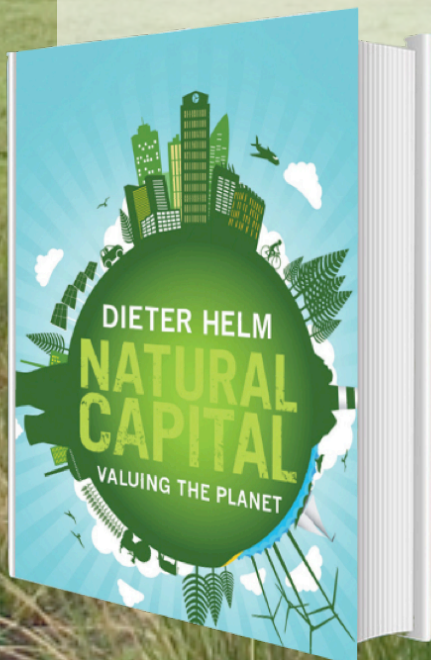


UPLAND FARM SUPPORT AFTER BREXIT



South West Uplands Network

Dieter Helm

31st March 2017

AGENDA

- Realism about what BREXIT means for farming subsidies
- Realism about competitiveness
- The uplands as natural capital
- Valuing natural capital
- Public goods
- Support mechanisms
- What the uplands could be in 25 years time



REALISM ABOUT WHAT BREXIT MEANS

- Most farmers voted for BREXIT
- Post 2020 a new British agricultural policy
- Farming is only 0.7% GDP
- The CAP is dead
- Pillar I has little future in the medium term
- Pillar II will be reconstructed

TOTAL LEVEL OF SUBSIDY  **FROM £3 BILLION**



REALISM ABOUT COMPETITIVENESS

- Most of the UK's agriculture is uncompetitive in global markets
- Upland sheep farming is typically of little direct economic value
- Upland cattle have limited niche markets
- Markets for real food, organic and artisan foods are not so dependant on price

**UPLAND FARMING IS NOT VALUABLE IN PURE COMMODITY
COMPETITIVENESS TERMS**



THE UPLANDS AS NATURAL CAPITAL

EXMOOR –DARTMOOR –BODMIN MOOR

THE ASSETS –

are extremely valuable natural capital

Moors,

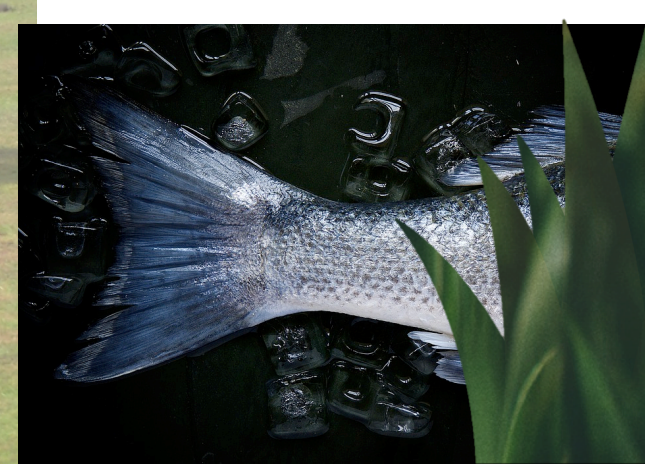
Peat bogs,
rivers,
streams,

The patch
work quilt of
small fields,

Hedgerows
and
woodlands

VALUING NATURAL CAPITAL

- Renewables vs. non-renewables
- The thresholds & safe limits
- The benefits



Capital
Maintenance

Enhancements

PUBLIC GOODS

Biodiversity

Carbon

Health

Education

Tourism &
leisure

Commodities

SUPPORT MECHANISMS I: THE MONEY

- Direct subsidies & the replacement of the CAP Pillar II
- Levies and support payments for tourists, service industries and users
- Grants and charitable funds for the National Trust, Wildlife Trusts, RSPB & others
- Income from users

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British
Agricultural
Policy after
BREXIT

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Sep 2016**



SUPPORT MECHANISMS II: SUBSIDY ALLOCATIONS

- River catchment system operators
- Auctioned public goods provision
- Direct payment to farmers

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Catchment
management,
abstraction and
flooding

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SUPPORT MECHANISMS

III: INSTITUTIONAL MECHANISMS

- Rural Payments Agency?
- National Parks?
- DEFRA?
- EA?
- New organisations?

