



bindt, doet, prikkelt en verrijkt



connects, acts, stimulates and enriches

Multifunctional agriculture and public goods

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Multi-functional farmers provide public goods and should be rewarded for this service.

Well, no.

Not in general.



What is the story?

EU-budget constantly under pressure

Why do we need so much money for ag and RD?

And why does the EU have to organise all this?



Outline

1. A bouquet of examples
2. Pondering public goods
3. Telling the story





**Farm processing
and products**



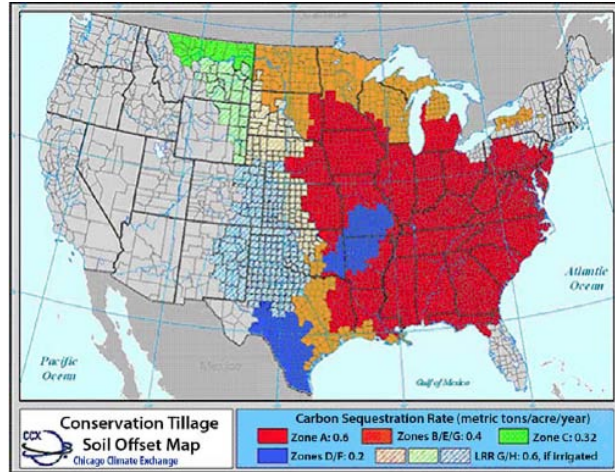
Recreation facilities



Biodiversity



Carbon farming



Chicago Climate Exchange

Voluntary CO₂-credits

Landscape





Water management



Other facilities....



Netherlands Rural Network

Multifunctional agriculture
and public goods

Private money: Groene Woud

Regional fund for landscape



Fund filled by supporters, sponsors and interest from Streekrekening (Region-account)

2. Pondering public goods and multifunctionality

Functions of agriculture

- a) production
 - food, fuel, fiber, feed
- b) ecosystem services
 - caring for soil, biodiversity or landscapes
- c) socio-economic services
 - sale of local produce, tourism facilities
 - cementing rural communities together



Function

Multifunctional
Public interest
Public payment
Specific to agriculture



a) Food production

Multifunctional
Public interest
Public payment
Specific to agriculture



a) Food production

- Multifunctional ✗
- Public interest ✓
- Public payment ✗
- Specific to agriculture ✓



b) Ecosystem services

1. Provisioning - food, fiber, fuels
2. Supporting - nutrient cycle, soil formation
3. Regulating - climate, water quantity, water purification, disease regulation, CO2-sequestration
4. Cultural - aesthetic, spiritual, recreational



b) Ecosystem services

- Multifunctional ✓
- Public interest ✓
- Public payment ✓
- Specific to agriculture ✗



b) Ecosystem services: field or forest?

- Water retention
- Nutrient management
- Carbon sink
- Soil conservation
- Biodiversity*



**Unique ecosystem service:
cultural landscape**

- Multifunctional ✓
- Public interest ✓
- Public payment ✓
- Specific to agriculture ✓



c) Socio-economic services: sale of farm produce, recreation, etc.

- Multifunctional ✓
- Public interest ✗
- Public payment ✗
- Specific to agriculture some



c) Socio-economic services: contribution of agriculture to rural economy

Direct: employment and income
 Indirect: processing, tourism/recreation, trade
 But highly dependent on region

ENRD thematic working group 2: Agriculture and the rural economy



c) Socio-economic services: contribution to rural economy

- Multifunctional ✓
- Public interest ✓
- Public payment ✓?
- Specific to agriculture ✗



What happens when payment stops?



Upscaling, intensification



Abandonment

Benefits by default

- 1. Landscape
- 2. Environment
- 3. Biodiversity
- 4. Local economies
(not food production!)

By default: "Support agriculture, or else...."



Summary

| Public goods | Unique to ag? | EU objective or policy? | Case for EU funding? |
|-----------------|---------------|-------------------------|----------------------|
| Food | + | + | - |
| Carbon | - | + | + |
| Water retention | - | + | + |
| Water quality | - | + | + |
| Biodiversity | + | + | + |
| Landscape | + | - | ? |
| Rural economy | +/- | + | ? |

Red = by default: if no support, objectives not met

3. Telling the story



IEEP: a more comprehensive rationale for EU-funding for the Environment (CAP)

EU distinct role in trade and market policy

Proof of EU-added value from rural development is "patchy".

Public goods most robust argument for EU-role and payments.



Telling the story

Justification for EU-payments?

Wrong question.

What is it we want to achieve?
And what is the best way to do that?



Telling the story

1. Sustainable food production
2. Sustainable management of natural resources
3. Balanced territorial development



Telling the story

1. We need sustainable food production. The EU must regulate the market.
2. We want clean and attractive rural areas. Farming can deliver many public goods. Most are covered by EU-policy. By default, permanent public payments are justified.
3. Cultural landscapes are unique European heritage, created by farming. A role for the EU should be considered.



Telling the story

4. In some regions, farming is the most important economic driver. Need more accurate justification for EU-rural development.



Telling the story, the vital viable region

Vision for the region, including role for farming (unique position, essential for which values?)

Bottom-up ideas in line with that vision

- avoiding abandonment, or upscaling (or not)
- and/or stimulating tourism (or not)
- maintaining landscape (or not)
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Thank you for your attention

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