taken out because n < 10.

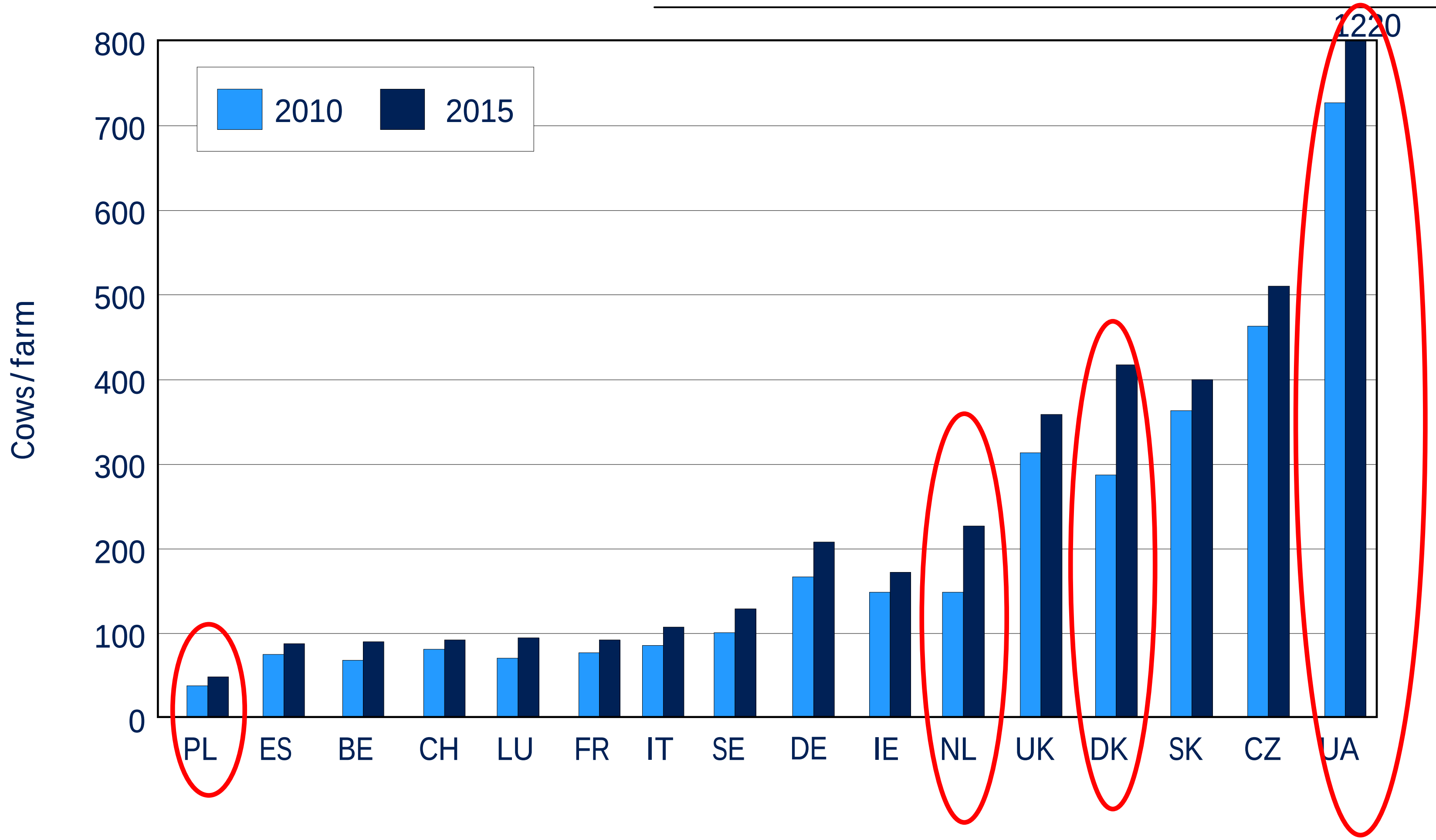
Average investments in the dairy enterprise/cow in 2010



Not only "small" investments: investments into barns planned by most farmers, exception: SE, SK -> investments into technologies

Source: EDF – agri benchmark Snapshot (2010).

Expected herd size development by country (2010 to 2015)



Highest percentage growth (> 5% p.a.) in PL, NL, DK, UA

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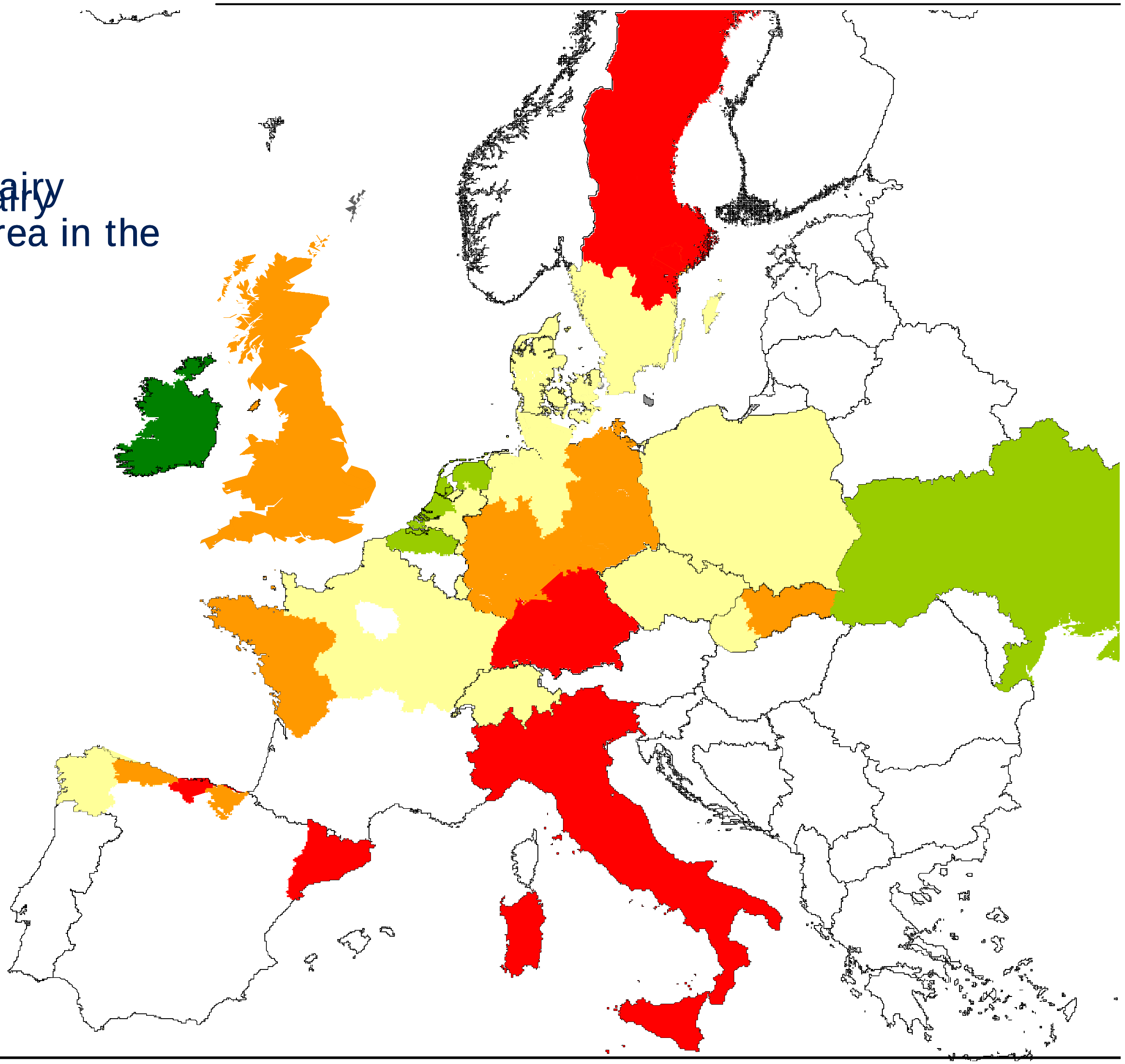
Source: EDF – agri benchmark Snapshot (2010).

