

Sustainability effects of the uptake of more grass-based feeding practices: Evidence from Sweden

FADN in practice: Why FSDN would have been better

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Outline

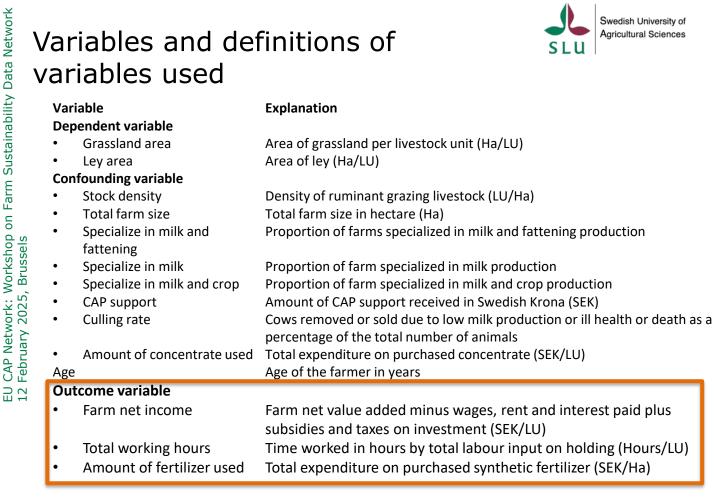
The case study

- Aim, data and policy relevance
- Variables
- Challenges of the Farm Accounting Data Network (FADN) and combining alternative data sets for ensuring the quality of policy evaluations
- Expected **benefits** and **challenges** from the Farm Sustainability Data Network (**FSDN**)
 - Appendix: Results



The case study

- Aim
 - to examine the sustainability effects of the uptake of more grass-based feeding practices by dairy farmers in Sweden
- Data
 - FADN, 2002 to 2021
- Policy relevance/ policy evaluation
 - does not estimate the effect of specific policy support
 - contribute to designing policies to encourage farmers' uptake
 - of grass-based feeding practices



Network



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Challenges of FADN & combining alternative data sets

- 1. Choice of sustainability proxies: what are the challenges?
- Economic variable: Farm No challenges net income
- Environmental variable: Fertilizers expenditures
- Social variable: Annual working hours
- Expenditures are only a proxy for the environmental pressure
- Results (may) have dual/opposite meaning:
 i) more employments improve rural development / but increase the costs;
 - ii) Increased labor need reduces the time for leisure or social activities
- 2. Alternative sources
- Company register
- Surveys to all FADN farms
- Full register for all agricultural firms. No environmental and social variables
- The response rate (15-25%) affects the sample size, hence the richness of the data, cross-sectional

FSDN instead of FADN



How the transition to FSDN will improve the quality of future evaluations?

- 1. Benefits with FSDN
- Economic variable:

• Environmental variable:

- Social variable:
- 2. Challenges with FSDN

No changes on the particular study. Otherwise more economic variables (market, innovations...)

More environmental dimensions including: chemicals (both fertilisers + pesticides), energy, biodiversity, climate

More social dimensions: Annual working hours, along with salary category, education, accidents.

- i) Uncertainties with the data collection process
- ii) It takes time until panel-data are created



Thank you!

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Appendix: Results

- An increase in grass-based feeding practices (either grassland or ley area) is associated with a decrease in both farm net income and fertilizer expenditure, along with an increase in total working hours, on average.
- The results show heterogeneity across farming systems
 - uptake of more grass-based feeding practices among conventional farm systems is associated with a decrease in farm net income and an increase in total working hours compared to the uptake by organic farm systems.

Note for considered fixed effects: farm, year, county.



Appendix: Results - tables

Appendix Table 1: Predictive effects of grassland area increase on farm net income, total working hours, and amount of fertilizer used

	Log farm net income		Log total working hours		Log fertilizer expenditure		
	(1)	(2)	(1)	(2)	(1)	(2)	
Log grassland area	-5.4118***	-5.4579**	0.4882***	0.5077***	-0.7489***	-0.6929***	
	(1.8522)	(1.9662)	(0.0735)	(0.0696)	(0.1666)	(0.1564)	
Controls	No	Yes	No	Yes	No	Yes	
Farm fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	
Year fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	
County fixed effect	Yes	Yes	Yes	Yes	Yes	Yes	
Observations	4668	4668	4668	4668	4668	4668	
Adjusted R ²	0.3886	0.3950	0.8582	0.8574	0.6730	0.6749	

Appendix Table 2: Predictive effects of ley area increase on farm net income, total working hours, and amount of fertilizer used

	Log farm i	Log farm net income		Log total working hours		Log fertilizer expenditure		
	(1)	(2)	(1)	(2)		(1)	(2)	
Log ley area	-4.2201***	-4.0336***	0.1391***	0.1295**		-0.4649***	-0.4301***	
	(1.0813)	(1.2520)	(0.0378)	(0.0378)		(0.1377)	(0.1437)	
Control	No	Yes	No	Yes		No	Yes	
Farm fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
Year fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
County fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
Observations	4397	4397	4397	4397		4397	4397	
Adjusted R ²	0.3932	0.3984	0.8596	0.8620		0.6729	0.6750	



Appendix: Results - tables

Appendix Table 3: Heterogeneous effects by farm system for grassland area

Variable	Log farm net income		Log total working hours			Log fertilizer expenditure		
	(1)	(2)	(1)	(2)		(1)	(2)	
Log grassland area *	-3.5941*	-3.0761	0.4469***	0.4315***		-0.8697***	-0.7943***	
conventional system	(2.03457)	(2.0923)	(0.0745)	(0.0741)		(0.1539)	(0.1599)	
Farm fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
Year fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
County fixed effect	Yes	Yes	Yes	Yes		Yes	Yes	
Observations	4668	4668	4668	4668		4668	4668	
Adjusted R ²	0.3857	0.3950	0.8582	0.8574		0.674	0.6759	