Profitability of crop production in Finland and its effects on land use

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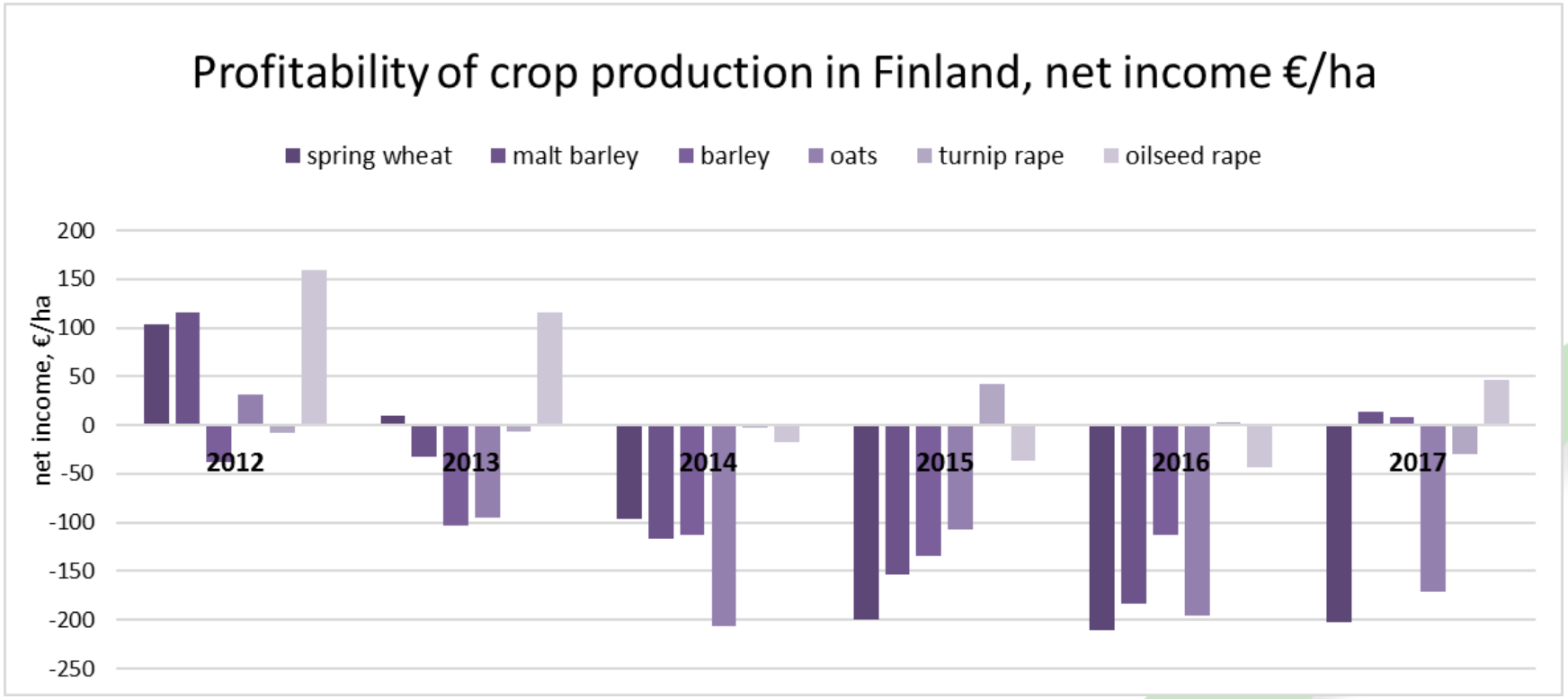
Cereal production in Finland has been unprofitable over the years



