



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement N° 817949



Farmers' attitudes to results-based contracts and the benefits of their adoption

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Format of Today's Event

- Part 1
 - Background to the CONSOLE project
 - Innovative contract based programmes and a SWOT analysis
- Part 2
 - Research to date on attitudes to results-based contracts
- Part 3
 - Questions and Answers



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Part 1



CONSOLE Project

- CONSOLE – Contract Solutions for Effective and Lasting Delivery of Agri-Environmental Climate Public Goods by EU Agriculture and Forestry
- Horizon 2020
- 24 Partners in 13 Countries
- UCC in Ireland
- Objective: to boost innovation in the delivery of Agri-Environmental Climate Public Goods



Background

- Traditional Agri-Environmental Programmes
- Practice based or input based approaches
- National and poorly targeted
- Despite investment, decline in biodiversity & water quality (European Court of Auditors)
- Contract based programmes
- Payment is linked to quality and quantity of deliverable
- Targeted, effective and better value for money
- Rise in outcome-based programmes
- EU Life Programme & European EIP
- New CAP - Agri-Environment Climate Measure (AECM) “Right Action in the Right Place”



Background

- Success of such programmes to date
- 58 case studies in 13 EU Member States
- 4 non-EU case studies
- Identify key success factors
- Assess willingness of farmers to participate in contract based programmes
- Final objective: develop a “design guide” for AECPG contracts, including the conceptual framework, design variables, determinants, legal and technological aspects and roles of different governance levels in implementation;

New and innovative contract solutions – What do we speak of in CONSOLE



**Result-based
contract solutions**



**Collective
implementation**



**Value chain-based
contract solutions**



**Land tenure-based
contract solutions**

New and innovative contract solutions



Specific AECPG target

(e.g. biodiversity, CO₂ sequestration, etc.)



Measurable AECPG indicators; management recommendations



Result-based contract solutions

Free management decisions



Measured AECPG improvement (result)



payment

EXAMPLE

New and innovative contract solutions



Result-based contract solutions

IRL1: BurrenLife Programme

IRL2: RBAPS - The Result-based Agri-Environment Payment Scheme (RBAPS) Pilot

IRL3: BRIDE - Biodiversity Regeneration in a Dairying Environment

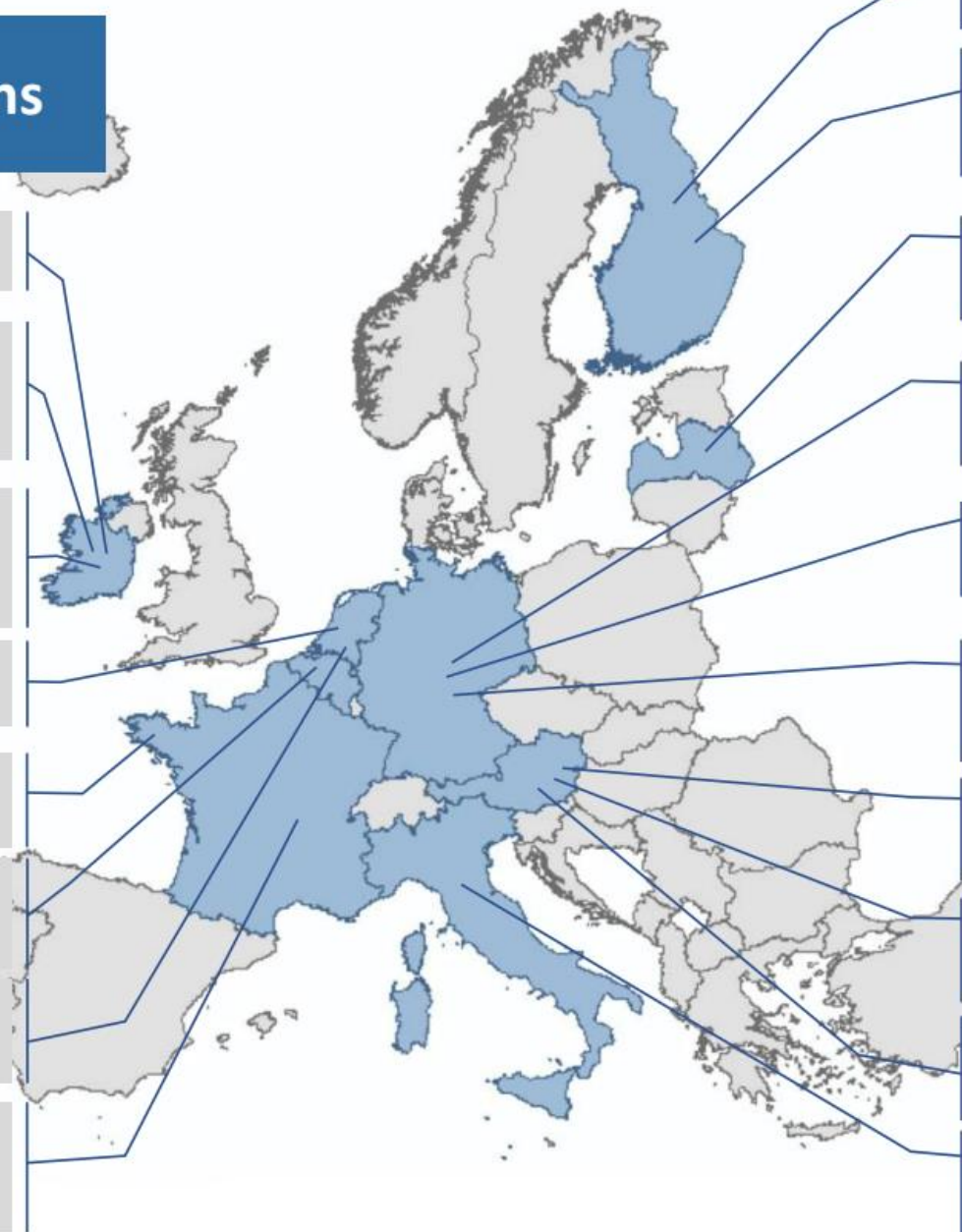
NL4: Biodiversity monitor for ARABLE farming (RB)