WHAT THE UPLANDS COULD BE IN 25 YEARS TIME

The objective in the 2011 White Paper The Natural Choice

***“to be the first generation to leave the natural environment
in a better state than it inherited”***

The pioneers:

Cumbria (catchment)

Manchester (city)

North Devon (landscape)

Marine pioneers (yet to be developed)



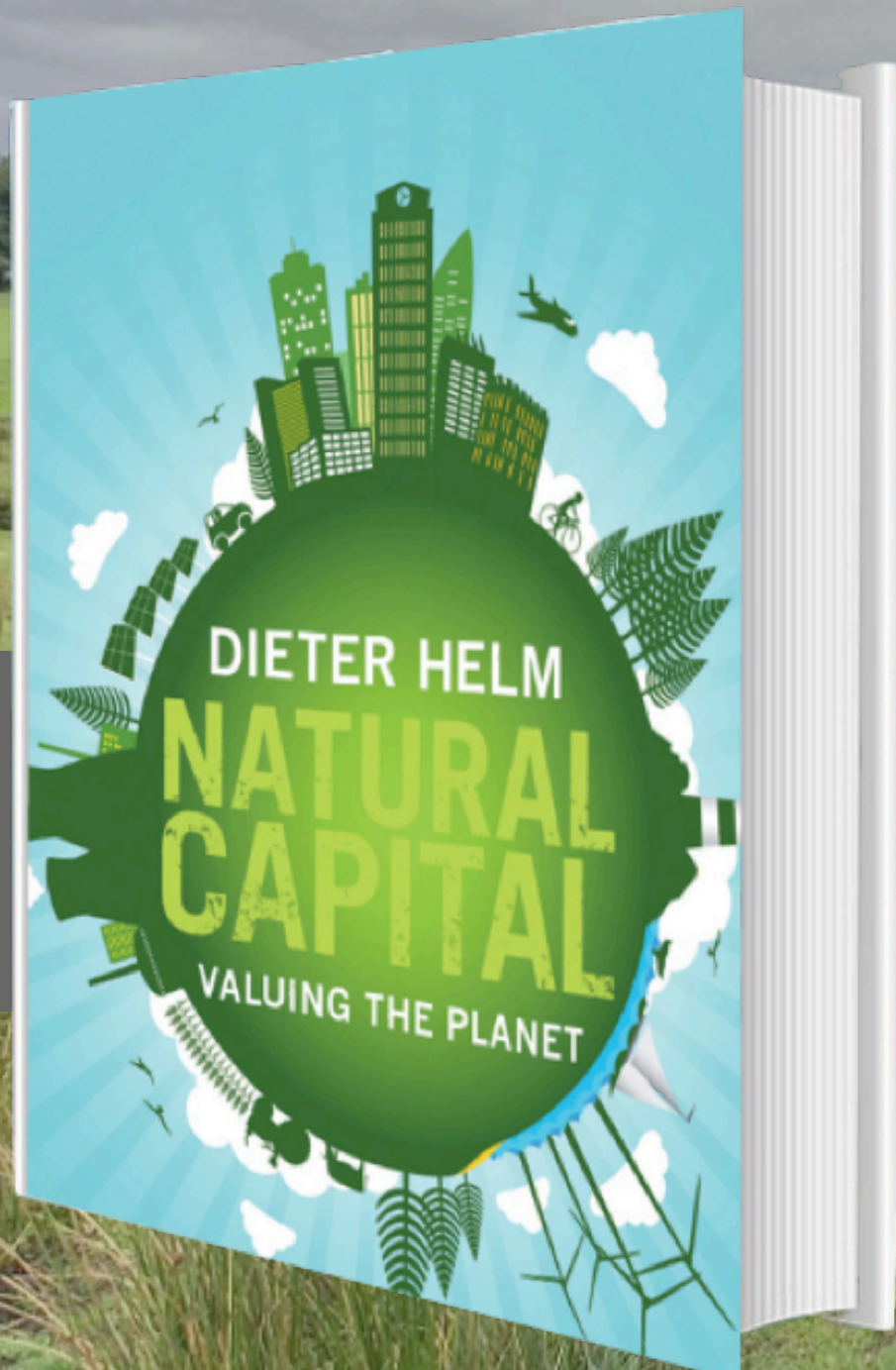
SOME POSSIBLE ENHANCEMENTS

- Capital maintenance and enhancements of iconic landscapes
 - Enhancements of biodiversity habitats and species
 - Restoration of rivers
 - Restoration of peat
 - Hedgerow maintenance
 - Access improvements
 - Education and health schemes
 - Restoration of moorlands
- Etc etc etc.

THE FUTURE OF UPLAND FARMING

- Stocking levels & biodiversity
- Custodians of the hedgerows, moors and woodlands
- Outward looking service providers to visitors
- Sustained communities
- Paid to provide public goods





FOR INFORMATION

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Green Bonds for
Natural Capital
– some issues

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Flood defence:
Time for a
radical rethink

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