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# Can you earn money from going **green**?

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# Historically: milk was milk



# Then it happened... organic milk

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- Officially recognised by the EEC in 1991



**VERORDENING (EEG) Nr. 2092/91 VAN DE RAAD**

**van 24 juni 1991**

**inzake de biologische produktiemethode en aanduidingen dienaangaande op landbouw-  
produkten en levensmiddelen**



## Followed by....

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- In 2007, Campina and FrieslandFoods introduced milk from grazing cows to the market
- In 2012, an independent foundation was created to manage the scheme



# Today...

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# Example: PlanetProof



This scheme is owned by the Dutch SMK foundation  
*“On the way to PlanetProof”*

**SMK**



Standards in dairy: own protein production, green house gas & ammonia emissions, permanent grassland, nitrogen balance

Standards in vegetables & fruit: crop protection, weed control, soil organic matter, fertiliser use, water, waste, packaging



# PlanetProof example

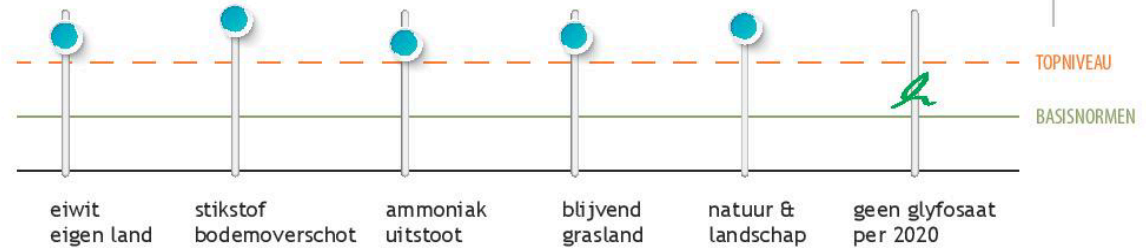
Biodiversity

3 THEMA'S

VOORBEELD MET BIODIVERSITEIT OP TOPNIVEAU



Biodiversiteit



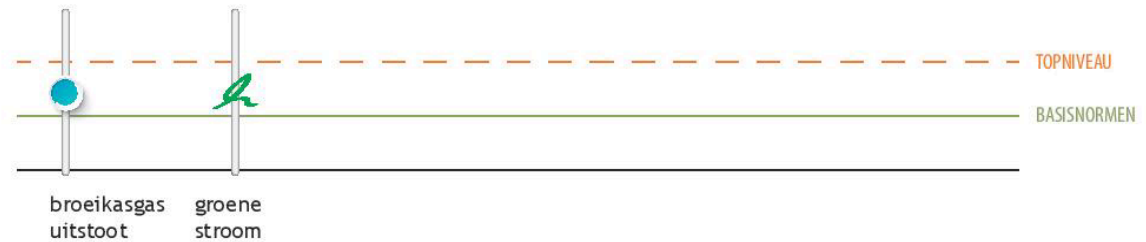
Top level

Basic level

Climate



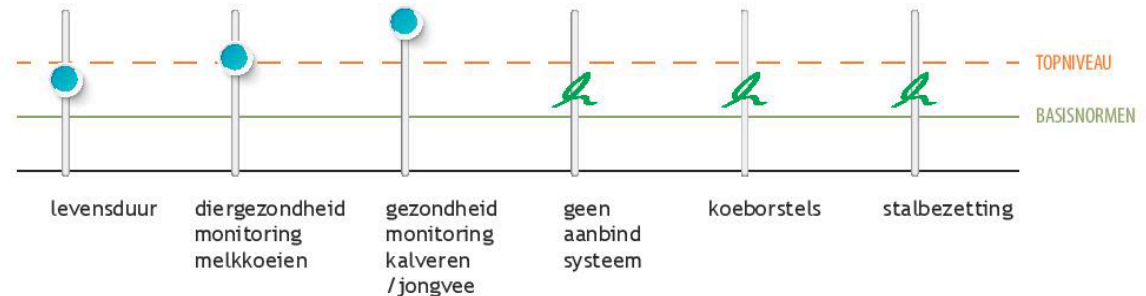
Klimaat



Animal welfare



Dierenwelzijn



deze criteria moeten altijd worden behaald

## Example: FrieslandCampina



- “Focus Planet” is programme for data collection
- E.g. greenhouse gas emissions per farm
- Planet Proof aims at 10% of the members (10% = 1,200)
- After one year, 600 farmers participate
- Approach: retailers indicate what they are interested in and willing to pay, RFC links them up with farmers who can meet this demand and are willing to do so at a premium





