



Upland farming in Cumbria and public good provision

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Improving agri-environment schemes

Agri-environment measures (AEMs) are a key policy instrument for the conservation and enhancement of the environment. AEMs use economic incentives based on extra costs, or income foregone, required under World Trade Organisation (WTO) agreement. Given the vulnerable nature of upland farming and the complementary relationship of these traditional farming systems with the environment, the key question is:

- Do current approaches to economic incentives in EU agri-environment schemes address the specific circumstances of traditional upland farming and provide a successful instrument to promote public good provision?

Gathering farmers' views

The research looked at changes in farm structures and their implications for environmental management and public good provision in the Cumbria uplands. The Cumbria case study was conducted between November 2004 and February 2005. In this case study 8 farm family interviews, 36 individual farmers and 4 focus groups were conducted. All farmer interviewees were upland farmers and involved in managing common lands.

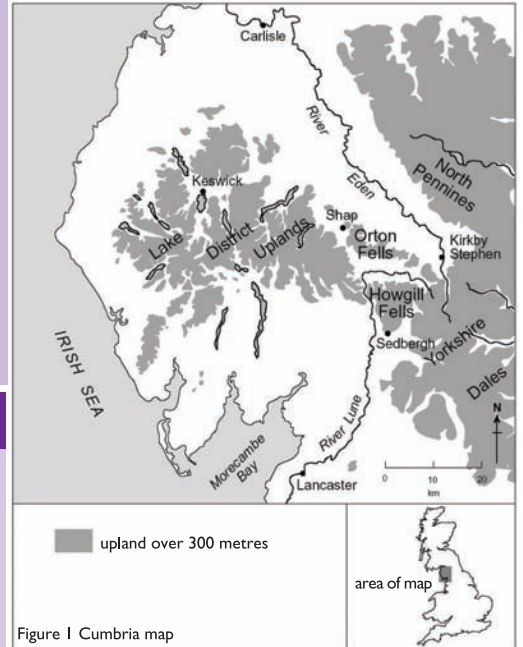


Figure 1 Cumbria map

Insights from the Cumbria case study

- Farmers reported large losses in their numbers in recent years and 34% of interviewed farmers were certain of not having a successor
- Very high house prices put further pressure on the farming community
- Loss of farms and farmers makes continued management of the environmentally valuable hefted common grazings difficult and may ultimately lead to the collapse of the commons system
- The impact of this on the provision of public goods is unknown, but the study demonstrated that a high level of existing agri-environmental payments in the region do not guarantee the provision of public goods

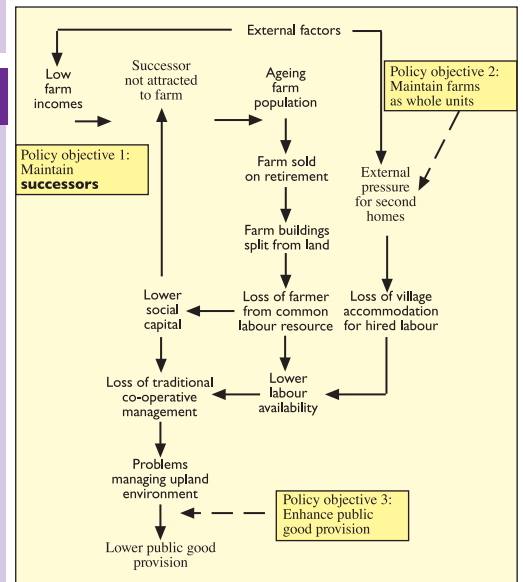


Figure 2 Policy objectives to maintain traditional farming systems and to promote public good provision

Policy discussion

The results show the importance of moving beyond the WTO requirements and linking agri-environment payments directly to the provision of public goods instead of agricultural income.

- Payment-by-results schemes can be a realistic alternative to current payment systems, if a close link between actions and outcomes can be established and outcomes are measurable
- In addition, more attention could be given to the potential role of conservation, amenity and recreation trusts as tool to provide public goods through contracts with individual and groups of farmers

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The work is based on a study investigating the importance of social capital on traditional hill farms, commissioned by the ICU in Cumbria and conducted in collaboration with SAC.