Expected development of dairy production in „my“ region

How will the importance of dairy production develop in your area in the long-term*?

- 1 Increase (>0,5)
- 0.25 to 0.5
- 0 Stay the same (-0,25 to 0,25)
- -0.25 to -0.5
- -1 Decrease (<-0.5)



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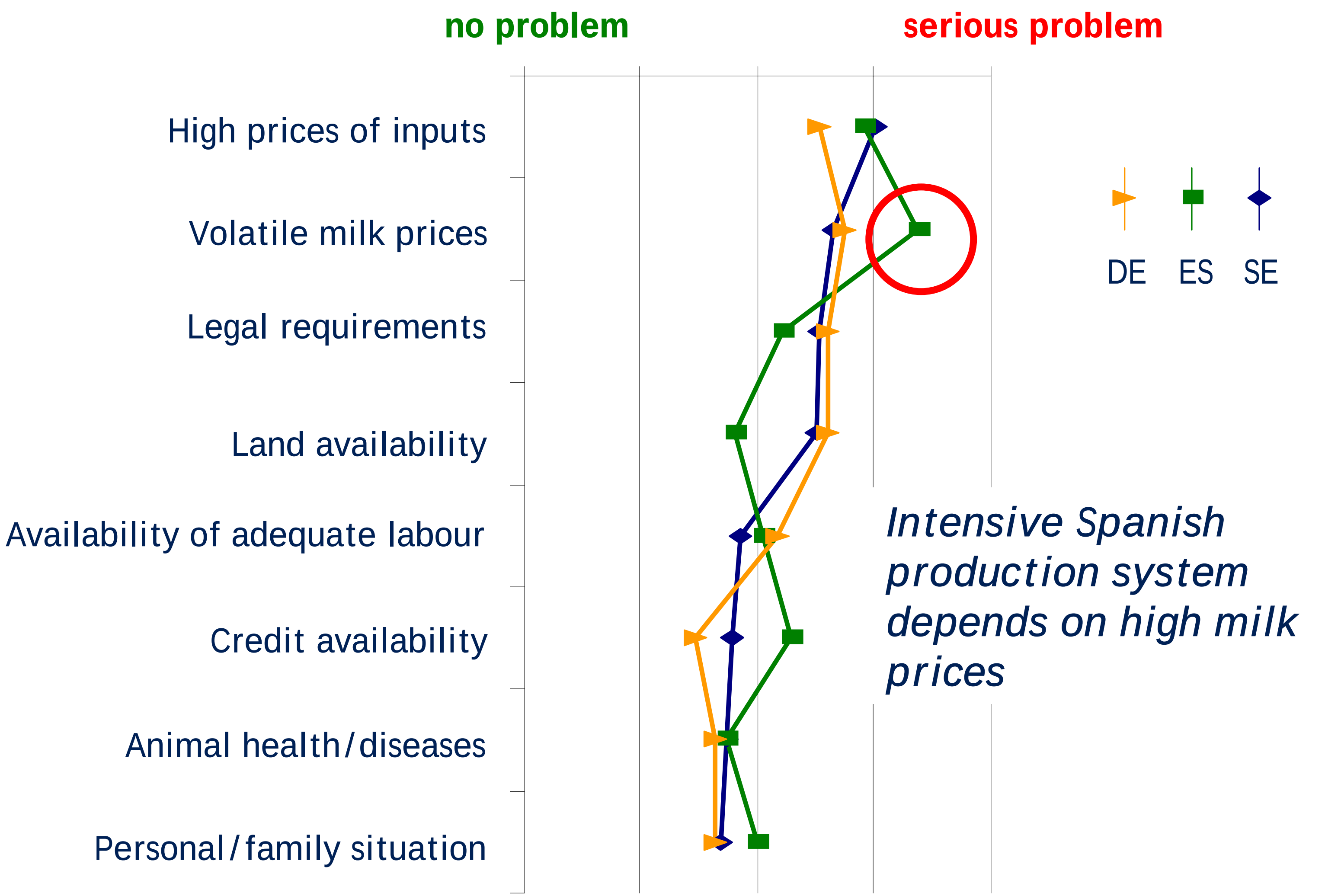
Source: EDF – agri benchmark Snapshot (2010).

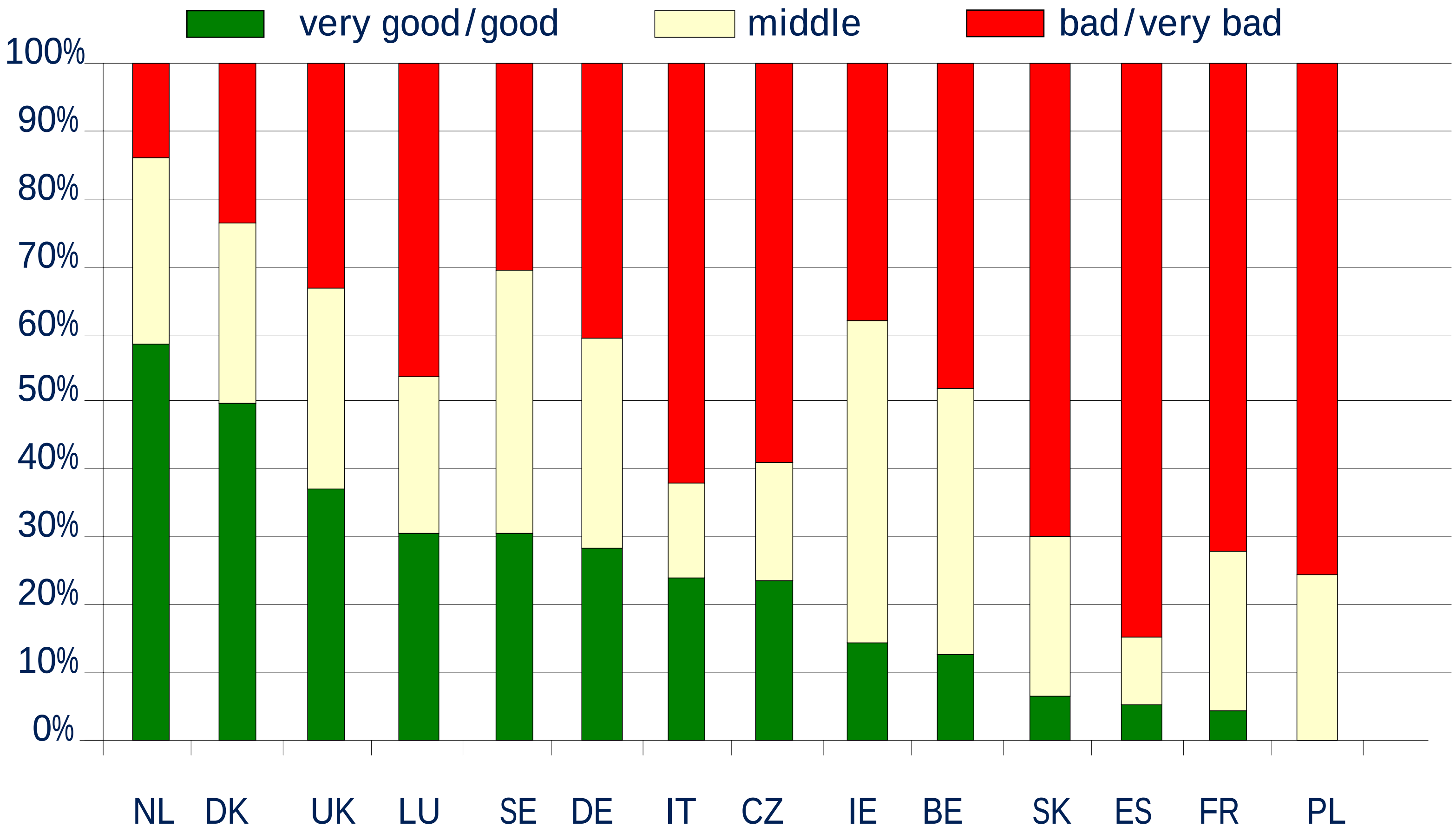
*Farmers could tick either increase, stay the same or decrease. Codes were increase=1, stay the same=0 and decrease = -1. Averages are used to ink the map. Small percentage of farmers stating dairy production is not relevant in their region were not considered for the average.