## Example: The Greenery (vegetables & fruit)

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- Believes all members should participate in Planet Proof, also in southern Europe
- They do encounter resistance among members
- Since Planet Proof is presented as main stream, retailers are not willing to pay a premium



# Some questions for discussion

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1. Should the quality scheme be open to all in the sector or should it be closed – just for one (your) value chain?
2. Should you target the frontrunners among the farmers or should all farmers have access?
3. Should you work with NGOs ?
4. How about transparency for farmers?



# 1. Open or closed quality scheme?

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Open scheme:

- + being able to switch buyers
- What happens with the price when the niche becomes the standard in the market (everybody has joined the scheme)?

Closed scheme:

- + once the buyer is committed, (s)he cannot easily switch supplier

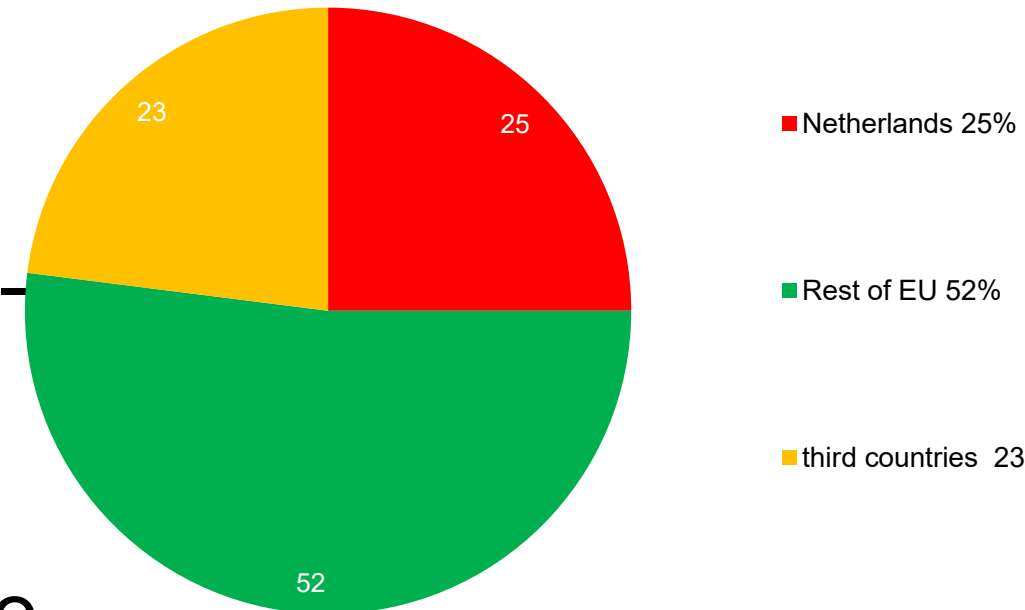


## 2. Target all farmers or just frontrunners?



# Targeting farmers

- Farmers want freedom to choose
- Every farmer may have different ways to contribute to sustainability - retailers like to distinguish themselves from others
- Once a quality scheme has become mainstream -> no more incentive for buyers to pay a premium



### 3. Work with NGOs or not?

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RFC works with WWF and “*Natuurmonumenten*” (Dutch association managing nature reserves)