FR2: Terres de Sources - Public food order in Brittany

BE3: Wildlife Estates Label in Flanders

NL3: Biodiversity monitor for DAIRY farming (RB)

FR4: ECO-METHANE – Rewarding dairy farmers for low GHG emissions



FI6: Nature value bargaining (Luonnonarvokauppa) (RO)

FI2: Protected areas of private forests as tourism destination (RO-LT-CO)

LV3: Bauska Nature Park tidy up of territory (RO)

DE4: Agro-ecological transition pathways in arable farming

DE2: Organic farming for species diversity (RB-VC)

DE1: Viticulture on steep slopes creates diversity in the Moselle valley

AT4: The Humus Program of the Ökoregion Kaindorf (RB)

AT3: Result-based Nature Conservation Plan (RNP)

AT2: Biodiversity monitoring with farmers (RO)

IT5: Farmers as Custodian of a Territory (RO)

BurrenLife Project

Due to the unique landscape, farmers in this region face many environmental challenges which the traditional agri-environmental schemes do not address. This project works with farmers to achieve specific environmental outcomes, rewarded by payments, and also makes funds available for farmers to invest in self-selected, but pre-approved, conservation projects. Environmental targets are set and monitored by farm advisors, performance is scored and payments are made based on the scoring system.

Summary

The Burren project is described by Dunford, the project leader, as a hybrid' approach whereby participating farmers are rewarded annually for their environmental performance while also having access to a fund to carry out self-nominated 'conservation support actions' to help improve this performance over time. The typical 'action-led' approach to agri-environmental schemes is enhanced to encourage farmers to undertake conservation actions specifically designed to improve the environmental health of their farm, and to enhance their income through the new, complementary, results-based payment. 5-year contracts are offered to all participating farmers, with the last of the contracts set to expire in December 2022. The project has an outline budget of up to €15m supporting 328 farmers and 23,000 hectares of target habitat. Farmers sign a five-year plan and are afforded flexibility in undertaking conservation actions.

Objectives

1. To ensure the sustainable agricultural management of HNV farmland in the Burren, improving water quality and usage, and supporting the landscape and cultural heritage of the region.
2. To preserve the culture and heritage of the region
3. To support the economic and social sustainability of farmers



RESULT-BASED



COLLECTIVE



The project operates a 'hybrid' approach whereby farmers are rewarded annually for their environmental performance while also having access to a fund to carry out self-nominated 'conservation support actions' to help improve this performance over time.