Why are regions developing differently?



Source: EDF – agri benchmark Snapshot (2010).

Dairy farmer's evaluation of the current EU policy



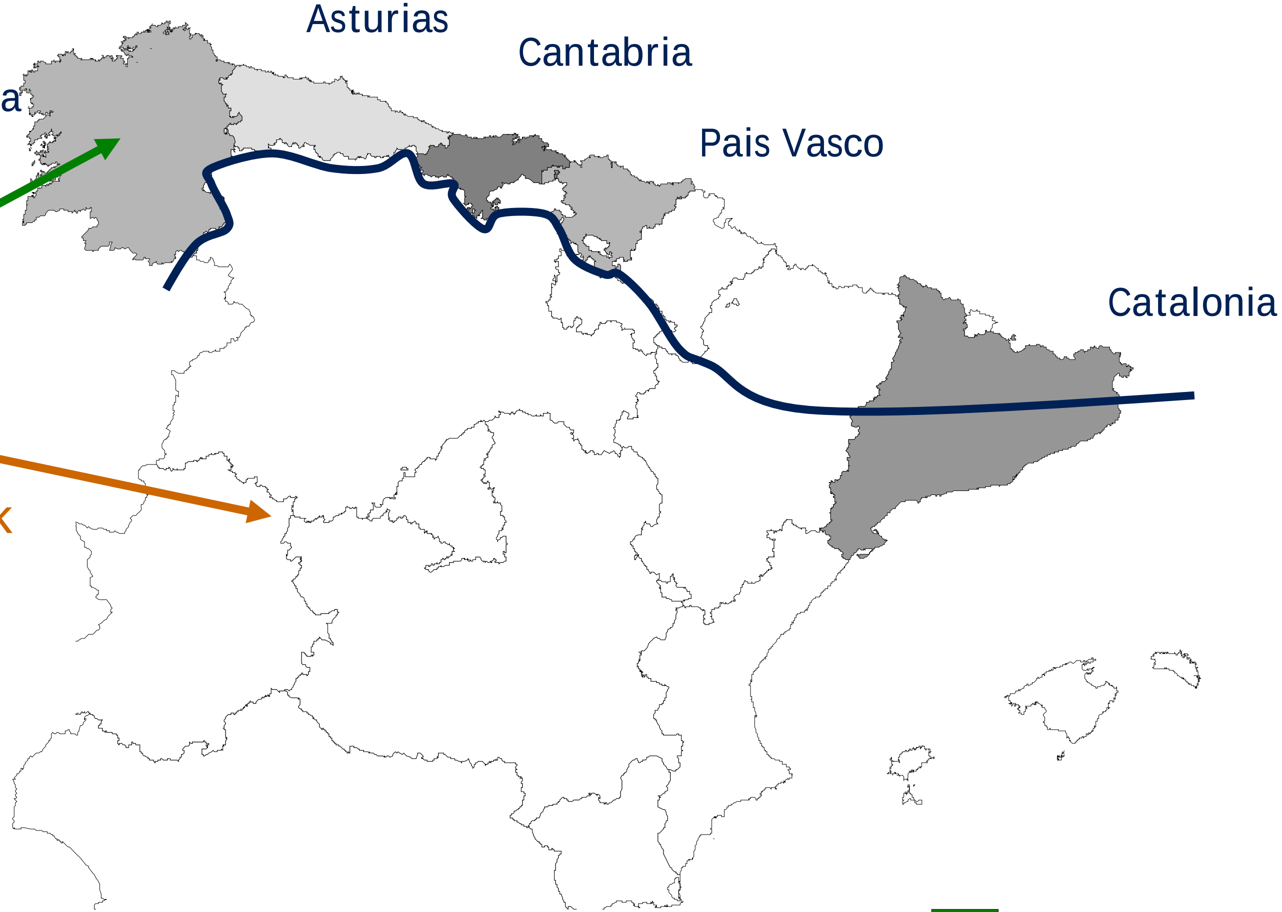
Estimation very differently in the countries (on average: >50% happy or "ok" with the EU-policy), but farmers very unhappy in SK, ES, FR, PL

Source: EDF – agri benchmark Snapshot (2010).

Two dairy production systems within Spain

Wet Spain: extensive
79% of all dairy farms
milk 58% of all quota

Dry Spain: intensive
21 % of all dairy farms milk
42% of all quota
~ herd sizes double from
"wet spain"

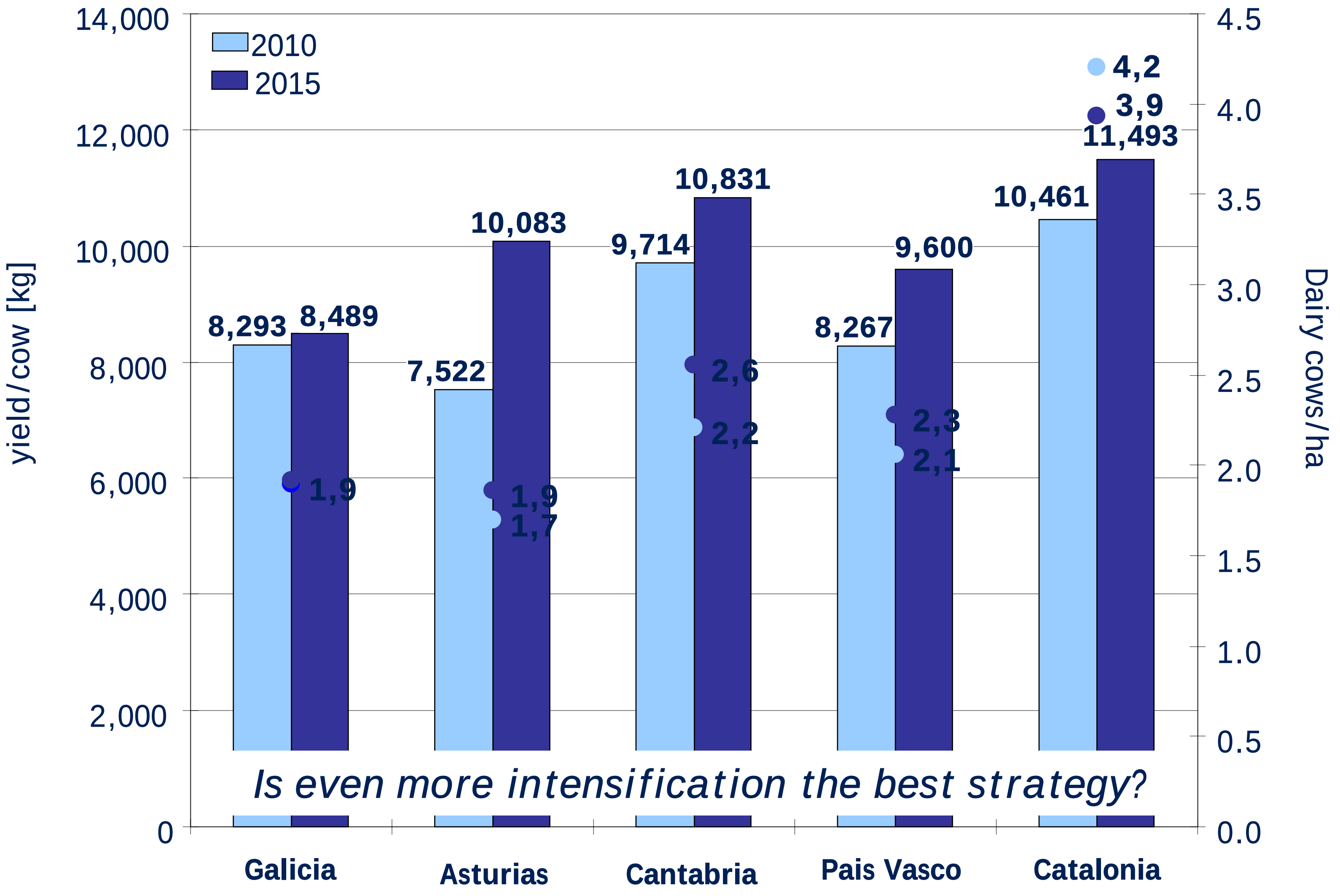


But: Wet Spain tries to reach intensification level of dry Spain

very good / good
middle
bad / very bad

Source: EDF – agri benchmark Snapshot (2010).

