



Cotswold farms - goods and services for private and public markets

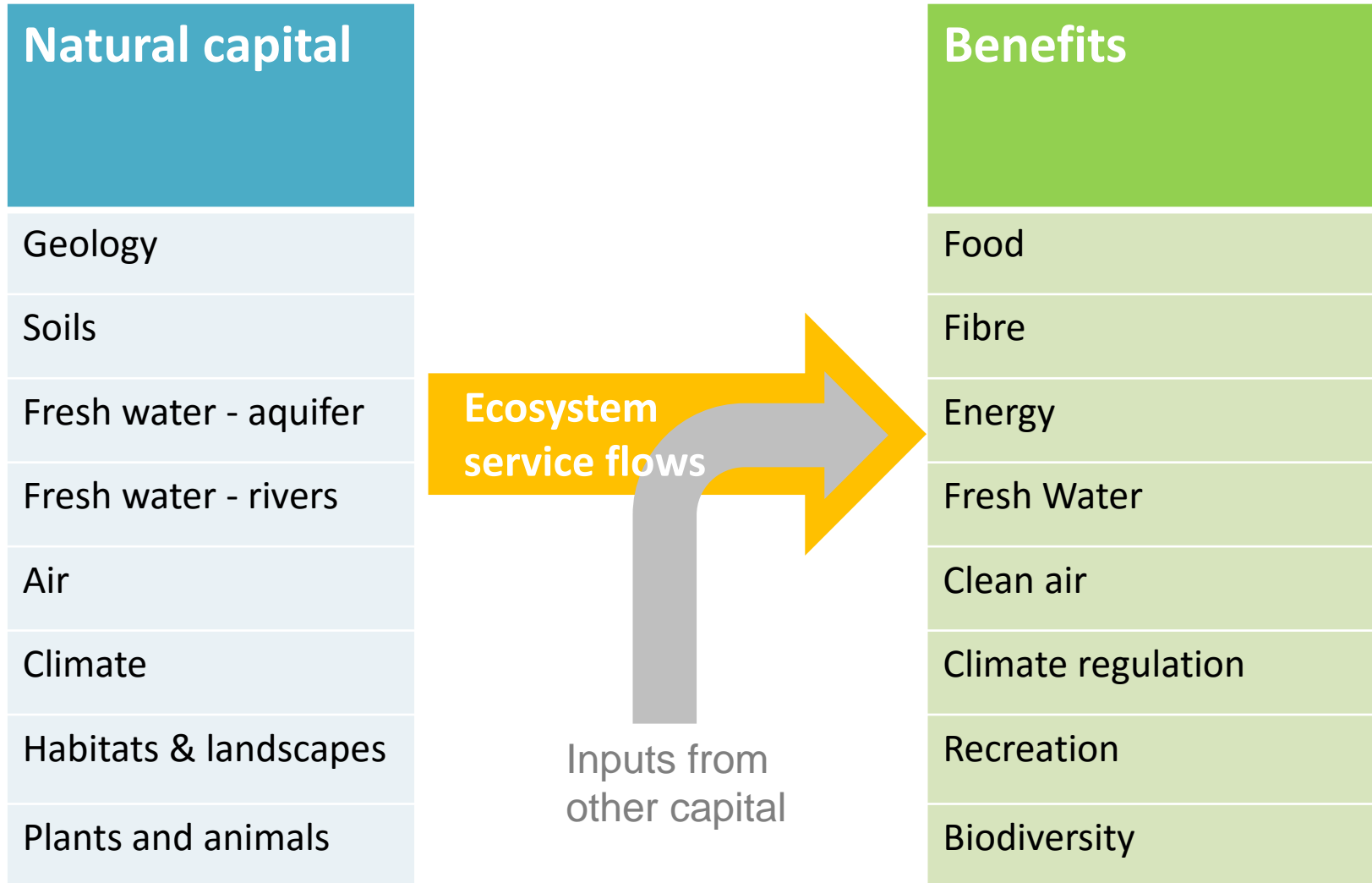
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Outline

