

## Protocol focus group oilseed rape

Round Table ‚Oilseed rape production in the German region Wetterau: Economic situation and strategies of business development and marketing‘, 06 April 2017, Taunus Tagungshotel Friedrichsdorf (Hesse)

### Participants

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Walter König  
Frank Metzger  
Michael Hahn  
Matthias Mäser  
Georg Kopp  
Herwig Marloff  
Florian Dangel (local Farmers Union Wetterau-Frankfurt)  
Miriam Bienau (Farmers Union Hesse)  
Tanja Möllmann (agri benchmark, Thünen Institut)  
Susanne von Münchhausen (Eberswalde University for sustainable development)  
Michaela Haack (Eberswalde University for sustainable development)

### Programme

- input from Tanja Möllmann (Thünen Institut) ‘International competitiveness of oilseed rape production’
- afterwards: group discussion (thematic focusses: competitiveness, producer cooperatives, coordination of value chains), given structure: challenges → strategies → performances

### Challenges, strategies, expectations, performances

#### Challenge international competitiveness

- The input from Tanja Möllmann showed that the costs for land use (lease payment for rented land, purchase price for land) are particularly high in comparison to other countries, in particular Eastern European countries or overseas.
- The farmers stressed that the importance of high costs for land use for the German region ‘Wetterau’: a special system of heritage with a traditional division of farmland among siblings (‘Realteilung’) and the short distance to the Rhine-Main metropolitan area impact on the market for agricultural land (housing market, infrastructural construction areas, nature conservation compensation land etc.). Prices have been rising significantly during the last decades. This aspect was very important for the farmers. They feel that this problem is not taken adequately into consideration in public discussions and political decision-making processes.

- Constant or decreasing world market prices for oilseed rape and the competitiveness compared with other oilseeds, such as palm oil, drive the difficult economic situation of oilseed rape production in Germany.
- Further possibilities of costs saving are required, following the farmers' opinion. The farmers stressed that in Germany there are hardly any options to improve cost efficiency or productivity of arable farming systems. Farmers had already optimised the cultivation techniques. Apparently, there is chance to further decrease costs of production, in particular the costs of production for land or leasing prices and labour. (Access to capital via banks or funding bodies is not significant issue).
- Big challenge: Most farmers only own a smaller part of the agricultural land cultivated. They dependent on and suffer from increasing prices for rented land. Voluntary parcel exchange was considered as a convenient opportunity, but also involves other practical problems, such as taxation. Furthermore, the Ecopoint-system in Hessen influences demand and land prices.
- Another reason for higher international production costs in Germany seem to be process standards, which seems to be higher than in other countries. They are supposed to be particularly high due to the legal framework and the codes of good practice. The farmers pointed out that in the 'Wetterau' area, production standards are even higher than in other regions due to a three-year sustainability programme, which was organised by the trade and food industry (Cargill, Unilever). The participation of the area ended because the oil mill in the city of Mainz closed down. Cargill is buying and processing in Braunschweig instead, and therefore, purchases rapeseed in Northern Germany. The Wetterau harvest is shipped to another oil mill in the Cologne area or in Mannheim. Although farmers still provide environmental performances even after the end of the Cargill environmental programme, they cannot receive a financial compensation anymore.
- Another point of criticism was consumers' demand for cheap food respectively the preference of international buyers for cheap raw materials.
- **Opportunities:** The use of risk management systems (such as Landea® by Cargill) helps to develop an adequate pricing and marketing strategy.
- **Performances:** Compliance of high sustainability standards due to legal requirements, the codes of good practice and the additional sustainability standards.
- **Expectations:** an adequate financial compensation and marketing of rapeseeds produced under high (even higher?) process standards in the 'Wetterau' area and in Germany.

#### Challenge cooperation with the oil mill/development of a local value-added chain

- Far distances to the oil mills is seen as an important obstacle for the direct marketing of farmers products. Few farmers had direct contracts with an oil mill or have small oil processing plants on their farm for direct marketing purposes.
- Another challenge mentioned by the participants were limited storage capacities of the oil mills during the harvesting season. The necessary temporary storage for oilseeds requires specific facilities and is more difficult than storing grain.

- **Strategies:** Building cooperations with other farmers (such as machinery rings). Local marketing of the oilseed rape as bio-diesel via the local producer organisation (NAWARO). This pillar is still very important but there is insecurity because of the (further) political reorientation of bioenergy policy.
- **Current status?** At the moment farmers did not see new or alternative marketing opportunities in the region. Nevertheless, farmers are very positive about the cooperation for the purchase of agricultural inputs (fertilizer etc.).

### Challenge meeting socio-political expectations and requirements for a sustainable production of oilseed rape

- The main focus was on socio-political expectations for a sustainable production of oilseed rape, because societal expectations determined increasing process standards and thus higher production costs.
  - Production standards in Europe were higher than in other countries but the vegetable oil market is a global market.
  - Farmers agreed that sustainability standards were important and have to be maintained. However, they emphasised that it would be also important to recognize the farmers' efforts in financial and/ or in social terms.
  - The prejudices in public media regarding the use of nitrogen fertilizers in farming were an example for misleading information of the public because they foster a negative image of the farmers' work. Farmers considered these prejudices as unjust and painful.
  - Increasing legal requirements led to higher bureaucratic burden for farmers.
  - A further point of criticism were the high(er) sustainability standards compulsory for (German) farmers, while the food industry is free to decide about the origin of the raw material (such as sourcing from third countries).
  - Open questions: Who has to (financially) compensate for the high process standards? The market? Who else needs to be addressed?
  - **Strategies for the financial compensation of sustainability performances:** different approaches in the last years. An example was cooperation with a local water supplier who compensated low nitrogen content to farmers. However, problems arise when the weather is particularly dry in spring (nitrogen content rises even with reduced fertilization). Another strategy was the cooperation with Unilever who initiated a sustainability project (see above). The farmers criticised that the project was limited for only three years.
- Expectations:** The farmers expressed the wish that such projects need a longer-term perspective in order to be sustainable and credible.
- **Strategies for the communication with the public:** The question has been raised how sustainable performances can be communicated to customers, and thus create an added value. The farmers agreed that a self-marketing of the 'better' production process would be necessary, but an adequate strategy is still missing. Social media could be a suitable

instrument of communication with the public. The farmers stressed that GMO free agriculture were an important issue and that the oilseed rape produced in Germany had an advantage compared to imported products.

**Wishes:** A requirement for a sustainable produced oilseed rape was the processing and marketing of a local product. Such a product is currently not available.

## Final discussion

- The starting point for the final discussion was the idea to produce a local product and communicate its special qualities 'sustainable production' and 'from the region'. Possibilities for further actions were discussed.
- The group set the goal to check marketing possibilities for a local produced high-quality rapeseed oil.
- Upcoming questions: Do we need an own processing possibility or can we just engage an oil mill? Who has to take part in a discussion on the establishment of a quality-oriented value chain? Which strategies could we develop?
- The team in charge of the University of Eberswalde and the farmers union announced to prepare a workshop aiming to address these questions.
- Furthermore, the group showed interest for the development of a typical arable farm model under the international farm comparison network of *agri benchmark*. The realisation of data collection and an involvement in the model calculation has to be discussed with the team in charge in Braunschweig (Tanja Möllmann will check with her colleagues).
- With regard to the SUFISA project, the farmers pointed out that they would be also interested in the discussion of production and marketing of sugar beet. Farmers would appreciate the exchange of results from focus groups and workshop in Belgium, Poland and France. The HNEE team will communicate related information as soon as it will be available.

## Photo documentation