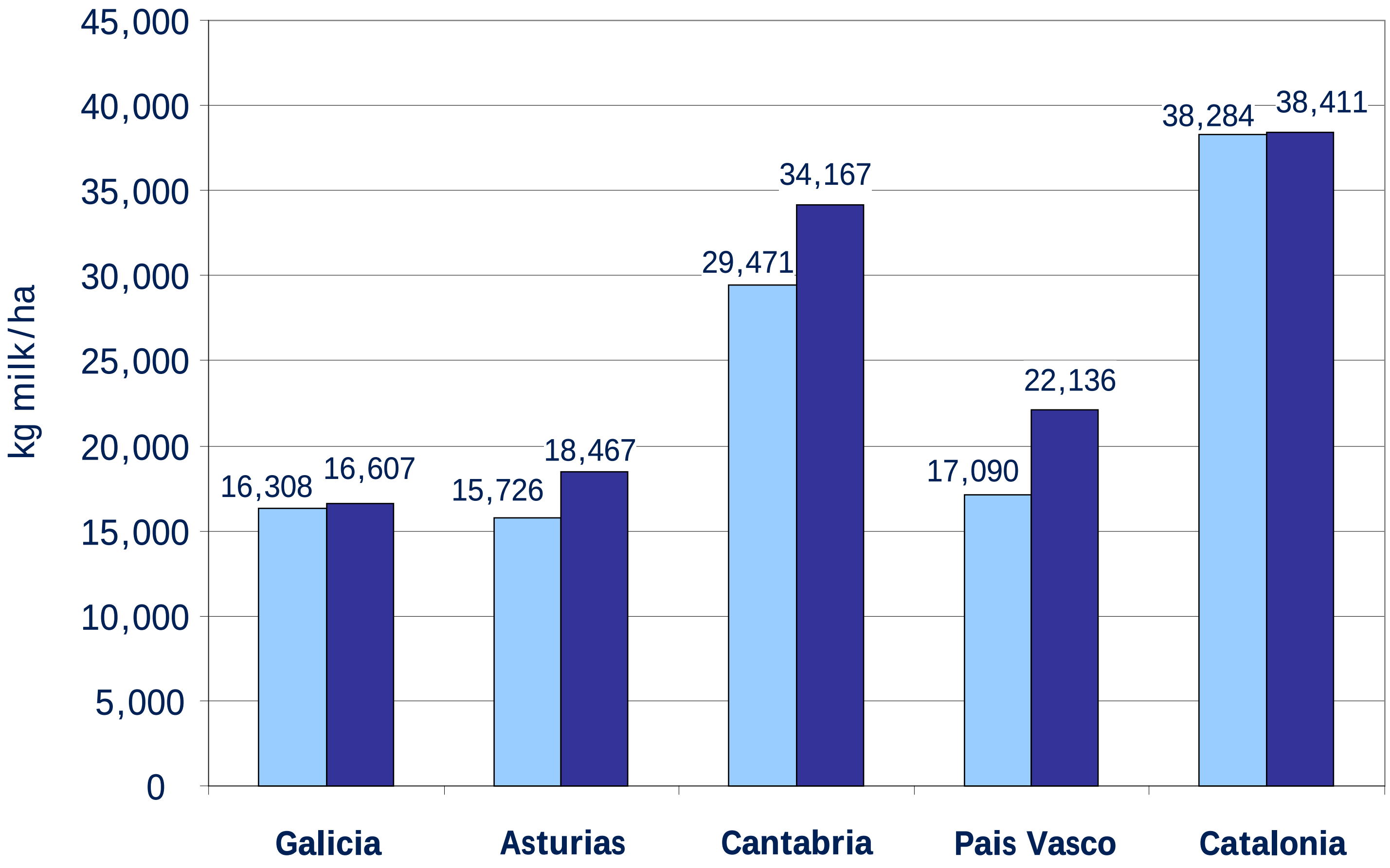
Development of milk yield/cow & cows/ha



EDF STAR

Source: EDF – agri benchmark Snapshot (2010).

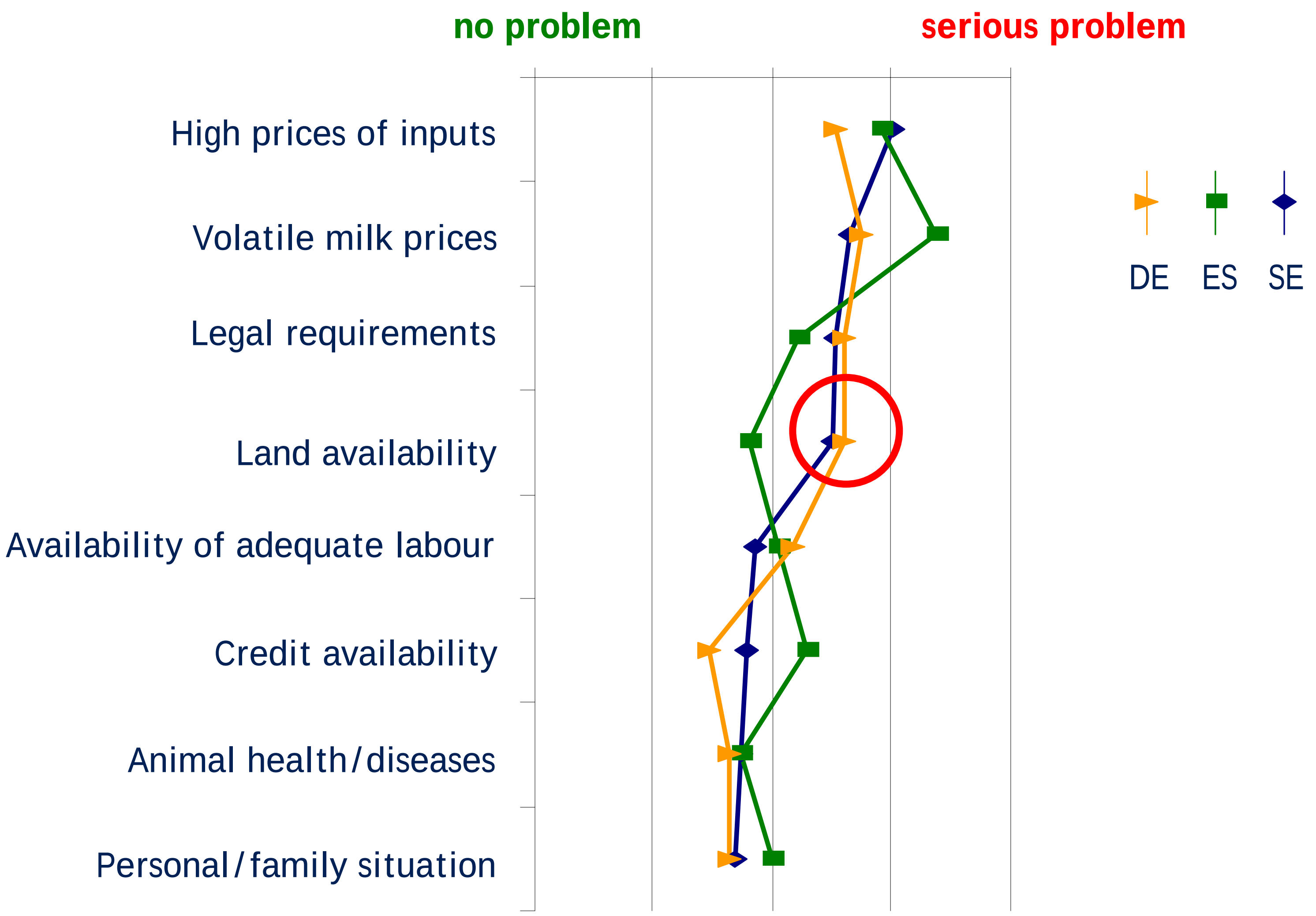
Development of kg milk per ha total farm land in 2015



EDF STAR

Source: EDF – agri benchmark Snapshot (2010).