New and innovative contract solutions



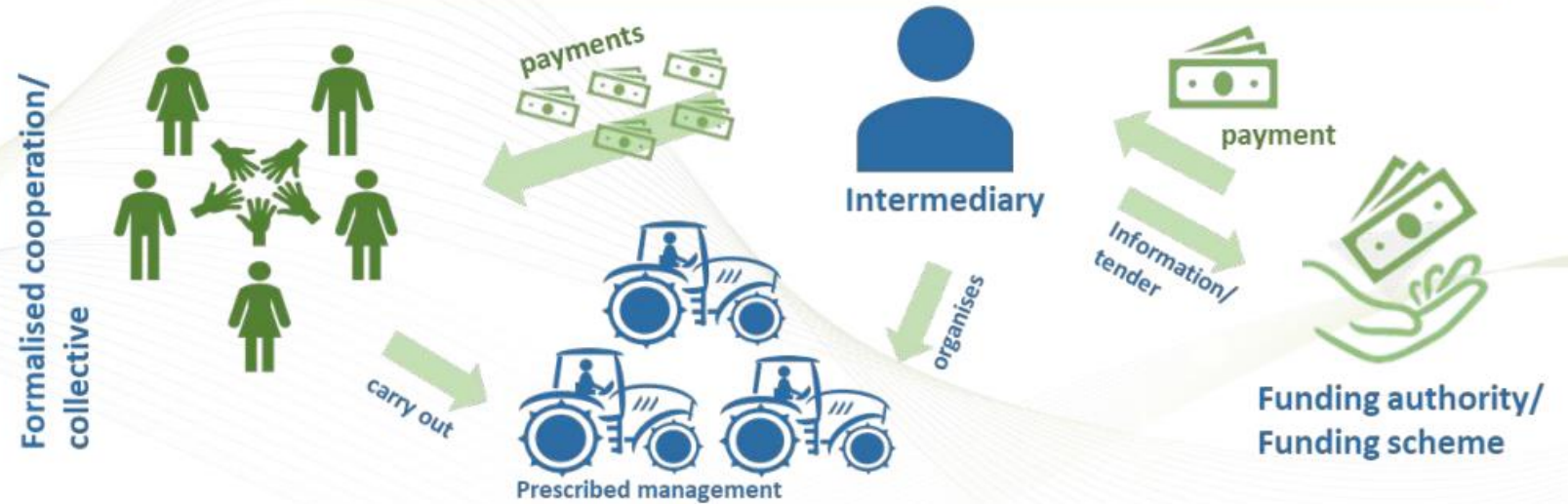
Broader AECPG target(s)
(often on landscape level, e.g. biodiversity, water quality and quantity, recreation, etc.)



Collective targets; individual or collective management plans



Collective implementation



EXAMPLE



Collective implementation



The association AFSAL (Farmers and Wild Animals in Alsace) is coordinating the cropping systems of about 140 farmers located in three different static protected areas, to favour the development of populations of the protected European hamster.

- Farmers willing to participate must join the AFSAL association
- Prescribed integration of hamster friendly crops in crop rotation (neighboring fields)
- Cost-based payment – opportunity costs
- Result-based payment for hamster burrows



