

**Farmers' preferences for implementing agri-environmental schemes - a cross country study
comparing Danish farmers choices of nutrient abatement contracts with countries around
the Baltic sea**

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Abstract

We use data from a stated preference survey administered to farmers in five countries around the Baltic Sea (Denmark, Estonia, Finland, Poland and Sweden) to investigate their preferences for adopting agricultural practices aimed at reducing nutrient leaching. In particular, we consider set asides, catch crops and reduced fertilization contracts that vary with respect to the area enrolled in a contract, contract length, possibility of premature termination, availability of professional advice and subsidy levels. We identify preferred contracts and estimate minimum willingness to accept levels for their adoption. The results vary substantially between the five countries. Catch crops is generally the most preferred type of contract, while fertilization tends to be the least preferred. Farmers prefer shorter contracts and contracts that require enrolling smaller areas of land, for all the three types of contracts under scrutiny. Overall, our results can be used in combination with estimates of nutrient reduction efficiency of the measures to design optimal country-specific nutrient reduction policies, which could be applied under the next Common Agricultural Policy (CAP) expected to start in 2021.