

# 1<sup>st</sup> informal TG meeting: Living sustainably vs. farming for profit

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# Balancing Sustainability and Profitability in Farming

- Generational renewal in farming is crucial for a resilient agricultural sector, but **young farmers face dual pressures: environmental responsibility and financial viability.**
- **Profitability is a prerequisite for sustainability**, as stable income allows investment in eco-friendly practices.
- The discussion explored how young farmers navigate this balance, considering market dynamics, policy support, and consumer behaviour.



## Key outcomes of the discussion

### **Interconnection of Profitability and Sustainability:**

- Profitability is essential for sustaining eco-friendly investments.
- Sustainable practices foster long-term resilience but require initial investment and stability.

### **Transition Challenges:**

- High costs, lack of subsidies, and financial risks hinder shifts to sustainable farming.



# Key outcomes of the discussion

## **Role of Policies:**

- › CAP subsidies stabilise incomes but may not adequately incentivise sustainable practices.
- › Issues like funding gaps and bureaucracy limit access for smaller farms.

## **Market Pressures:**

- › Low-cost food dominates the market; reforms are needed to ensure fair farmer profits.
- › Intermediaries like supermarkets hold excessive influence in value chains.



## Pathways to align Sustainability and Profitability

- › **Regenerative agriculture:** Reduces costs, enhances soil health, and leverages carbon certificates for income.
- › **Direct-to-consumer models:** Increase profitability by bypassing intermediaries.
- › **Policy reforms:** Flexible regulations aligned with EU goals; VAT reductions for sustainable products.
- › **Consumer education:** Public campaigns to reveal true costs of conventional food and benefits of sustainable alternatives.
- › **Tackling Food Waste:** Improving distribution systems to reduce resource pressures.