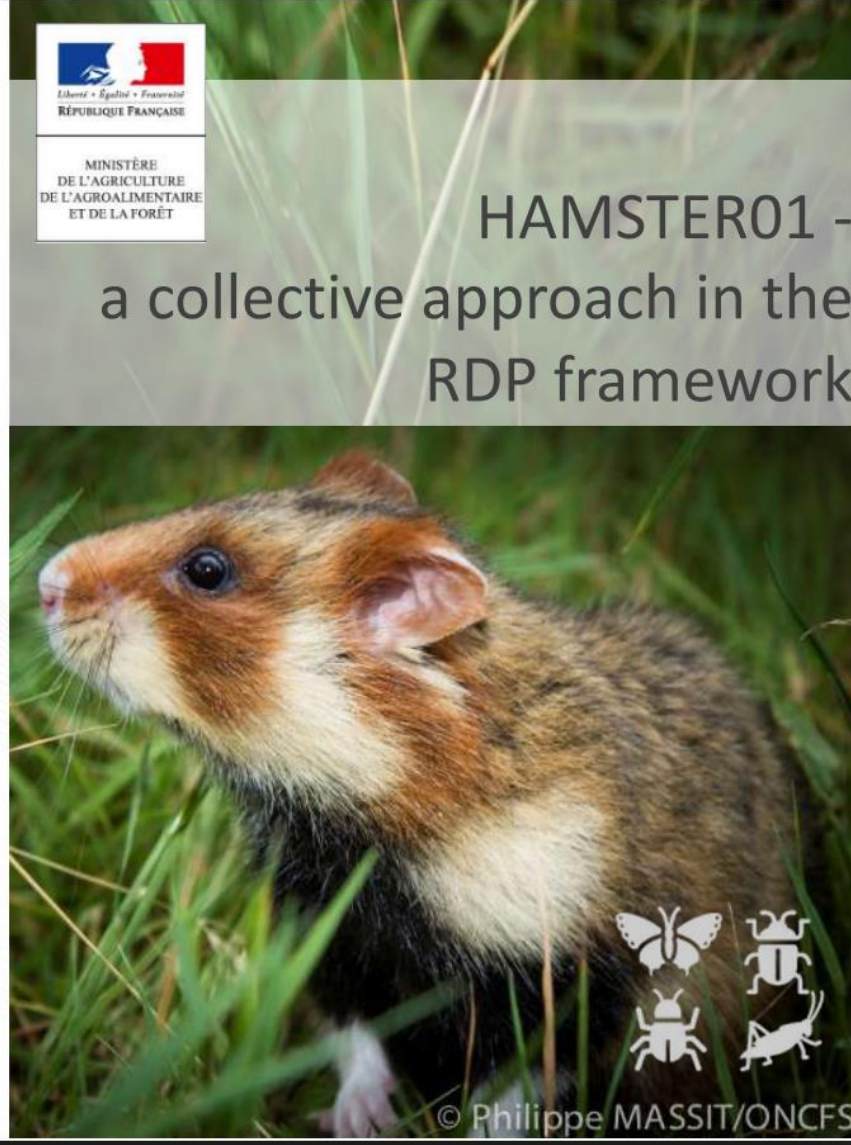
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Source: Alsace Chamber of Agriculture, Bas-Rhin DDT, AFSAL, 2020



New and innovative contract solutions

Specific AECPG targets (e.g. water quality, animal welfare, etc.)



Management requirements (set by "buyer")



Value chain-based contract solutions

Prescribed management



EXAMPLE

Carbery Greener Dairy Farms™ CGDF

Carbery Greener Dairy Farms™ is a dairy efficiency programme designed to measure, monitor and optimise resource allocation and best practice in environmental sustainability on the dairy farm. The programme involves 62 dairy farmers in West Cork, each of whom are members of agricultural co-operatives, which in turn, own the Carbery Group. Each farmer carries out and monitors various environmental efficiency measures in order to improve the carbon dairy footprint of their farms and achieve greater efficiencies. Learnings are disseminated beyond the initiative through farm walks, workshops and discussion groups.

Summary

Greener Dairy Farms™ is a dairy efficiency contract solution introduced by Carbery Group (a global leader in food ingredients, flavours and cheese) and Teagasc (state body which provides research, advisory and training to the agricultural and food sector in Ireland) to measure, monitor and optimise resource allocation and best practice in environmental sustainability on the dairy farm. The programme was set up in 2012, starting with 12 dairy farmers and now extends to 62 dairy farmers, all of whom are members of the co-operatives that own Carbery. Each farm has been assessed for carbon footprint, water and energy usage and soil fertility and a baseline created. Based on this assessment, various environmental efficiency measures have been introduced to improve performance and achieve financial savings. The programme was based on a previous European project called the Dairyman Project, where 120 dairy farmers in 10 regions of North West Europe which focused on farm resource efficiencies and management. Carbery was the first to start such an endeavour in Ireland. While all the farms are not adjacent to each other, they are all located within a relatively small territorial area.



