



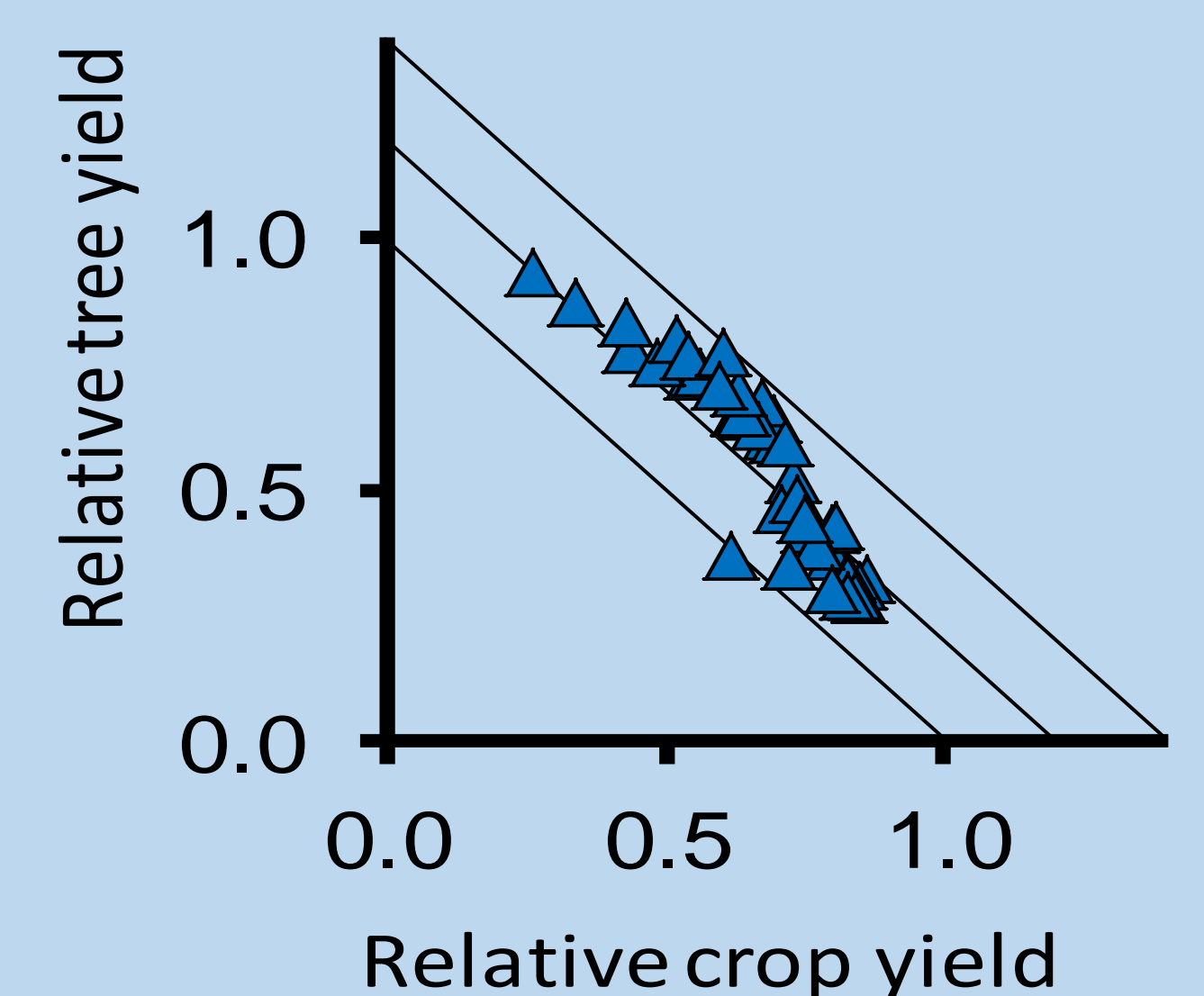
# Improving the financial rationale of agroforestry for farmers

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Agroforestry can improve animal welfare, increase biomass production, and provide environmental benefits. Hence for a societal perspective, agroforestry is typically more beneficial than separate monoculture forest and agricultural systems (e.g. García de Jalón et al. 2018b). However agroforestry also needs to be financially beneficially for farmers. This poster describes three ways to make agroforestry more attractive from a farm perspective.

## 1. Using trees to support existing enterprises

In the EU “Silvorable Agroforestry for Europe” project in 2005, agroforestry was calculated to be more profitable than **both** forestry and agriculture individually when the land equivalent ratio was maximised and the profitability of both systems is similar (Graves et al. 2007). However, practical experience with the recent EU AGFORWARD project suggests that most farmers tend to **add trees to make the existing enterprise more sustainable** rather than a drive to balance two commercial enterprises. For example the tree may improve hen welfare in a free-range egg system, or reduce soil erosion in arable crop production.



The focus of many farmers practising agroforestry is to improve the sustainability of an existing enterprise (e.g. woodland eggs), rather than achieving an “optimal” balance between the relative yields of the tree and the crops (e.g. Graves et al. 2007)



## 2. Increased availability of tree product prices

It is easy to obtain data on the sale price of agricultural crops and livestock. By contrast, there are few details on fuelwood prices and the interaction between volume and quality on timber prices in many parts of Europe. We need more information on timber and fuelwood prices. The robustness of any financial analysis, even within walnut silvoarable systems, depends on such values.

Commodity	Spot price (May 2019)
European milling wheat	€189/tonne
Fuelwood	?
Walnut timber	?

## 3. Simplified regulation and support for agroforestry

Agroforestry often results in increased complexity and management costs (García de Jalón et al. 2018a) which can be ignored in simple financial analyses. Some of the additional management costs comes from the increased complexity in completing paperwork associated with Pillars I and 2 of the EU Common Agricultural Policy. In view of the societal benefits, farmers practising complex systems should not face higher administrative hurdles.

## References

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