Source: ProAgria Plot database 2018

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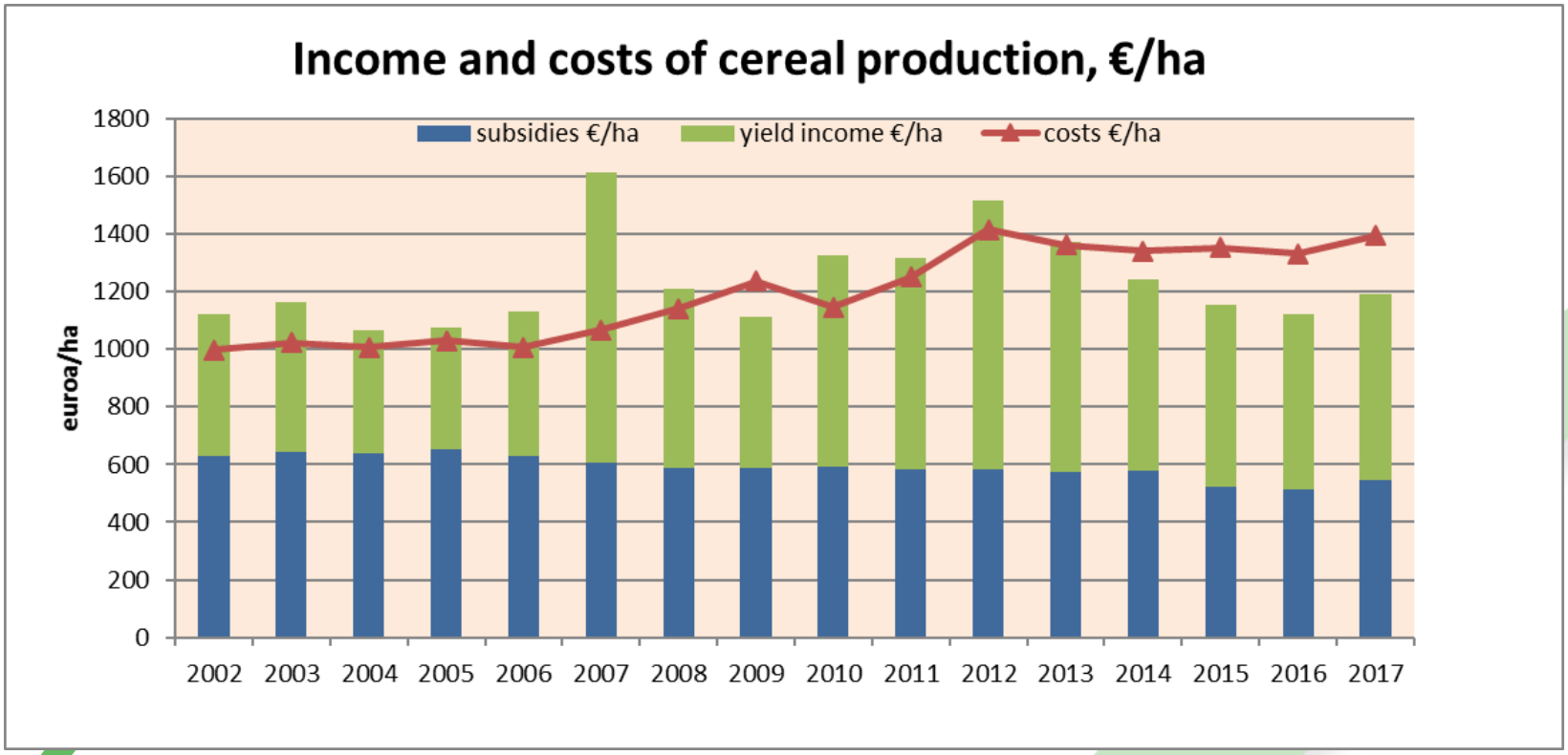
