

FINLAND

Biodiversity's restoration, preservation & enhancement

Location

Nilsä

Programming period

2014 – 2020

Priority

P4 – Ecosystems
management

Measure

M13 – Areas with
constraints

Funding (EUR)*

EUR 217/ha for plant
growing farms &
EUR 277/ha for animal
husbandry farms in the AB
subsidy area of Finland

Project duration

2015 – 2021

Project promoter

Anu and Esa Immonen dairy
farm

Contact

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Website

n/a

* Annual payments

Natural constraint payments play a key role in supporting farms to sustain their profitability and develop in areas that would otherwise be abandoned.

Summary

Anu and Esa Immonen run Esa's family estate in Nilsä, in the region of Savo located some 400 km north of Helsinki. Over the years, encouraged by the stability provided by the natural constraint payments, the couple have made major investments to their farm to improve its profitability.

When they took over their farm in 2000, it had 22 dairy cows and about 40 hectares of arable land. Throughout the years, the payments helped the farm to expand to 160 dairy cows and 140 calves. The farm now has 220 hectares dedicated to growing grass and fodder grain for the cattle.



Results

Thanks to the stability provided by the natural constraint payments, the couple increased the farm's size and the level of mechanisation. This has maintained the farm's profitability over the last 20 years.

Three robotic milking systems now handle the 160 dairy cows.

Lessons & Recommendations

- ❑ Due to the large investments and commitments undertaken, the risk of changes in EU policies is causing major stress for the farmers. They consider it is of critical importance to continue these support schemes and the Common Agricultural Policy (CAP) in order to keep their farm viable.
- ❑ The farmers also believe that well thought-out outsourcing makes good sense. In the past, farmers were proud of the fact that they did everything themselves. It is no longer possible to think like that nowadays.
- ❑ Running a farm on a less favoured agricultural area is a tough and risky business. It requires a lot of commitment, hard work and personal skills from the farming couple.

Context

Finland is the world's most northern agricultural country. Finnish farmlands stretch from the 60th parallel North to north of the Arctic Circle. Although the growing season is short, Finland offers great possibilities to produce tasty food with high levels of food safety. The farming couple Anu and Esa Immonen run Esa's family estate in Nilsä, in the region of Savo located some 400 km north of Helsinki. Esa and Anu have implemented a number of changes to their farm themselves to improve its profitability.

Nilsä is a traditional dairy-farming region, which has experienced considerable structural changes in recent years. In the 1940s, the area was made up of small family-owned farms less than ten hectares in size, where people carried out the work themselves and owned very little machinery. The farms of today are large in comparison and most are equipped with the latest technology. The labour force on the farms is small, usually consisting of only a married couple, one of whom often has a second job elsewhere, at least part-time.

Objectives

In Finland the payments for natural constraints supports farmers to keep on cultivating their agricultural land, regardless of the adverse climatic conditions due to the northern location. The aim is to prevent the abandonment of agricultural land.

Activities

When Anu and Esa Immonen took over their farm in August 2000, it had 22 dairy cows and about 40 hectares of arable land. Thanks to the payments throughout the years, the farm was able to expand. It now has 160 dairy cows and 140 calves. It covers an area of 220 hectares dedicated to growing grass and fodder grain for the cattle..

Esa and Anu made major investments - mainly with borrowed money - to achieve this. For the moment the young couple are not worried about the situation. Anu has an MSc degree in Economics and Business Administration. She takes care of the farm's finances and the paperwork required by the EU farming regulations, which these days takes up a lot of her time. Esa, who has a degree in agriculture, is responsible for planning and developing the work of the farm.

The milk from the farm's cows is first collected in a refrigerated storage tank, then transported by a milk tanker every other evening to a dairy in Lapinlahti, about 40 kilometres away. Esa and Anu employ one full-time person all year round and temporary workers during the busiest times of the year, which are the sowing and harvesting seasons. They completely outsource some services and mechanical work, such as forest management. The farm has 380 hectares of forest land. Timber is sold to sawmills and to forest companies as raw material for paper. Forest management is a source of investment reserve and security for the hard times.

Main results

Since taking over the farm 20 years ago, the couple has made the most of the stability afforded by these payments. They increased the size of the farm and the level of mechanisation which helped to maintain the farm's profitability. Three milking robotic systems now handle the 160 dairy cows.

Key lessons

Due to the significant investments and commitments undertaken, the risk of changes in EU policies is causing major stress for the farmers. They consider it critically important that these support schemes and the Common Agricultural Policy (CAP) are continued to keep their farm viable.

The investment calculations are based on an assumption that the EU's CAP policy and that the farm support schemes will remain the same. In autumn 2019, the farm business model was changed from family business to a joint stock company to reduce the personal risk.

The farmers now also believe that thoughtful outsourcing makes good sense. In the past, farmers were proud of the fact that they did everything themselves. It is no longer possible to think like that nowadays.

Running a farm in a less-favoured agricultural area is a tough and risky business. It requires a lot of commitment, hard work and personal skills from the farming couple.

The welfare and well-being of the farmers are crucial for the success of the farm: the farming couple are entitled to statutory leave of 23-24 days a year. During that time a municipal holiday substitute takes care of the daily routines at the farm. Esa and Anu also pay for the services of a holiday substitute for extra days off from the farm.

Natural constraint payments in Finland

The natural constraint payments contribute to maintaining open and managed rural landscapes and promote sustainable farming systems and the biodiversity of farming environments through permanent grassland.

The measure also has an impact on the controlled development of farms and the preservation of economically viable farm units. In this way, the payments support rural employment and promote the economic development of rural areas.

When a farmer applies for a natural constraint payment, he must comply with the set conditions covering the whole agricultural land and for the entire year. Natural

constraint payments are made annually per hectare of eligible land. To be eligible the agricultural land must be at least 5 ha. In cases of farms located in the archipelago they must be 3 ha minimum to be eligible. Small farms mainly cultivate grass or keep the arable land fallow. Since the market for green fodder is small, excluding these small farms from the natural constraint payments does not distort the market.

When submitting their online applications or applying for support to the rural industrial development authorities (local authorities) of their municipality farmers undertake to comply with all the terms and conditions.

Additional sources of information

n/a