

**Can integration reinforce the
economics of green grassland
management in Europe?**

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Back to the Future!

- Treaty of Rome 1957 - EEC.
- Treaty of Maastricht - EC.
- Treaty of Lisbon - European Union.
- 1950s - objective was economic integration as a tool to maintain peace in Europe.
- 2009 - co-operation as a basis for sustainable development.

Where was agriculture in this process?

- 1962 Common Agricultural Policy.
- 1970s/ 1980s food 'mountains'.
- 1992 shift from market support to producer support.
- 2004 and 2007 new MS and new farmers doubles the EU farming population.

The first CAP shopping list!

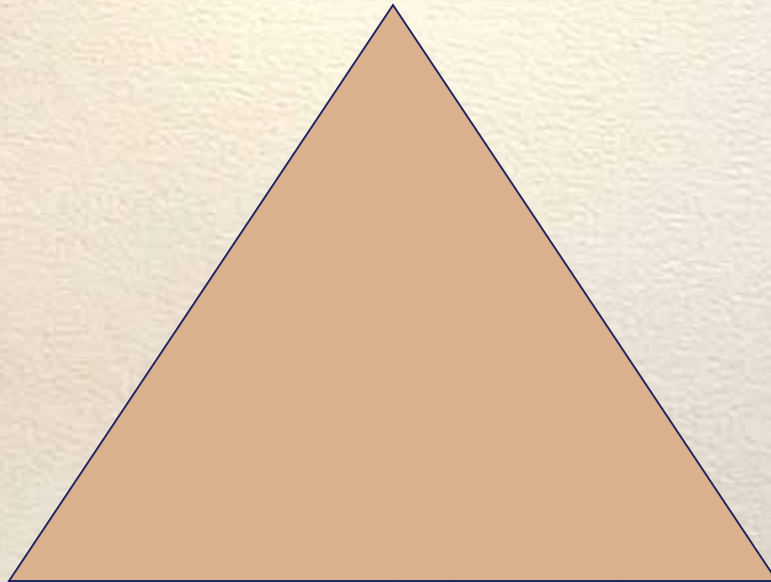
- Enough food to feed Europe's citizens - food security.
- Food that Europe's citizens can afford to buy - lower consumer prices.
- Better incomes and standard of living for those who produce food - farm income support.
- Plus now in WTO 'green box'!

Concerns

- Over-production (hence 1992 MacSharry reforms and introduction of direct payments).
- Habitat loss to intensification (Natura 2000).
- Pollution (polluter pays principle; Nitrates Directive etc.).
- Land abandonment.
- Decline in parts of the EU countryside.

Sustainable Development

- People, Planet, Profit



Principle of Comparative Advantages

- Ricardo (C19th English economist).
- Market integration followed by specialisation of production.
- Leads to.....

The Netherlands



- Intensive production
- Land prices of 40-60,000 euros per ha.
- 'nature' ie permanent grassland, heath etc.

Nature in the Netherlands



Portugal

- Most rough pasture not included in the Utilized Agricultural Area (UAA).

