

CASE STUDY NL-1 OUTDOOR GRAZING PAYMENTS IN DAIRY FARMING

BRIEF PROFILE OF THE CASE STUDY

- Outdoor grazing is a main feature of dairy farming. It is a landscape feature in the Netherlands, widely used in the marketing by milk processing. However, there is a declining trend in outdoor grazing.
- CONO Kaasmakers' is a Dutch co-operative with a membership of 460 dairy farmers. It incentivises farmers to practice outdoor grazing of their dairy herds through a premium paid for the milk from outdoor grazing cows. Some 92% of the cooperative members implement outdoor grazing practices as a result, far above the national average.
- The size of the farmland available at the farm is critical for the outdoor grazing. In our case study, farm size is 50 ha on average, of which 33 ha may be dedicated to grazing cows outdoors. As a practice, outdoor grazing requires additional labour for milking from farmers, but reduces costs for feed and disposal of manure.



KEY FACTORS IMPACTING THE PROVISION OF ENVIRONMENTAL AND SOCIAL BENEFITS

- Landscape character can be cited as one important environmental and social benefit resulting from outdoor grazing practices. Such farming practice might also be beneficial for animal health and therefore may contribute to animal welfare. Outdoor grazing can in some cases also be beneficial for biodiversity and nature conservation, although the impacts are complex and depend on the specific farm management practices.
- The trend in outdoor grazing appears to be stabilising. Outdoor grazing requires grassland and it largely takes place on field parcels near the farm. A critical aspect for outdoor grazing is that there needs to be a sufficiently large area available next to the farm for grazing.
- There is a trade-off between manure-related obligations and outdoor grazing practices: as the scale of production increases, in-house production systems tend to be more efficient in terms of manure management. For some farmers, environmental legislation and especially manure requirements will indirectly impact the quantity of milk which can be produced by farmers.

EMERGING FINDINGS AND CONCLUSIONS



- Synergies with outdoor grazing and dairy farming could be achieved when the field parcel is sufficiently large to provide food and fibre.
- Outdoor grazing might be a way to communicate the broader context of farming in a region, both to civil society and consumers.
- Payments for the delivery of social and environmental benefits (e.g. public goods) may be more appropriate and sustainable if they could be associated with product quality as well. In the Netherlands, public policies aim to reverse the decline in outdoor grazing and have set a target of 80% of outdoor grazed cows by 2020. It remains to be seen how outdoor grazing could be secured in the coming 10 to 20 years in the Netherlands. Such an understanding could offer perspective to the dairy sector which faces highly volatile market conditions.