Why are regions developing differently?

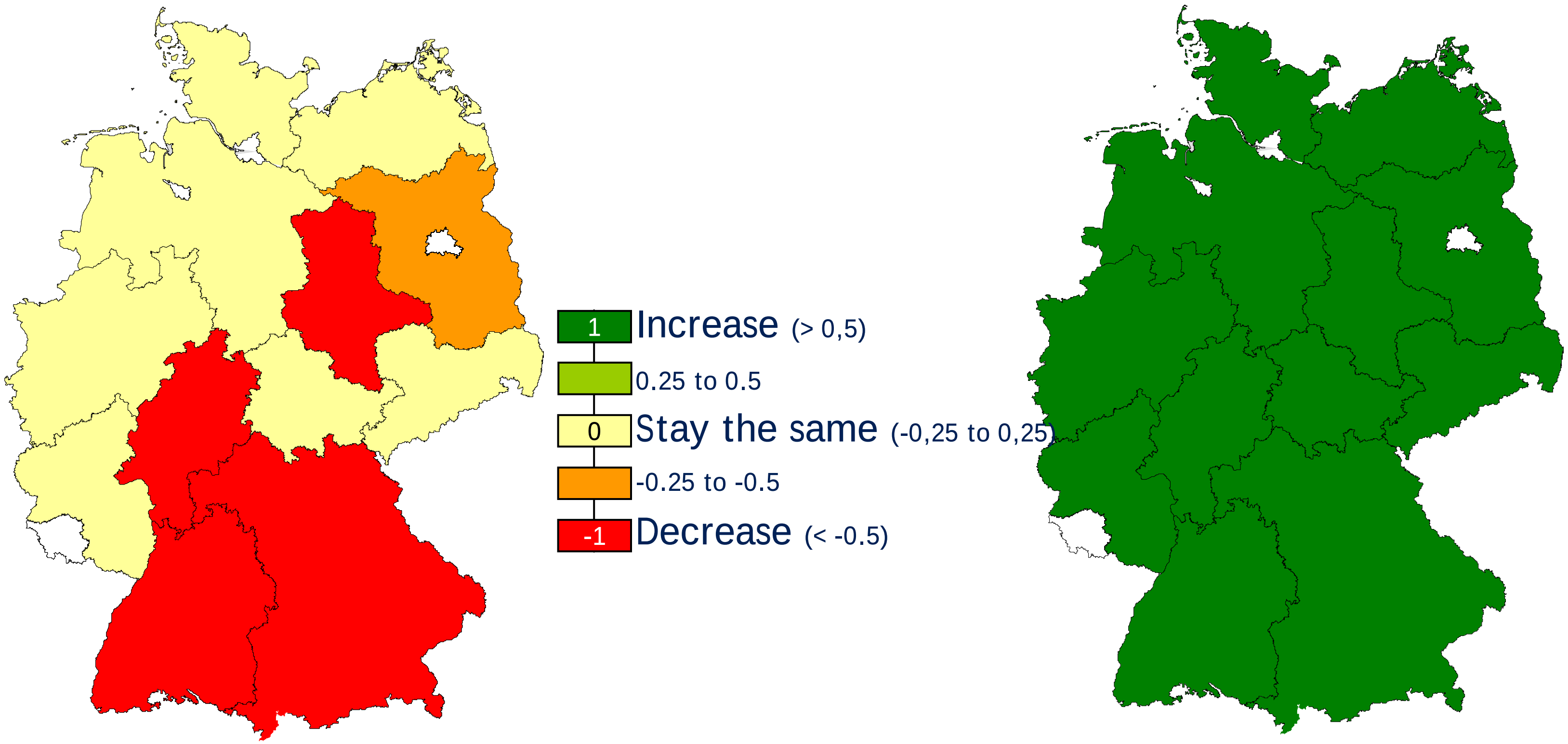


Source: EDF – agri benchmark Snapshot (2010).

Germany: Dairy vs. biogas production?

Dairy production

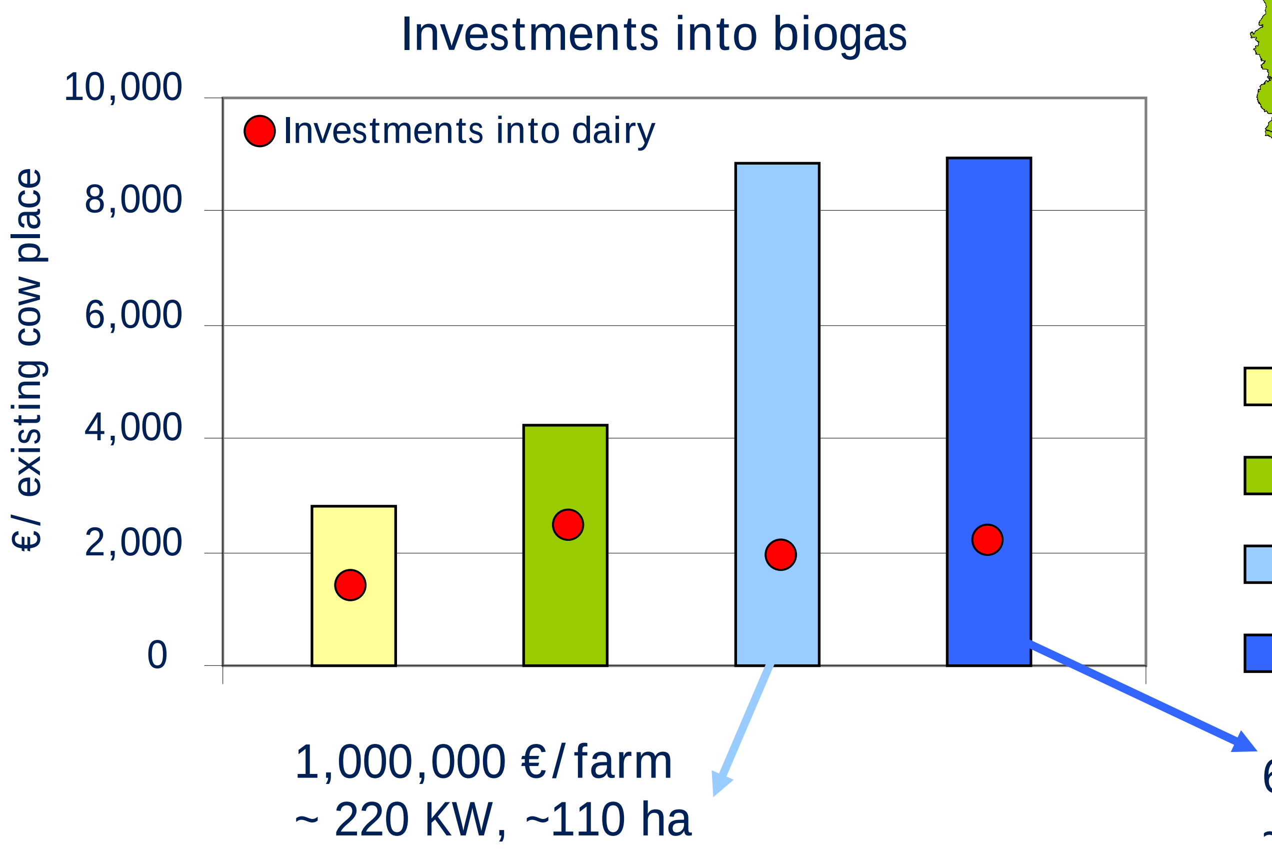
Biogas production



Regional assessments: ~ 90% of all farmers expect growth in biogas, ~ 50% a decrease in dairy production

Source: EDF – agri benchmark Snapshot (2010).