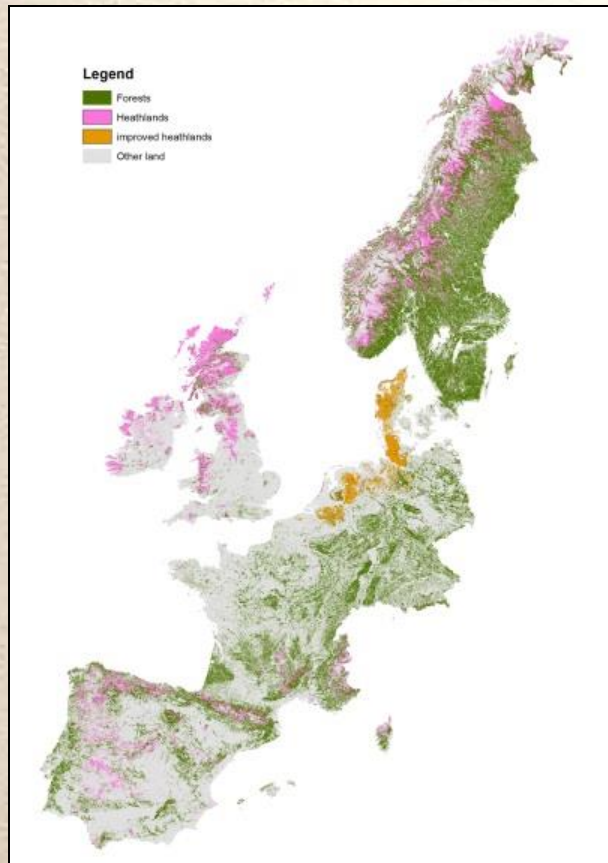


UK



- UAA but....
- Lower incomes than intensive farms.
- Society values other aspects eg scenery, recreational opportunities.

Technological Innovation



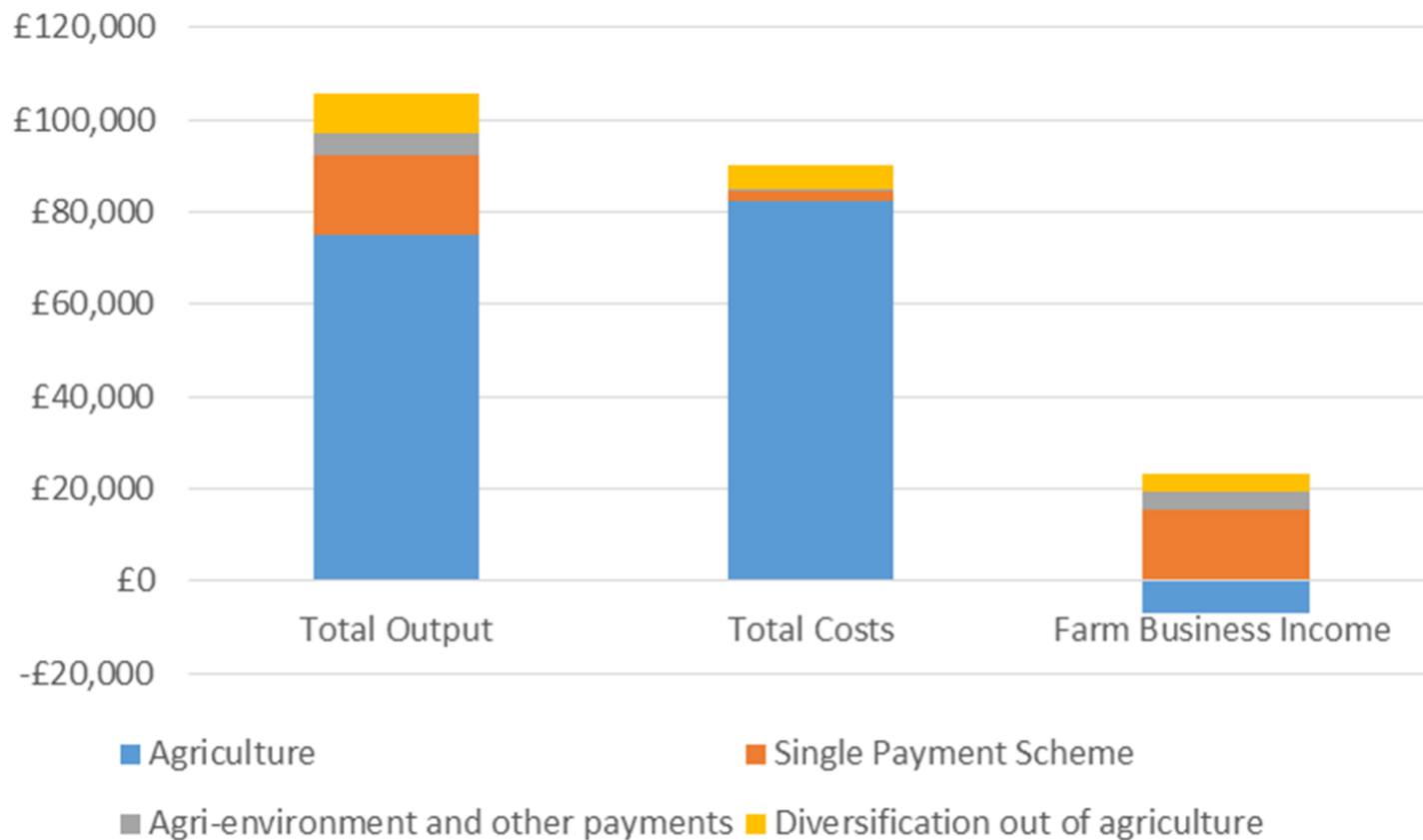
- C19th afforestation on 'marginal' land.