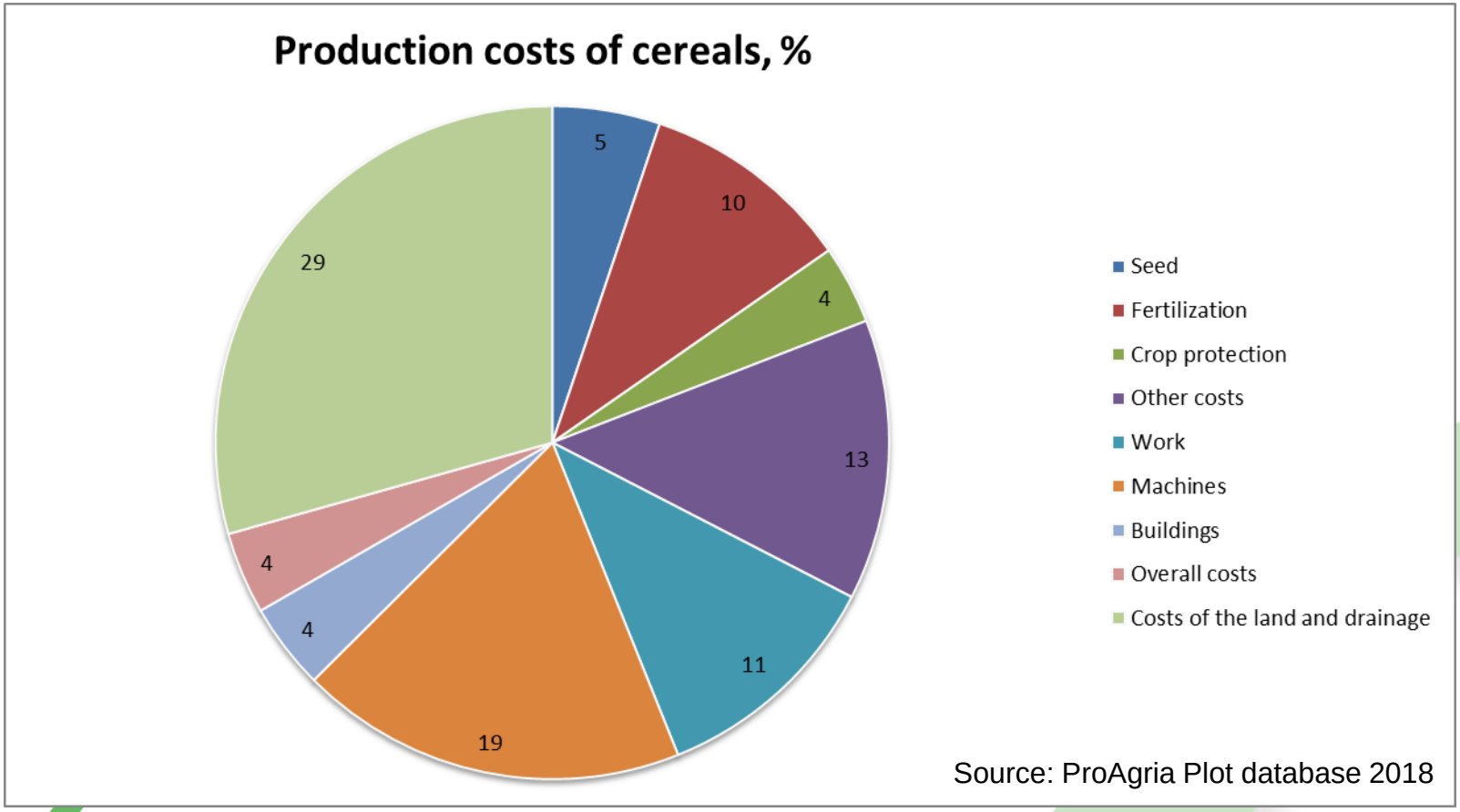
Production costs have increased significantly after the year 2007 and stayed permanently at high level