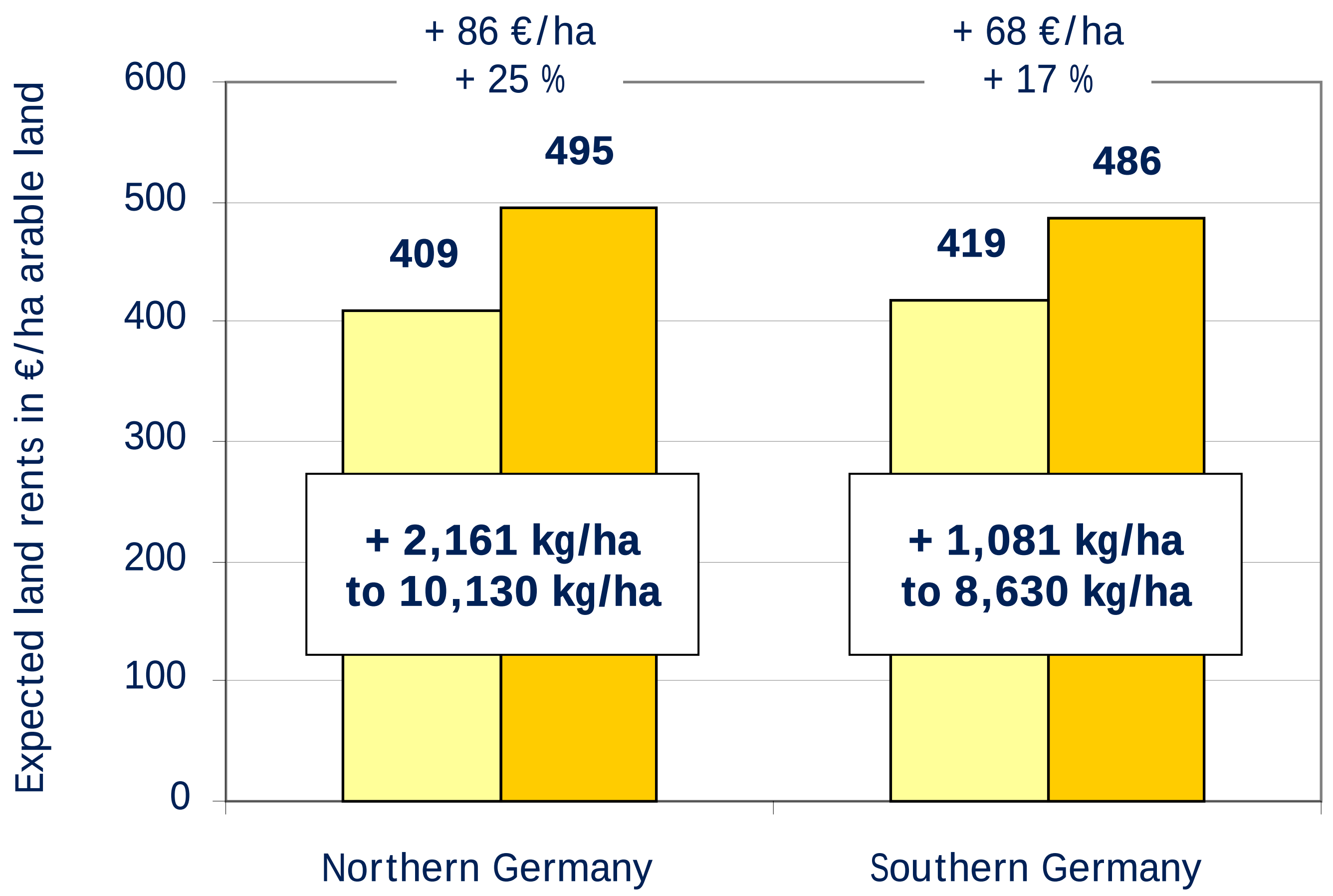
Biogas gains importance on the farm



Higher investments per cow in biogas than dairy,
North/South: biogas with high relevance as second enterprise!

Source: EDF – agri benchmark Snapshot (2010).

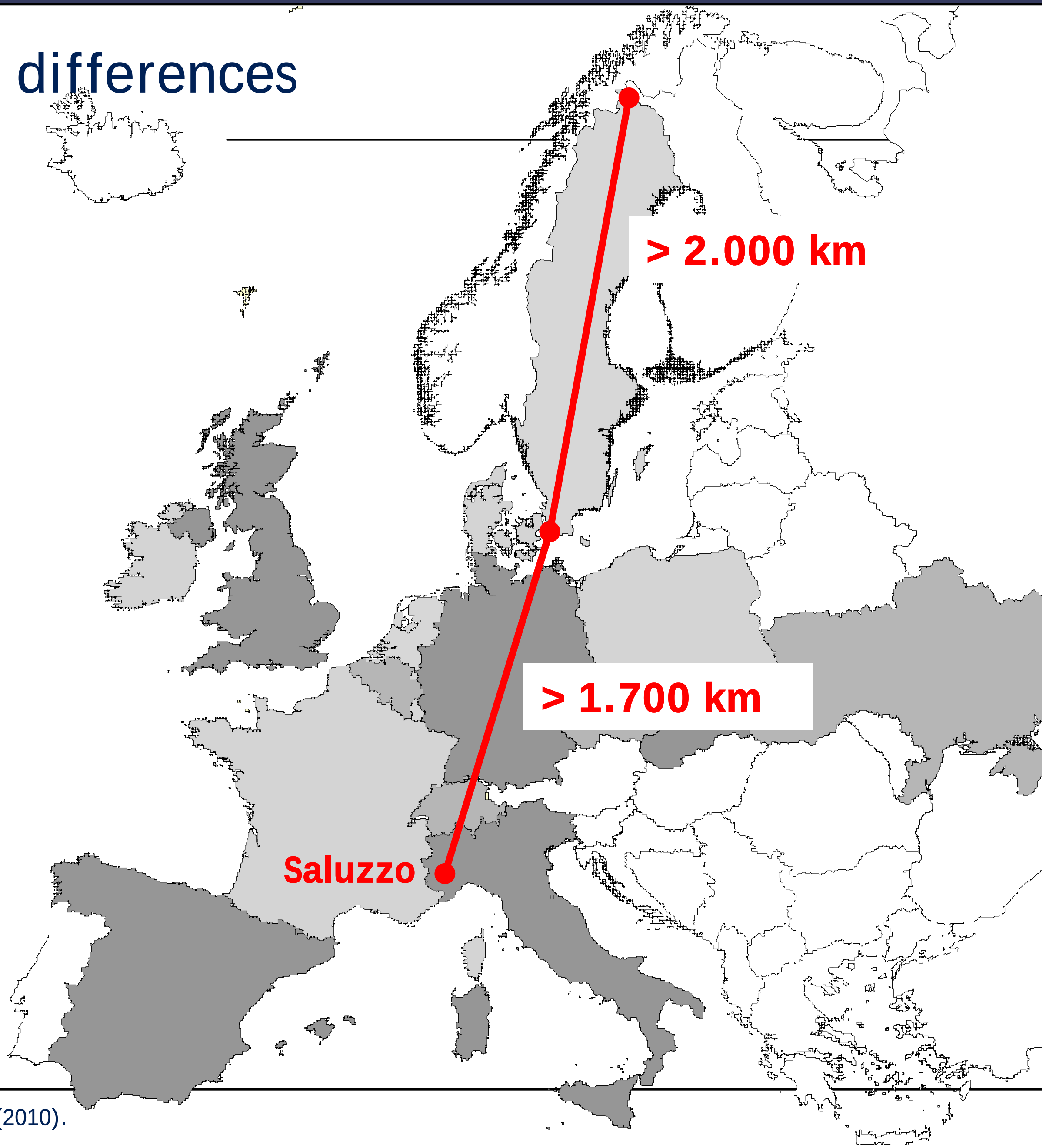
Expected development of land rents for arable land until 2015



Expectations: North passes South, Biogas increases regional land scarcity
-> raising land costs for dairy production/intensification

Source: EDF – agri benchmark Snapshot (2010).

