

# Peatlands: A farming issue, not just an environmental one



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Peatlands are widely recognised for their environmental value, but for European farmers and landowners they remain a complex and demanding land management challenge. Although the conservation of peatlands plays a role in climate mitigation, too often the costs of this ecosystem is left alone on the shoulders of the landowners and managers. Projects such as “EUKI” address these difficulties by establishing long-term European alliance of national governments and a variety of stakeholders for sustainable resource management.

## The reality on the ground

Farmers are essential to peatland protection, yet their participation in peatland strategies has often been limited. The EUKI project organized workshops with farmers and land managers which show that the main barriers to change are not resistance, but uncertainty and risk. Rewetting peatlands raises practical concerns about water level management, potential flooding, invasive species, and compatibility with existing farming systems.

Many farmers also lack access to training, advisory services, and examples of viable wetland-based practices such as paludiculture. In addition, rapidly changing policy frameworks and limited recognition of farmers’ environmental contributions can undermine motivation and long-term planning security.

## The financial challenge and new income opportunities

Economics remains one of the biggest hurdles. Existing subsidy systems often continue to favour drainage-based agriculture, while markets for paludiculture products are still underdeveloped. Farmers face high upfront investment costs and limited financial support for training, machinery adapted to wet soils, and land improvements.

Because farming alone may not always deliver sufficient short-term income on rewetted peatlands, alternative business models are gaining attention. Rewetted peatlands deliver valuable ecosystem services, including carbon emission reductions, water purification, flood control, and biodiversity enhancement. These services are gaining recognition as public goods that require long-term financial support.

One growing sector is that of peatland carbon credits, which are generated through rewetting and focus on avoided emissions rather than carbon sequestration. These credits are already traded on a voluntary basis, driven mainly by corporate climate commitments. At EU level, the CRCF<sup>1</sup> aims to improve the credibility, transparency, and comparability of such schemes, potentially strengthening their role in farm-level income diversification.

Beyond carbon, there is also growing attention on nature credits. Interest has especially increased since the European Commission published its Roadmap<sup>2</sup> on mechanisms that reward nature restoration alongside sustainable land management. This momentum is reflected in several EU-funded pilot projects currently testing compensation. ELO is involved in one of these initiatives through the LIFE project Biodiversity CrEW (Credits for European Wetlands), which is developing and testing standards for generating biodiversity credits in wetland ecosystems, including peatlands.

## The way forward

Farmers consistently call for long-term rules, fair compensation, and practical support. Financial incentives for sustainable peatland management must equal or exceed those for drainage-based practices. Access to local advisors, adapted machinery, and market connections is essential, as is involving farmers directly in policymaking.

Every peatland is unique. With cooperation, knowledge exchange, and reliable financing, peatlands can remain productive landscapes which support farm incomes while delivering long-term benefits for climate, water, and biodiversity.

1 *Carbon Farming and Carbon Removal: REGULATION (EU) 2024/3012 Of the Parliament and of the Council – Establishing a Union Certification Framework for Permanent Carbon Removals, Carbon Farming and Carbon Storage in Products*

2 *Roadmap towards Nature Credits: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.*