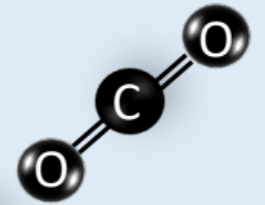
OTHERS

Savings through environmental efficiencies and capital grants

PUBLIC GOODS



Trees supplied to Carbery Farmers (including the CGDF participants), initial bio-diversity assessments



Carbon Footprint was reduced on average across the farms from 124kg to 104 kg/CO₂ equivalent/Kg of energy corrected milk from 2012 to 2017.



CDGF farmers strive to increase number of days of pasture grazing.



New and innovative contract solutions



Specific AECPG target
(e.g. biodiversity, habitats, etc.)



Management requirements (public good clauses)



Land tenure-based contract solutions



Land owner



Environmental clauses
Rural lease



Tenant: Prescribed management



EXAMPLE



Land tenure-based contract solutions

Under a project financed partially by LIFE+, the Bulgarian Society for Protection of Birds and farmers purchased and leased out over 600 ha land to farmers with requirements to restore and maintain the high nature value pastures to protect the European souslik (restoration of bushland pastures; removing unwanted vegetation to maintain mosaic habitat; sustainable management of grassland through livestock grazing or mowing; sowing native grass species)

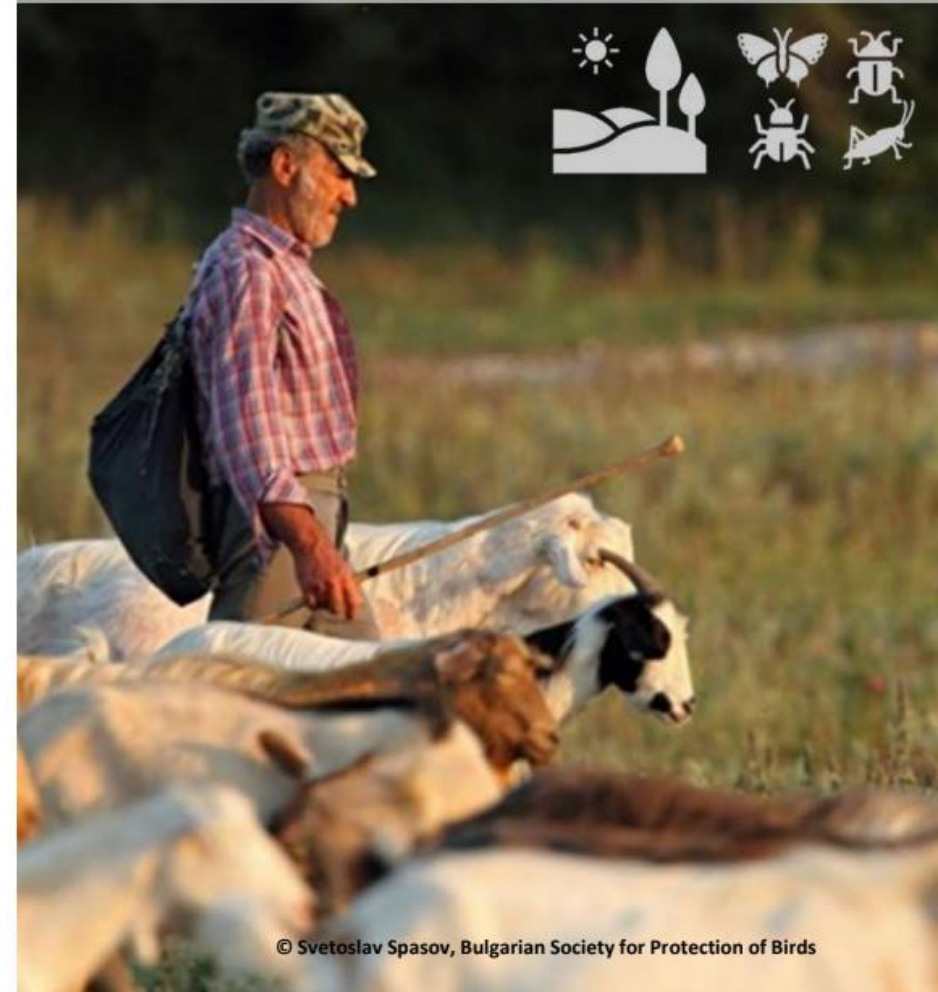
- Farmers rent the land for zero lease → access to land
- Farmers benefit from providing grazing space for their animals and for using the hay for fodder
- By meeting environmental requirements farmers are eligible for governmental subsidy (practice-based efforts)