Sweden: land of differences



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Source: EDF – agri benchmark Snapshot (2010).

Farms in Southern SE > Eastern SE > Northern SE

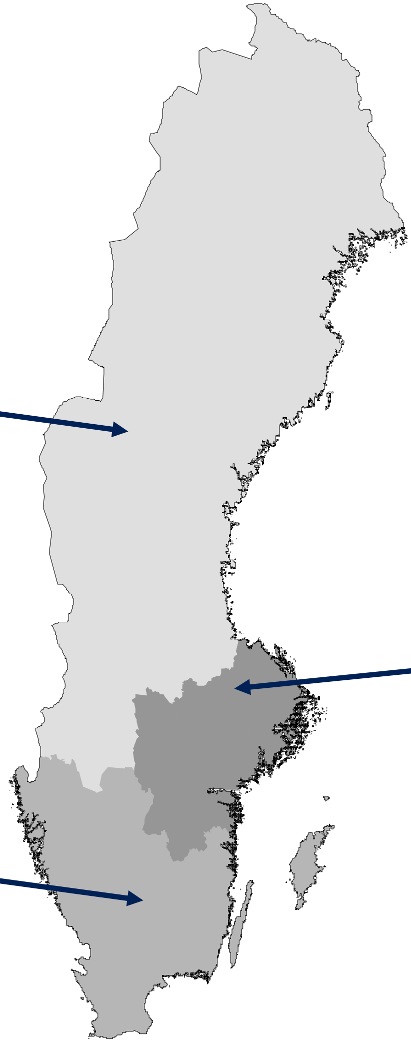
65 participants

∅ 71 cows/ farm

∅ 136 ha/farm (60 % rented)

∅ 7 % grassland/forage area

9 % organic farms



50 participants

∅ 97 cows/ farm

∅ 175 ha/farm (45 % rented)

∅ 15 % grassland/forage area

38 % organic farms

133 participants

∅ 108 cows/ farm

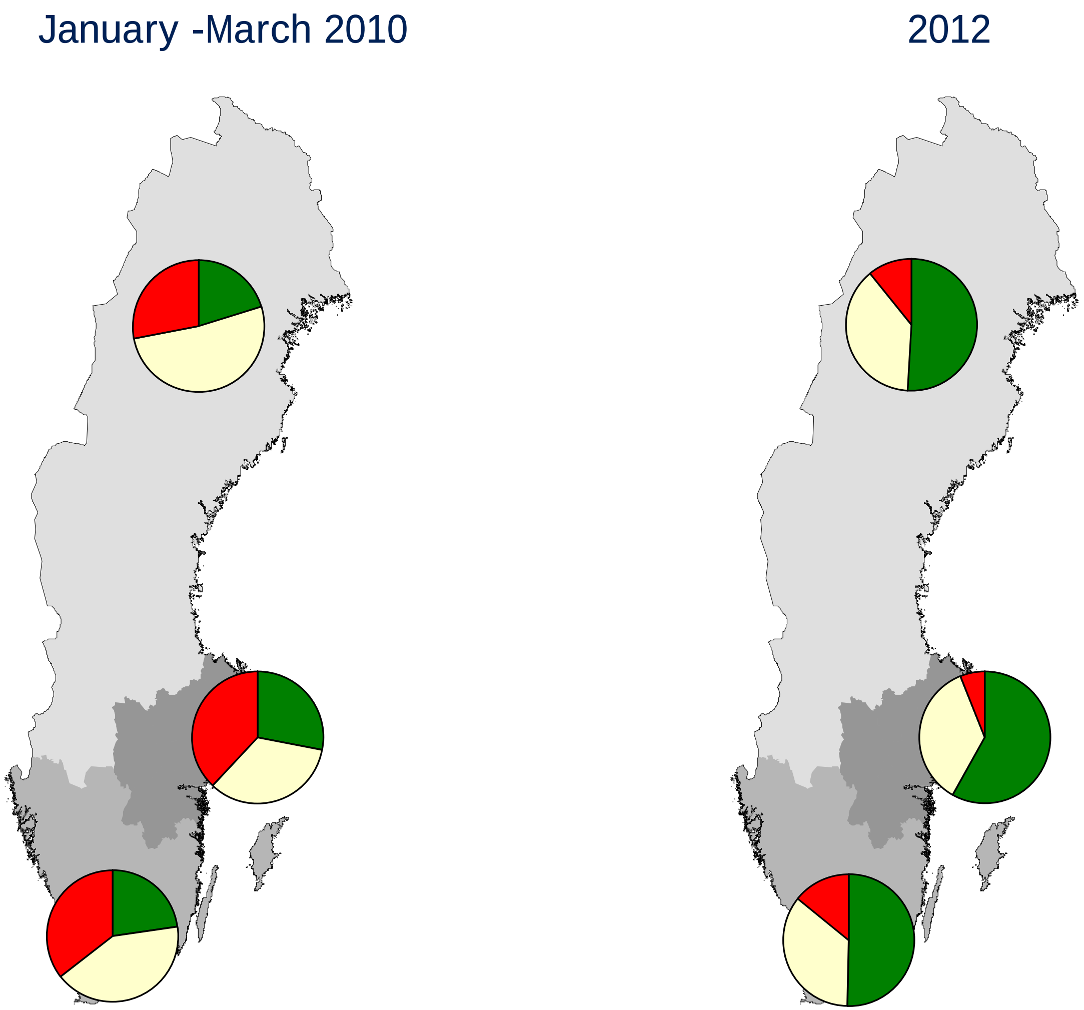
∅ 161 ha/farm (46 % rented)

∅ 19 % grassland/forage area

14 % organic farms

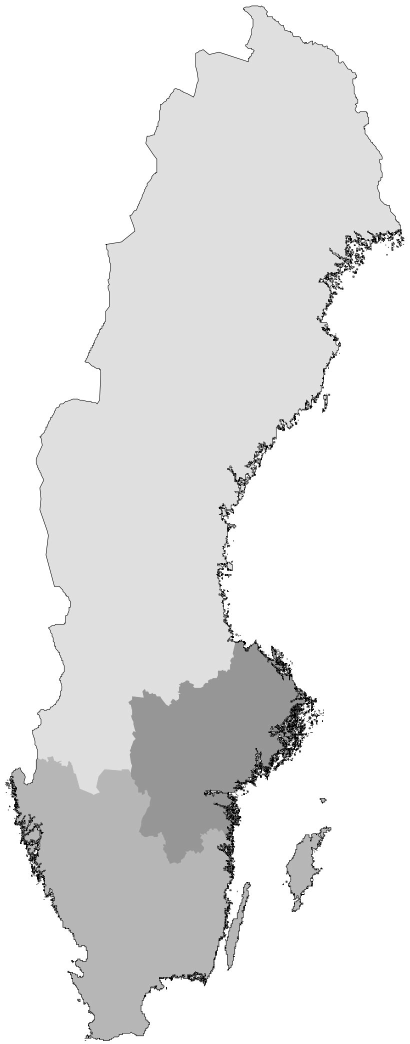
Source: EDF – agri benchmark Snapshot (2010).