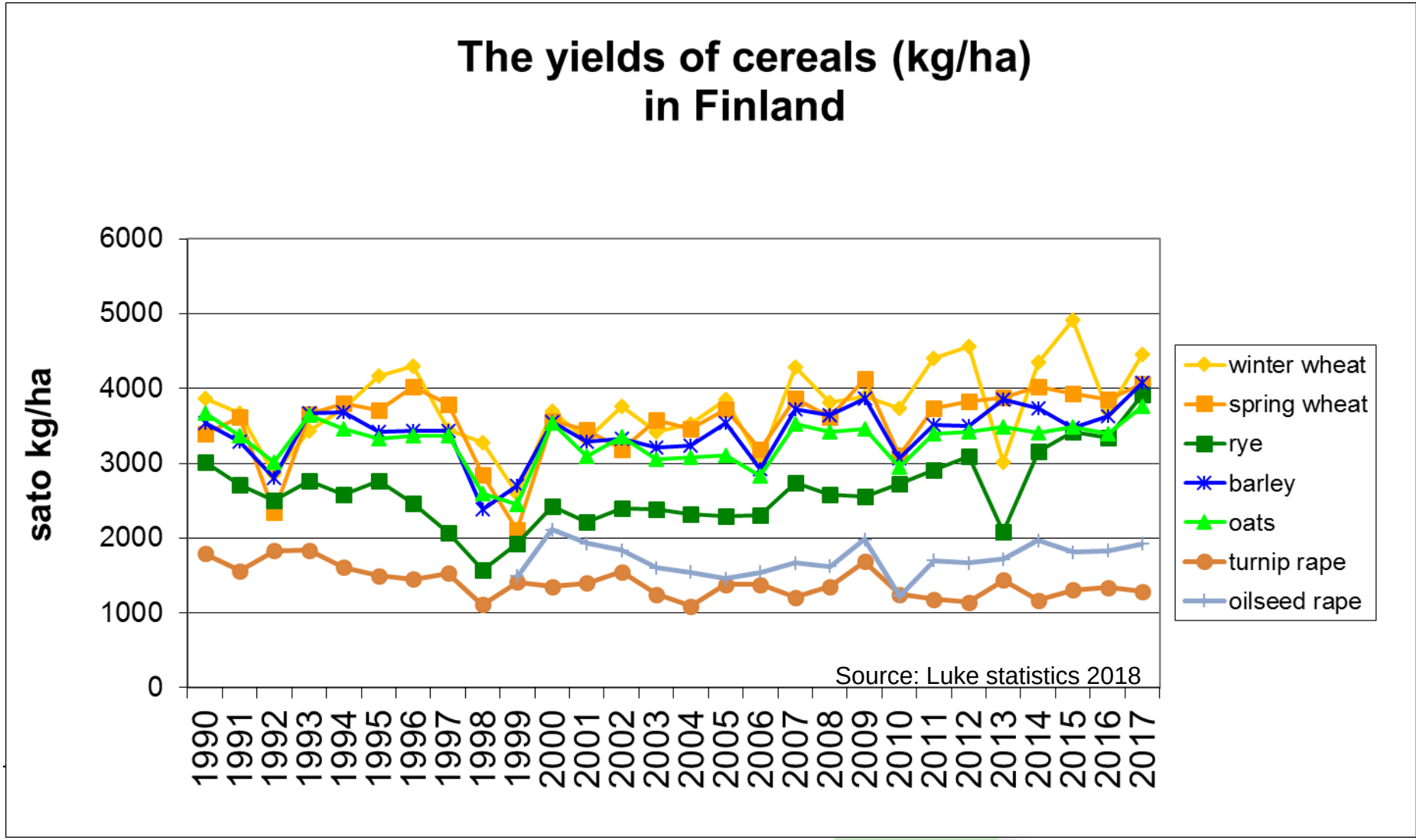
Source: ProAgria Plot database 2018

Challenges in crop production in Finland: large fixed costs



Source: ProAgria Plot database 2018

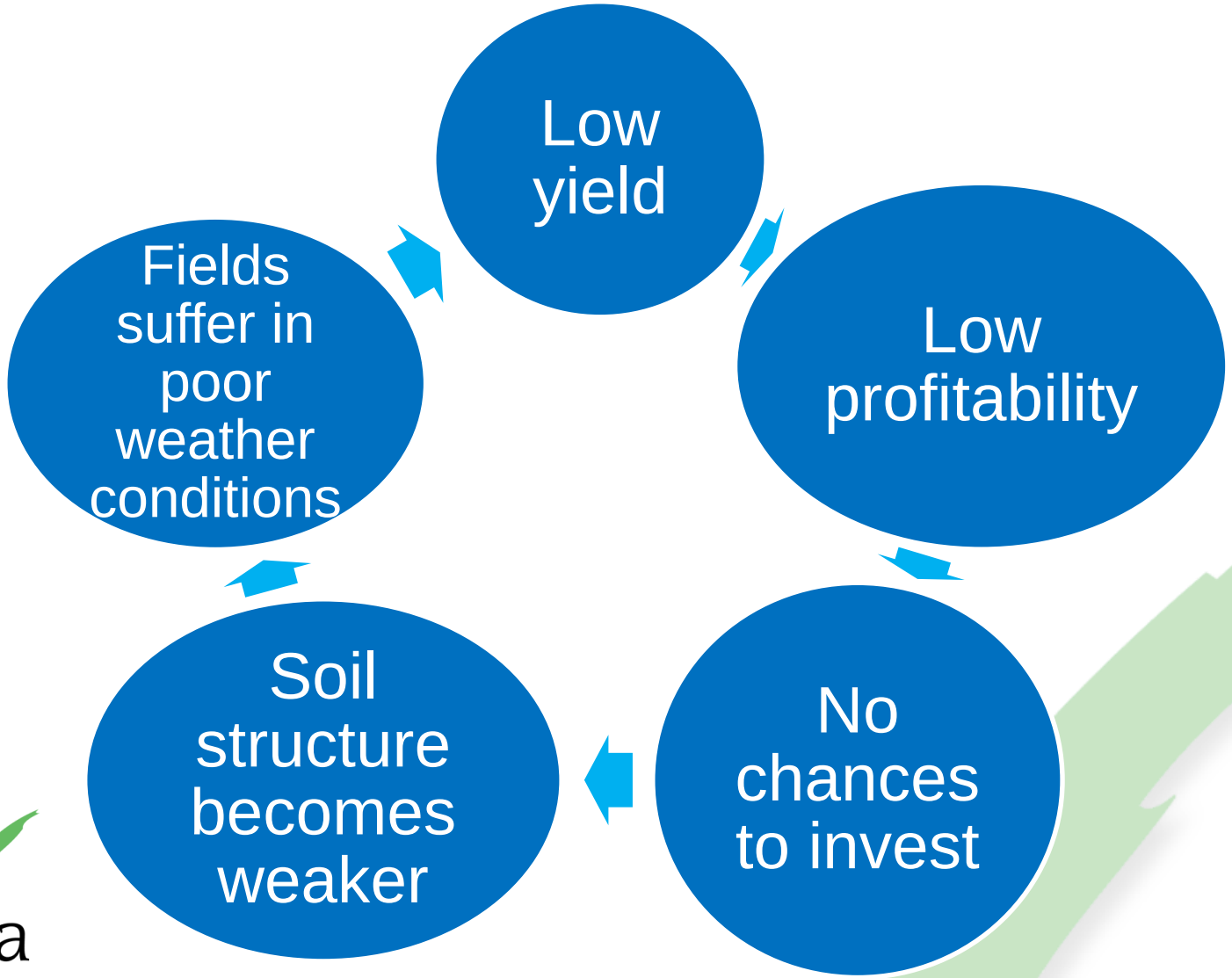
Challenges in crop production in Finland: low yield levels and trends



Challenges in crop production in Finland: problems in soil structure

Effects of present crop profitability on land use

Crop production in ”negative loop”



Negative loop is causing in farms

- minimization of costs (inputs)
- production of non-valuable crops
  - cereal for feed

→ some yield can be achieved with minimized inputs
→ if you lose the crop, the loss is not huge

  - grass as setaside

Optimization of land use would give useful answers for many farms

- to sort out the farm's fields
- to invest in high-yielding field plots
  - improve yield levels and resilience in production
    → improve profitability
- to find out relevant use or management practises for poor-yielding field plots
- to minimize harmful environmental impacts

Example: if farms diversified crop rotation, profitability would increase in the present market situation

→ 6 400 € more income per year when cereal area is decreased from 80 ha to 50 ha

Wheat 30 ha
5 000 kg/ha
160 €/tn

Faba bean
10 ha
2 300 kg/ha
180 €/tn

Caraway
10 ha
700 kg/ha
900 €/tn

Barley 20 ha
4 500 kg/ha
138 €/tn

Oilseed rape
20 ha
2 300 kg/ha
350 €/tn

Setaside
10 ha

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Thank you!

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