Strandzha Mountain and Sakar Mountain



Conservation and restoration of grasslands in Strandzha and Sakar mountains for restoring local biodiversity and endangered bird species



Key Learnings from Case Studies

Strengths

Proven environmental benefits
Local info. & management
Design and assessment are backed by science
Simple, well-defined measures are effective

Weaknesses

Funding is fixed-term

Opportunities

Existing projects act as an example
Farmers learn new practices
Industry partners have become interested
A potential for accreditation for products

Threats

Funding running out



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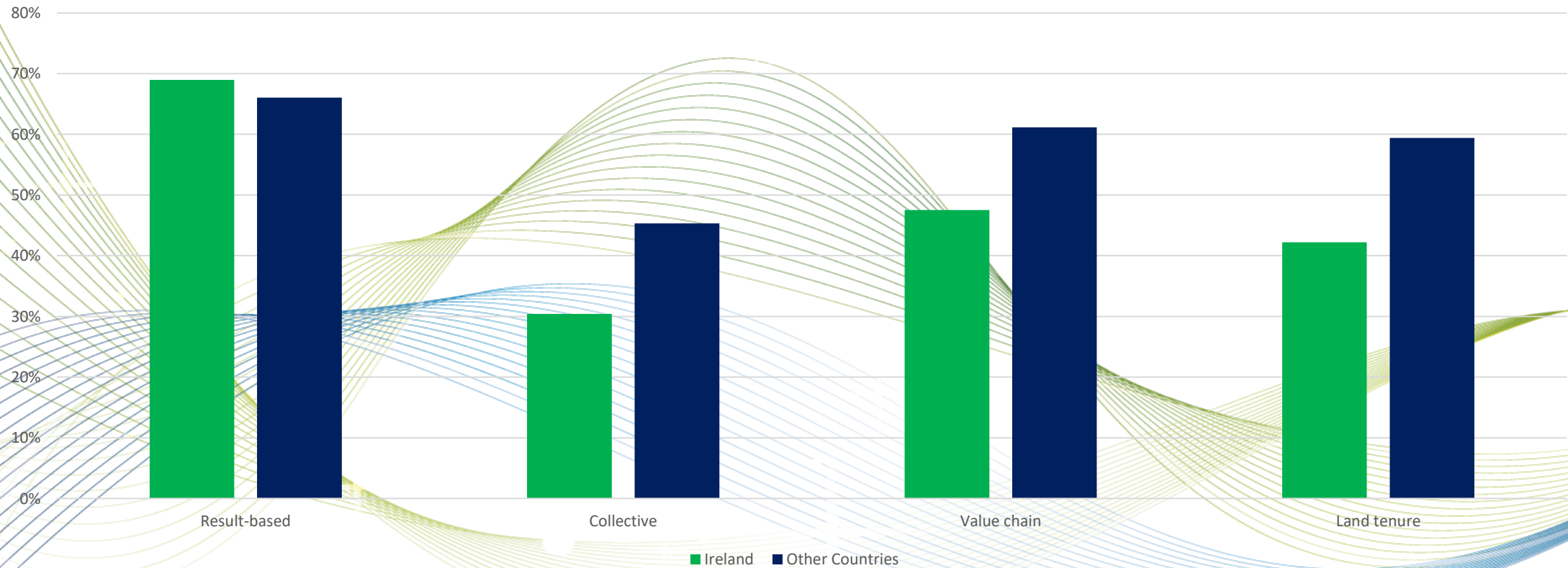
Part 2



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The % of Respondents Who Agree That a Contract Type is Easy to Understand