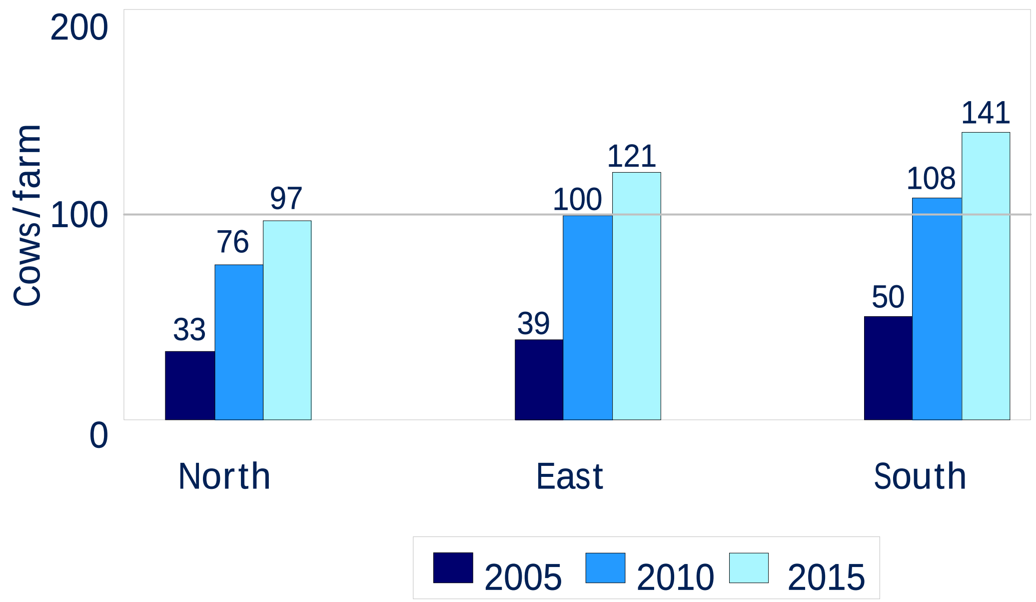
Economic situation of the farms



Source: EDF – agri benchmark Snapshot (2010).

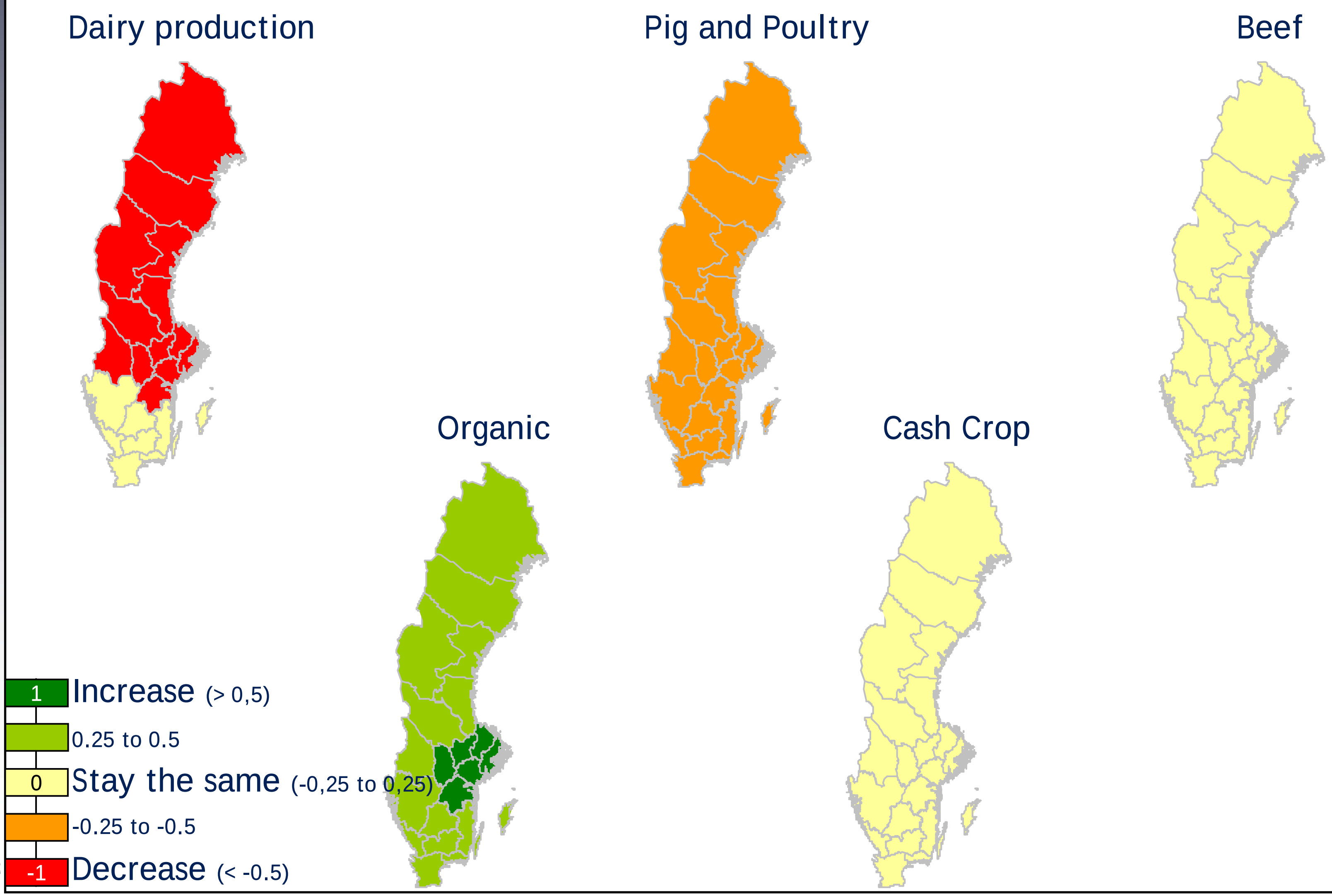
Farms in Southern Sweden growing faster





Source: EDF – agri benchmark Snapshot (2010).

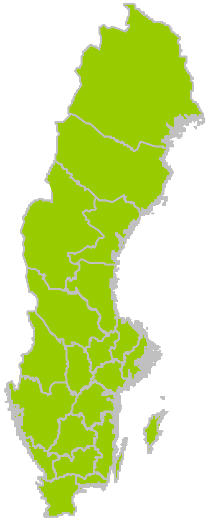
Enterprises developing differently within Sweden



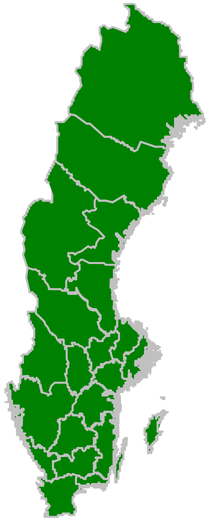
Source: EDF – agri benchmark Snapshot (2010).

Enterprises developing differently within Sweden

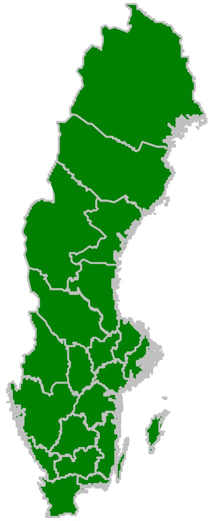
Other animals



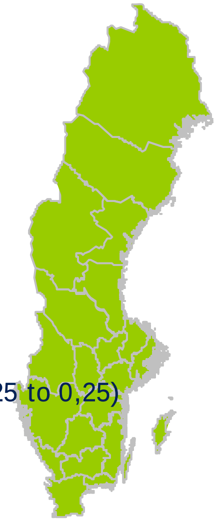
Wind- and Solar energy



Biogas



Agro-Tourism



1 Increase (> 0,5)

0.25 to 0.5

0 Stay the same (-0,25 to 0,25)

-0.25 to -0.5

-1 Decrease (< -0.5)

Sweden has many potentials due to good climatic conditions: but is dairy production really the enterprise benefiting most from those advantages?

Source: EDF – agri benchmark Snapshot (2010).

Thanks for your participation and your interest!

Source: EDF – agri benchmark Snapshot (2010).