1. What goods and services do Cotswold farms provide?
2. What are the private and public markets?
3. Actions for consideration



Cotswolds natural capital



Cotswolds ecosystem services

Provisioning	Regulating	Cultural
Crops	Climate regulation	Tourism & recreation values
Livestock	Air quality regulation	Cultural & spiritual values
Fish	Soil quality & erosion regulation	Tranquillity
Wild food	Water quality regulation	Scientific & educational values
Timber & other fibre	Flooding/hazard regulation	Wild species diversity
Water supply	Pest & disease regulation	
Genetic resources	Pollination	

Cotswold farms – key goods and services

Good/service	Private market	Public market
Crops & livestock	✓	✓
Timber and wood fuel	✓	✓
Fish, game	✓	✓
Water supply	✓	✓
Water quality	✓	✓
Flood mitigation	✓	✓
Soil health	✓*	✓
Carbon storage & sequestration	✓	✓
Biodiversity	✓	✓
Landscape/natural beauty		✓
Recreation	✓	✓

Private market

- Water supply
 - Licensed abstraction for range of uses
- Water quality
 - Water company initiatives
- Flood mitigation
 - Developers, property owners, insurers and others supporting natural flood management



Private market

- Carbon
 - Carbon sequestration and storage –
Woodland Carbon Code, permanent grassland?
- Biodiversity
 - Habitat creation – Biodiversity Offsetting
- Recreation
 - Paid, permitted access – riders, dog walkers, tourists
 - Adds value to own diversified enterprises

Example – biodiversity offsetting

- Degraded area of lowland calcareous grassland
- Funding provided via the Biodiversity Offsetting agreement
- Implement management plan to improve the condition of habitat



Example – woodland carbon code

- Previously arable ground
- New, mainly broadleaved woodland: 12.1ha net
- Estimated Sequestration: 3,918 tCO₂e over 100 yrs.
- 2,939 tCO₂e for sale at £3-10/tCO₂e
- Planting grant, farm woodland payments on top



Public market



 HM Government

A Green Future: Our 25 Year Plan to
Improve the Environment



Department
for Environment
Food & Rural Affairs

Health and Harmony: the
future for food, farming and
the environment in a Green
Brexit

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Schemes

- Transition period
 - BPS
 - Agri-environment
- New **'environmental land management scheme'** by 2024
- Future funding for other public goods



Principles

- Public money for public goods
- Natural capital approach
 - Values benefits...
- ‘Polluter pays’



Priorities - environment

- Improved soil health
- Improved water quality
- Better air quality
- Increased biodiversity
- Climate change mitigation
- Enhanced beauty, heritage and engagement with the natural environment



Priorities – other public goods

- Improved animal welfare
- High animal health standards
- Protection of crops, tree, plant and bee health
- Improved productivity and competitiveness
- Preserving rural resilience and traditional farming and landscapes in the uplands
- Public access to the countryside



Delivery

- Two tiers:
 - Universally accessible scheme
 - Targeted scheme for landscapes /environmentally sensitive sites
- Special case – uplands, lowlands?
- Provide flexibility - more management decisions in the hands of farmers
- More user-friendly application process

Payments

- Annual payments
- Capital grants (to support long-term sustainable land management practices)
- Funding for collaborative projects
- Innovative funding and delivery mechanisms
 - *Better environmental outcomes and improve value for money.*
 - *Reverse auctions, tendering, conservation covenants and actions which encourage private investment in natural capital.*

Payments

- Payment basis:
 - Income foregone
 - (Natural Capital) value

- Payment approaches
 - Prescribed
 - Results-based



WORLD TRADE
ORGANIZATION



Actions for consideration

1. Know what you have
 - Natural capital assets
 - Goods and services provided
2. Consider the markets
 - Private, public
 - National, local
 - Market mechanisms and buyers
3. Get ready and engage



Thank you

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