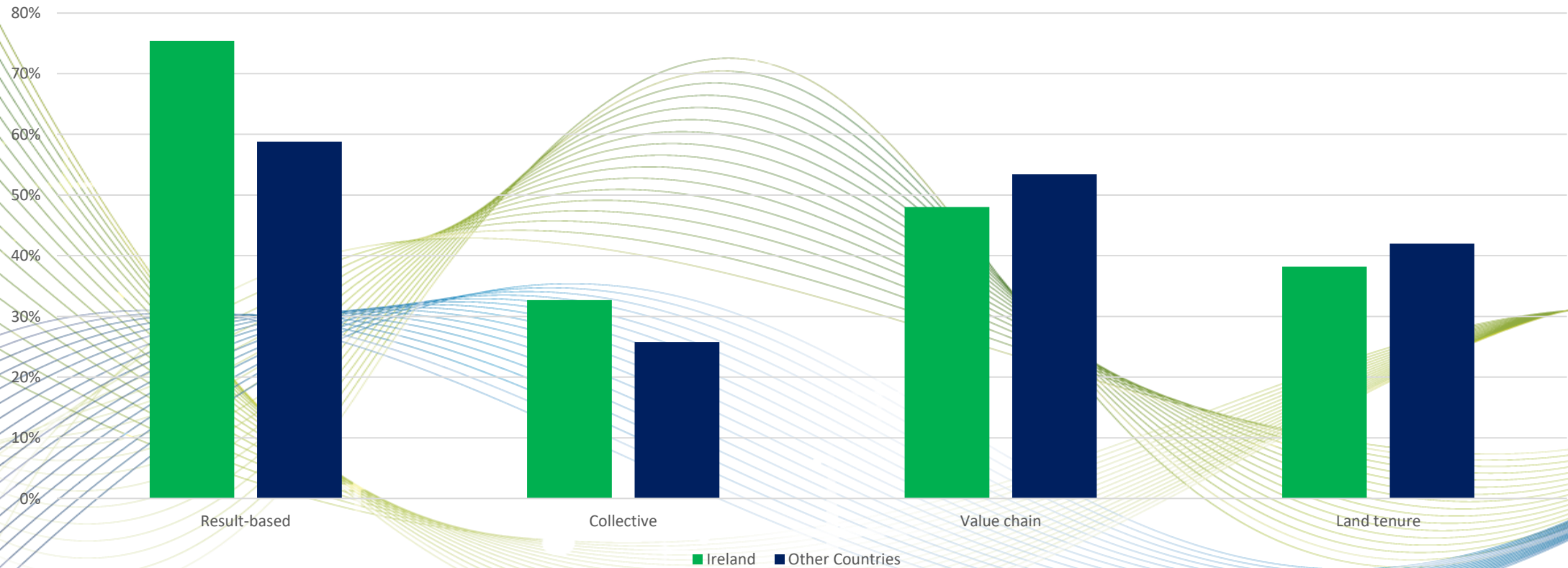




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The % of Respondents Who Agree That a Contract Type is Applicable to Their Farm

