



LINKING ENVIRONMENT AND FARMING

Debating Natural Capital



David Fursdon

The Crown Estate/National Trust/The Fursdon Estate

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Debating Natural Capital



‘Realising Natural Capital’s value for landowners and farmers, will it really work in practice?’

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What can land do for us



- Produce food and fibre
- Uses soil; water; minerals
- Income created by selling product; market forces
- Capital value created by productivity; location ; market forces
- Productivity depends on climate; geology; topography; husbandry
- This is the easy one; proven model but vulnerable



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Other uses



- River catchment
- Control flow- lag time; infiltration; erosion, suspended or soluble materials; flooding
- Provide water- natural storage; man-made reservoirs; boreholes; transfer water



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Also



- Look great; define a sense of place; contribute to well-being
- Harbour wildlife; plants; biodiversity
- Absorb or release CO2 and other gases
- Harbour disease or prevent its spread
- Provoke fires; define wind flow
- Encourage pollinators



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And it can



- Be used for buildings- temporary, permanent, attractive, hideous, old, new, residential(short term, long term) commercial
- Be used for leisure- in natural from; in altered form
- Provide access for walking; riding; fishing; driving
- Provide energy capturing water, sunlight, tidal movement, wind, heat from combustion



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Property rights



- Important to define where state interferes
- Over-riding public interest
- Defined in statute
- Land still needs managing which needs paying for
- Need to decide whether natural capital is privately owned or not
- Questions- freedom of choice for land?



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Income



- Justifying the need



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Sources of income



- Product price
- rents
- Grants, support, incentives in support of private or government objectives
- Compensation
- Other fees for sharing occupation; experiencing; improving your health; taking or acquiring ; permitting (carbon)



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New ways to capture income



- PES
- Covenants (e.g. rural house pricing; restrictive only; enforceability; hedonic pricing; too many variables?)
- New contracts health?
- Certification/assurance
- Water recycling
- Green infrastructure/insurance
- Woodfuel
- Carbon management



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Where are the costs?



- Externalities passed on



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Capital?



- Balance sheet for natural capital
- Risk assessment
- Who else can help address liabilities? (green alliance paper)
- Relationship between nat capital and ec value
- Concept of depreciation. Capital maintenance
- Capital raised on green income streams



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Challenges



- Special vs ordinary; hills vs lowlands. acreage
- Politics. Land reform and property rights. Convince a buyer that he/she has to buy
- Fundamentalists on either side
- Short termism e.g soils
- Scale
- Subjectivity of objectives and methods. Lack of scientific consensus



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Also



- Will require skills. Qualified farmer?
- May need different accounting
- Does it cover the land mass?
- New ways of capturing income needed
- Money often too tight at start
- Special scheme becomes the norm
- valuation



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But



- Provides an alternative
- Can see where it can work
- Pragmatic
- A meeting place in the debate
- Will have public support
- Needs work
- Meets a need
- worthwhile