



EVIDENCE TO THE HOUSE OF LORDS ENVIRONMENT AND CLIMATE CHANGE COMMITTEE'S PROTECTED AREAS INQUIRY

THE EXMOOR SOCIETY

Contact:

1. **The Exmoor Society** is an independent charity. It takes actions to protect and conserve the Exmoor National Park for the benefit of visitors, local communities, landscapes, wildlife and habitats, and cultural heritage. Here, we address a) the main challenges and opportunities in managing protected landscapes such as Exmoor National Park; b) comment on the extent to which policies help or hinder efforts to manage protected landscapes for nature; and c) set our comments in the context of the Government's response to nature-related aspects of the Landscapes Review (2019)¹, the 25 Year Environment Plan (2018)² and subsequent Environmental Improvement Plan (2023)³. The role of Environmental Land Management (ELMs) schemes to achieve policy objectives is a particular focus.
2. **Foundations of managing protected landscapes for nature** have two related dimensions: ecological and economic. Ecological considerations are at the heart of concerns about provision of environmental public goods, to which protected landscapes make important contributions. Most prominently, these include scope for reversing species depletion, increasing biodiversity, assuring clean water, storing water for flood mitigation, carbon sequestration, and climate change adaptation.
3. Ongoing advances in life and environmental sciences continue to underscore the importance of sound environmental management to sustain human life for the long-term. Economics provides criteria for decisions aimed at increasing, in the limit optimising, people's wellbeing. So, both ecology and economics are indispensable and complementary perspectives on management of protected areas for nature. Whereas ecology is about the complex interactions between biological organisms (including people) and the physical world they inhabit, economics casts light on the consequences for wellbeing of the choices people make.
4. **Lessons from Exmoor** draw on two observations. First, Exmoor National Park is substantially a farmed landscape. Lord Portchester's 'A Study of Exmoor' (1977) was a landmark. Its outcome was pioneering management agreements which compensated farmers for income foregone if they agreed not to convert moorland into productive agricultural land. This was environmental policy of the most basic kind. But over time, and in common with other upland farmers in protected areas of Great Britain, Exmoor farmers have needed national policy interventions to survive in business. The Basic Payment Scheme (formerly Single Farm Payment), now being phased out, is the most prominent recent example.
5. In 2016, the Exmoor Society and Exmoor National Park Authority commissioned Duchy College Rural Business School to undertake a

detailed analysis of the physical and financial position of the 15 Exmoor farms included in the annual Farm Business Survey for England and Wales. The confidential results confirmed expectations that farm business viability was crucially dependent on environmental, diversification and Single Farm payments. Cattle and sheep production provided insufficient income. In 2023, the plight of upland farmers nationally is found to be worsening under new policy directions.⁴

6. **Main challenges** in managing protected areas comprise two elements. First, the range and complexity of policy objectives and instruments encapsulated as Environmental Land Management Schemes; second, adherence to the cost-plus criterion to reward farmers for undertaking environmental activities alongside, or in place of, agricultural production.
7. The full scope of environmental objectives is evident from the publications mentioned in paragraph 1. Far less consideration is given to the efficiency and effectiveness of incentives for farmers to change their practices and business objectives in favour of environmental public goods. These factors are largely ignored. The cost-plus approach to financial incentives dominates, with merely cursory reference made to the future possibility of payment by results.
8. Nowadays, the cost-plus criterion cannot be justified. It is a relic of international agricultural policy when the instruments of policy intervention, notably as implemented under the Common Agricultural Policy, led to overproduction; then, environmental policy served as a vehicle for reallocation of farm resources to non-agricultural use as a solution to agricultural surpluses. That problem no longer exists.
9. The issue is that unlike for agricultural commodities, such as cattle and sheep production, environmental public goods either have no market prices or prices estimated by 'willingness-to-pay' techniques requiring expert help. But those limitations are not justification for paying for environmental public goods based on the opportunity cost (profit foregone) of agricultural production.
10. **In conclusion**, when deciding whether or not to participate in environmental public goods production, farmers must consider a range of variables: their competence to implement change; the physical capacity of the farm to accommodate changes envisaged; the financial resources available; the reversibility, or otherwise, of changes adopted; the time horizon; scope for resource reallocation between agricultural commodity production and environmental good production as relative profitability changes over time; the risks and uncertainties of any judgements made about the foregoing being wrong. Unless financial inducements to farmers under ELMs are raised sufficiently for their net incomes to be sustained at levels consistent with the long-term viability of their businesses, no appeals to the need for greater attention to environmental policy objectives will succeed. Currently, there is lack of hard evidence available to suggest that is so for the uplands of which Exmoor National Park is but one example.

¹ J. Glover, 'Landscapes Review - Final Report', 2019

² HM Government, 'A Green Future – Our 25 Year Plan to Improve the Environment', OGL, 2018

³ HM Government, 'Environment Improvement Plan: First Revision of the 25 Year Environment Plan, OGL 2023

⁴ Judith Evans, Financial Times, March 5, 2023. 'Upland farmers lose hope for Brexit dividend'.