- + Support from NGOs – broad political support
- Resistance from (some) farmers

This scheme is run by a Dutch organisation for animal welfare



## 4. Can we increase transparency for the farmer?

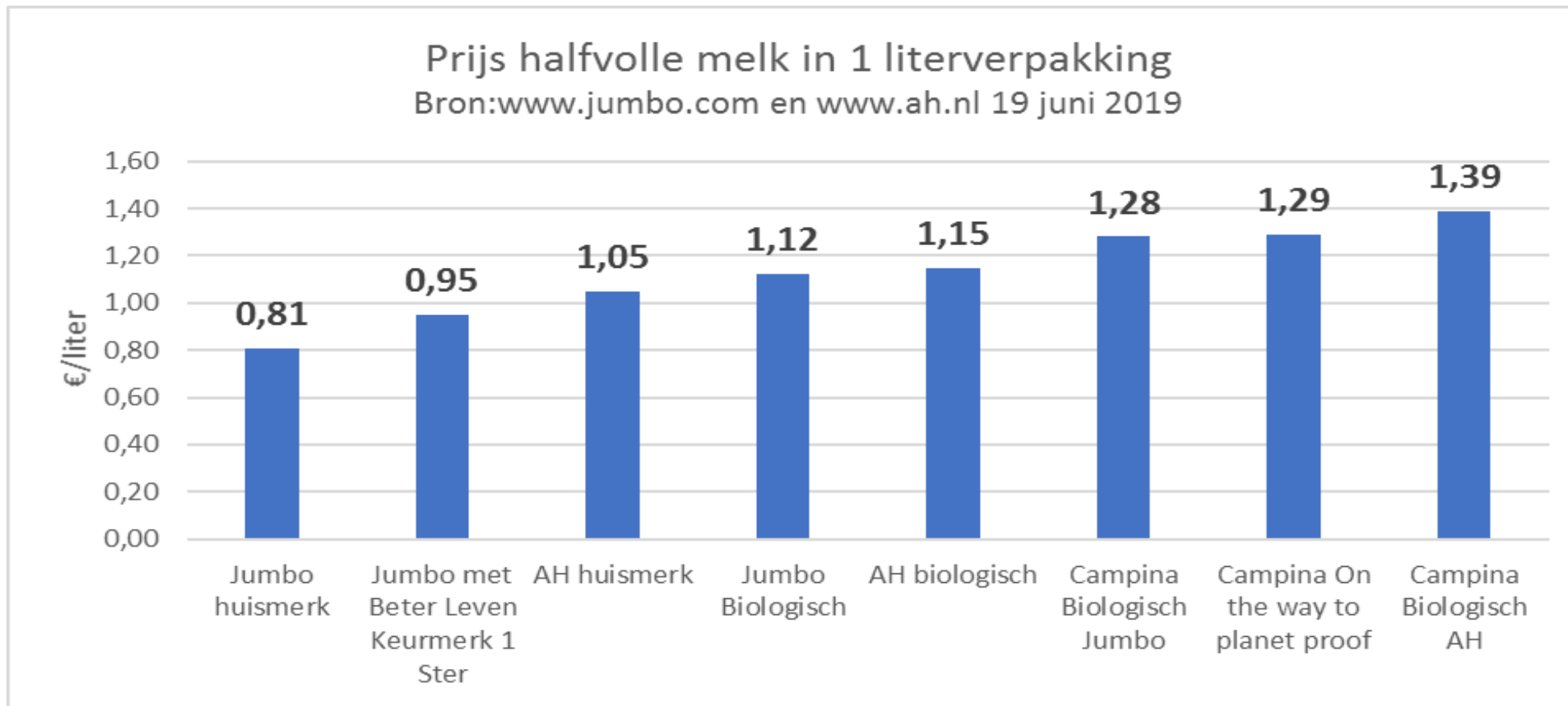
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- Which quality schemes are accessible for which farmers?
- What are the demands?
- What is the premium for the farmer?

Transparency allowing every farmer to make the best choice for her/his farm



# Observation: there is no strong correlation between what the consumer pays and what the farmer gets



Price per l of semi-skimmed milk in two main Dutch retail stores on 19 June 2019





# Premiums based on True Pricing?

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Dutch government proposes a law allowing competitors to work together when setting sustainability standards and the premium to be paid

Allowing operators to avoid problems with competition authority in such situations.

“Tomorrow’s chicken”  
failed because of  
competition rules (2015)



# Thanks! Questions?

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