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**Researchers find shortcuts are costly when buying conservation from farmers**

A new study by researchers from the University of Stirling and American and European universities suggests that designing payment schemes to encourage farmers to improve the environment is much harder than might first appear.

Farmers in Europe and the US receive billions in government subsidies: EU and member states spend on average $7.2billion each year on payments to farmers that are designed to safeguard environmental benefits. By comparison, the largest subsidy scheme of this type in the US, the Conservation Reserve Program, spends $1.7billion each year to purchase such benefits on agricultural land.

Increasingly, these payments are justified on the basis that they provide financial incentives to persuade farmers to undertake actions that improve the environment. Working in the Peak District in northern England, an international team of researchers examined how the design of subsidy schemes influenced the conservation benefits provided by these programmes.

The researchers combined detailed economic surveys of farms with studies of how different species responded to farm management actions. They were also able to calculate the costs of ‘producing’ extra wildlife on farms, and how this cost varied across farms.

Stirling’s Professor Nick Hanley comments: “Environmental schemes designed to provide public benefit from agriculture - like biodiversity and landscape quality - have been a feature of EU payments to farmers since the late 1980s.

“Many such schemes are designed with administrative ease in mind, as much as achieving real environmental outcomes. However, designing more targeted schemes is the way to the most efficient use of public funds.”

Worryingly, the researchers found that various shortcuts common in scheme design undermined environmental performance. Between 49% and 100% of the promised conservation gain was lost.

By comparing alternatives, the researchers were able to identify which simplified policies were most problematic. Professor Hanley says: “The need for different payments, in different areas, to achieve different environmental outcomes lies at the heart of better designed agri-environmental policy”.

**Ends**

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**Notes to editors**

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