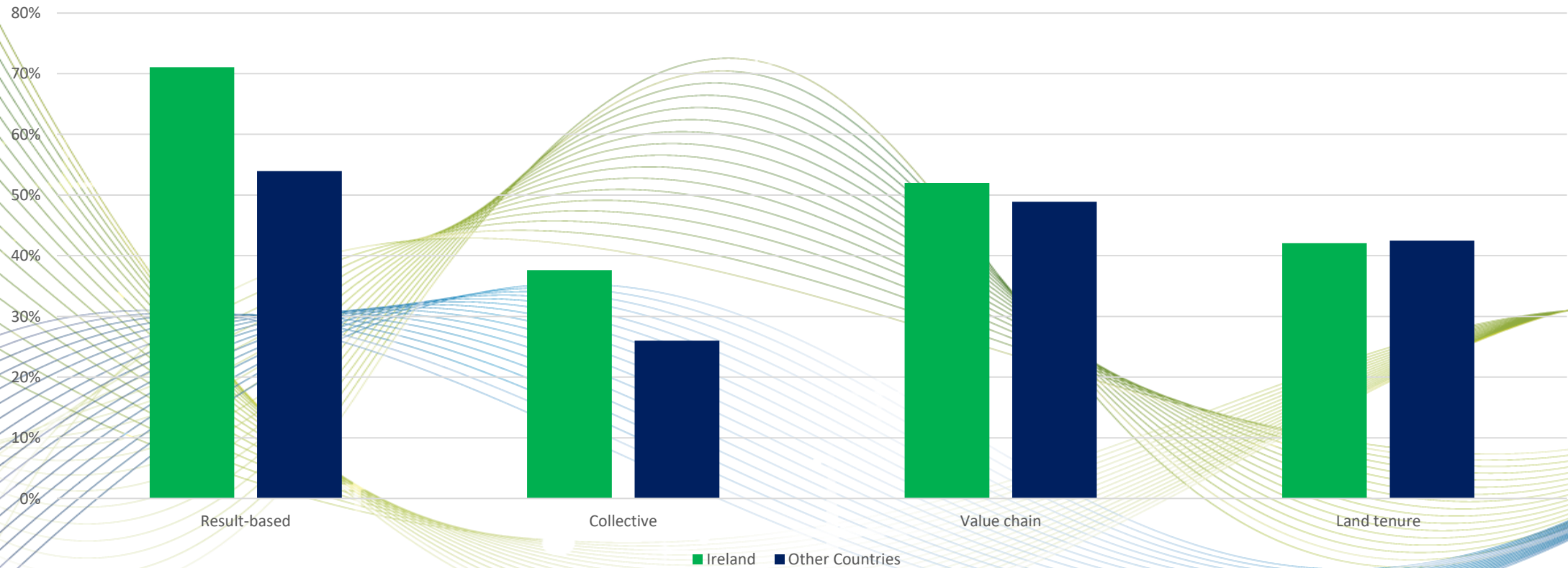




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The % of Respondents Who Agree That a Contract Type is Economically Beneficial





Factors That Affect Perceived Economic Benefits of Results-Based Contracts

Positive Influence

- Age – 18-40 years
- High % of rented land
- No previous usage of results-based contracts

No Influence

- Farming system
- Farm size
- Agri. training
- Farm to total income



Key Points from Land Managers' Survey

- High levels of understanding, applicability and perceived economic benefits of result-based contracts.
- Similar to European counterparts, collective contracts score low in these categories in Ireland.
- Irish landowners agree with the economic benefits of results-based contracts and seek autonomy.



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How to increase the adoption of result-based contract types?

POLITICAL	ECONOMIC	SOCIAL
PO1 Farmers' training and guidance when implementing contracts	EC1 Appropriate financial remuneration for participation in the contracts	SO1 Visibility (appreciation, recognition) of farmers' work in providing environmental benefits
PO2 Existence of political will to support delivery of environmental goods and services by farmers	EC2 Existence of sufficient financial resources for contract payments	SO2 Farmers' acceptance, attention to cultural norms and traditions
PO3 Low level/amount of bureaucracy	EC3 Farmers' financial risk and uncertainty of income	SO3 Society's and consumers' interest and demand for environmentally friendly products
PO4 Stable political framework conditions in the longer term	EC4 A secure supply chain and certainty of demand for farm products	SO4 Willingness to co-operate (stakeholders, neighbors, farmer unions)
PO5 Support from skilled authorities and intermediaries in aiding farmers in the implementation of contracts	EC5 Farmers' new earning possibilities through engagement in contracts	SO5 Farmers' awareness and knowledge level of environmental issues
		SO6 Farmer and farm characteristics: education, age, size of farm
		SO7 Context: local development, population growth, loss of labor
TECHNOLOGICAL	LEGAL (and contract related)	ENVIRONMENTAL
TE1 Existence of necessary technologies to measure the result	LE1 Characteristics of the contract: voluntary, flexible, a possibility to influence	EN1 Impacts of climate change and perceived need for action
TE2 Defining suitable monitoring indicators	LE2 Simplicity and understandability of the contract	EN2 Unpredictability of nature and the limited possibility for farmers to influence result
TE3 Easy to apply and no complex monitoring implementation	LE3 Clarity and stability of legal frame behind the contract	EN3 Spatial and regional differences of environmental conditions
TE4 Implementation of technology (experience, attitude, access)	LE4 Compatibility of contract with existing laws, programs and EU policy	EN4 Possible long period from action to result
TE5 Sufficient knowledge about the impacts of the different measures	LE5 Compatibility of contract goal with existing farming goals	
TE6 Time and money for implementing measures	LE6 Practical achievability of contract goals	



Topics Voted as Most Important

1. Appropriate remuneration for participation

74% rated it high, 21% medium and 5% low

2. Simplicity and understandability of the contract

67% rated it high and 33% medium

3. Defining suitable monitoring indicators

63% rate it high, 26% medium and 11% low



Your thoughts....

- Should agri-environmental programmes be results-based?
- How could these programmes be better designed?



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<https://www.youtube.com/channel/UCEqajFjQBnUmYTifo3unZKA?>