Evolution of CAP

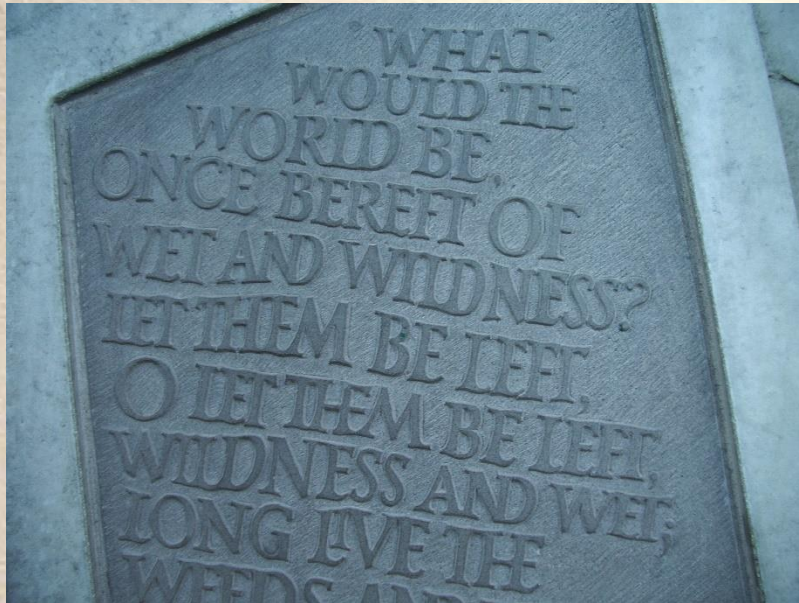


- Production subsidies.
- Direct income subsidies.
- Ecosystem payments.

Farm Business Income England Lowland grazing livestock 2012/13



Supply and Demand in the EU



- Nature is in high demand by EU citizens.
- Green Infrastructure has been identified as one of the investment priorities of the EU.
- Resilience of ecosystems is now recognised as important.
- 53 out of 224 Natura 2000 habitat types depend on agricultural activities.

Local versus European supply and demand



- You can't eat the scenery....but...
- We now produce enough food to feed the EU ie sufficient supply at European level.

NI upland SACs- Annex 1 habitat types associated with grazing livestock

- European dry heaths 5,838.33 ha
- Northern Atlantic wet heaths with *Erica tetralix* 2,215.97 ha
- Blanket bogs 9,600.82 ha
- Semi-natural dry grasslands and scrubland facies on calcareous substrates (*Festuco-Brometalia*) 365.07 ha
- *Molinia* meadows 306.04
- Species-rich *Nardus* grasslands 6.70 ha

Specialisation

- Subsistence agriculture with most needs met locally (but even prehistoric societies had trade in certain goods).
- Subsistence agriculture with some cash 'crops'.
- Mixed farming but with land use on any one farm determined by location and soil fertility at field level.
- Intensive agriculture producing one commodity for the world market.
- Small human settlements within nature.
- Agro-nature- citizens as producers of nature.
- Cultural severance eg by forced removal, industrialisation, urbanisation.
- Citizens as consumers of nature.

Integration

- Specialism limits local ability to meet all local needs but increases the wealth of EU MS (national benefits). Cash income can be used to buy goods and services from nearby.
- Cannot assume natural elements with economic value can exist without other elements of nature.
- Land which cannot be intensified may be left to nature.
- Supply of 'nature' may not be in the same region as the demand.

Winds of Change

- Trans-Atlantic Trade and Investment Partnership (TTIP).
- 'Fitness check' of Birds and Habitats directives.
- 'Land as a Resource' Communication expected in 2015.
- Natural Capital Concept.