MEDIA RELEASE

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Is capital the natural successor to CAP? LEAF Annual Conference debates the value of Natural Capital

Natural Capital was the phrase on everyone’s lips at LEAF’s (Linking Environment And Farming). The conference, held at Savills, London, on Wednesday 9th November addressed the emerging opportunities and challenges for food and farming in this area.

Farmers and experts came together to discuss the key questions: Why does Natural Capital matter to farmers? What benefits does assessment offer? Does Natural Capital devalue the importance of food production? The potential impact of Brexit was a common theme and whether it has opened the door for Natural Capital to replace CAP (Common Agricultural Policy).

Kathryn Green, LEAF Sustainability Manager said: “Natural Capital may be a new approach but the concept of valuing what farmers do is certainly not. Integrated Farm Management (IFM) includes the need to understand, monitor and record, and importantly, value the economic, environmental and social impacts of farming. In essence, this is what Natural Capital is all about. By adding an extra layer to IFM it would enable LEAF members to be in a strong position to engage further with the approach of Natural Capital accounting as the area develops.”

Prof Dieter Helm, Professor of Energy Policy, University of Oxford, who addressed attendees by video, claimed that the “current status quo in farming is not sustainable”; stating: “Natural Capital and farming are like peas in a pod.”

Nick Barter, Deputy Director, Natural Environment Strategy, Defra, outlined how, with the imminent launch of the government’s 25 Year Environment Plan, Natural Capital provides some key advantages: “It encourages system thinking and a long term view, helping to drive better uses of resources, focusing attention on where it matters most. Fundamentally it's about environmental decision making.”
Charlie Russ, Chartered Surveyor, Savills added: “We could be on the cusp of a new paradigm in how we value land.”

Speakers at the conference highlighted a number of challenges including how we set a value on environmental benefits, and how a long term approach can be monitored in the short term.

Ian Dickie, Director, eftec (Economics for the Environment Consultancy) told attendees: “Capital isn't just a financial concept. It is ‘stuff’ which produces other ‘stuff’. We don’t have the same way at looking at environmental benefits yet as we do other areas of capital. That's why Natural Capital is vital.”

Although Natural Capital is in its infancy, a number of case studies and projects exploring Natural Capital are already in place or in the planning stages. These include the Natural Infrastructure Scheme – a joint project between the Green Alliance and the National Trust. Angela Francis, Senior Economist, Green Alliance, who claimed that CAP was a ‘terrible subsidy system' that was always going to be replaced, believes that any Natural Capital accounting needs to be farmer led. Chris Knight, Environmental Finance Manager, Environment Agency outlined how the Environment Agency Corporate Natural Capital Accounts assessed and valued 18k hectares of their land: it's not just an exercise to repeat each year. We want the process to be more than box ticking. We want to identify where we can make the most of Natural Capital but this is a very long process. We want to spur the debate.”

Summing up the conference, Caroline Drummond, LEAF Chief Executive said: “We’re glad that today’s conference generated such thought provoking discussion. Whilst some may object to the idea of representing nature’s value with a pound sign, it is clear that applying values to natural capital, as imperfect and simplified as they may be, may enable us to provide our best approximation of some aspects of Natural Capital’s true value. We look forward to driving this agenda forward.

Speaker presentations, photos and a full commentary from the day will be available on www.leafuk.org

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LEAF Editors’ Notes:

• LEAF (Linking Environment And Farming) is the leading organisation delivering more sustainable food and farming. LEAF works with farmers, the food industry, scientists and consumers to inspire and enable sustainable farming that is prosperous, enriches the environment and engages local communities.
• LEAF promotes **Integrated Farm Management (IFM)**, a whole farm business approach that delivers more sustainable farming. IFM uses the best of modern technology and traditional methods to deliver prosperous farming that enriches the environment and engages local communities.

• **The LEAF Marque** is an assurance system recognising more sustainably farmed products. It is based on the sustainable farming principles of Integrated Farm Management (IFM), which covers areas such as soil and water management, pollution control, crop health, animal welfare, community engagement, energy efficiency and landscape and nature conservation. LEAF Marque businesses are independently assessed and certified against the principles of IFM.

• **LEAF Demonstration Farms** are commercial farms which show the beneficial practices of IFM to a broad range of audiences, through organised visits. They communicate an understanding of IFM in order to encourage uptake by farmers, support from the industry and political awareness of sustainable food and farming. The network of LEAF Demonstration Farms includes a range of farm businesses across England and Scotland. They work alongside the LEAF Innovation Centres.