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How public goods underpin food production

Introduction

Public goods are things that we as a society need but cannot purchase through the market. These are essential goods and services, such as nature and the benefits nature provides us, like clean air and water, pollinating insects, and habitats like woodland and peatland that store carbon and provide flood mitigation. Public goods are **non-exclusive**, meaning the benefits are available to all people, and they are also **non-rival**, meaning that if the good is consumed by one person it doesn't reduce the amount available to others. For example, one person breathing in clean air doesn't deprive another person of the same privilege. These characteristics make public goods inherently non-marketable.

In recent discussions around food security and food policy, there have been many references to food as a public good. However, by definition, food is a private good as it is a purchased good whose consumption is both rival and excludable. While sustainable farming has a crucial role to play in the delivery of environmental public goods including thriving wildlife, healthy soils and a stable climate which underpin food production – food itself is not a public good.

The importance of public goods

The main environmental public goods that agriculture can provide are farmland biodiversity, cultural landscapes, high quality water, air and soil, a stable climate and resilience to flooding. The extent to which agriculture provides these public goods depends on the way the land is managed within the farming system (see Figure 1). Generally, the more intensive farming is (e.g. through greater use of pesticides, artificial fertilisers and specialisation), the greater the impacts on biodiversity and the natural environment are likely to be. Going forward it is clear that we need to provide more space for nature and nature-based solutions on and off farm to recover biodiversity and tackle the climate crisis. We need to use and manage land accordingly to balance these objectives with food production needs rewarding farmers sufficiently for delivering environmental public goods creates a new and secure payment for farmers that isn't affected by external factors such as changes in food prices, the value of the pound or disruption to food supply chains. This, along with support to make production more sustainable and policies to ensure a fair return to farmers from the market can lead to a policy framework that delivers for farmers, nature and society.

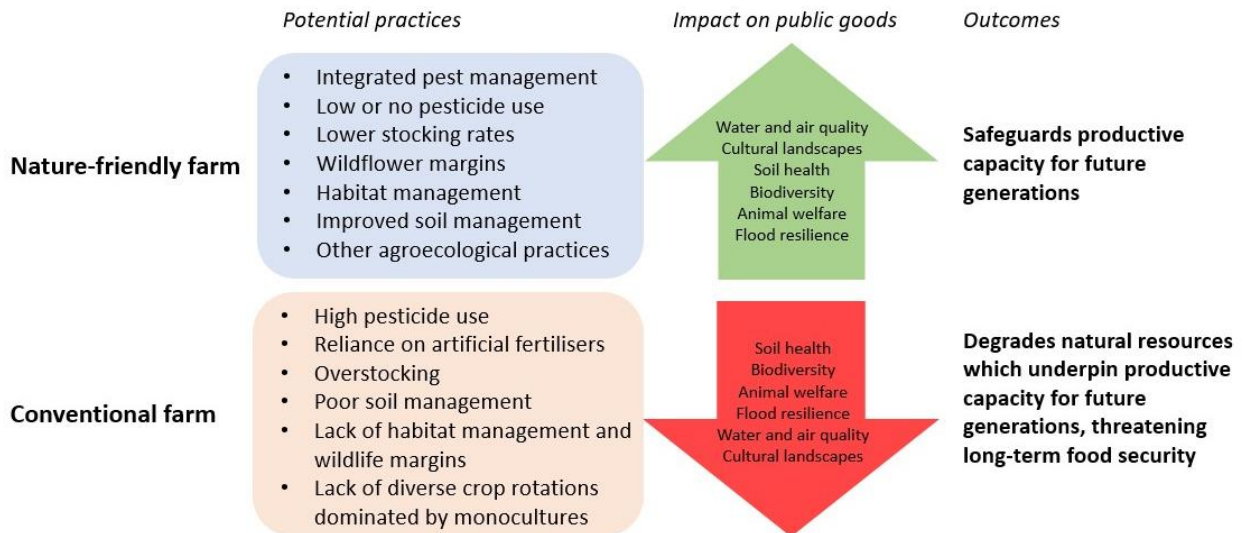
Failing markets and failures of the past

In addition to the environmental public goods that agriculture can provide, a transition to nature-positive food systems can also deliver social public goods such as food security¹. While arguments of food as a public good have become increasingly common in discussion of food security, we stress that short term subsidies of food production do not deliver for food security in the long-term. The [UK Government](#) has stated that the greatest risks to food security in the medium and long-term come from

¹ Cooper, T., Hart, K. and Baldock, D. 2009. The Provision of Public Goods Through Agriculture in the European Union, Report Prepared for DG Agriculture and Rural Development, Contract No 30-CE-0233091/00-28, Institute for European Environmental Policy: London.

climate change and loss of nature. Our food supply will not be secure if we continue to erode the nature which underpins production by providing pollination, healthy soils, natural pest control and functioning food chains, providing resilience in our harvest on land and at sea.

Figure 1: Impact of farming practices on the provision of public goods



Subsidising food production would be a regression and mimic previous iterations of the Common Agricultural Policy that we left behind. It would also mean that the public would be paying three times for food during a cost of living crisis: at the till, through production subsidies and again to clean up environmental damage caused by poor regulation and unsustainable farming practices. Historic responses to food security which prioritised production led subsidies have led to perverse incentives for farmers to exploit the natural resources underpinning production for short term gains, and have failed to provide appropriate compensation for nature-friendly farming practices which deliver the most social and environmental public goods.

[Public money, public goods and public policy](#)

The debate about what should be classed as a public good is partly used as a proxy for what should be a priority for public policy. This is not helpful. Food security and food production should be a priority for government, and public policy can support both. For example, using public procurement policies to preference sustainably produced UK food can help stimulate demand, and funding for research and knowledge exchange can effectively support UK farmers.

Providing public money to farmers and land managers should therefore be just one component of a wider public policy on food and farming. In providing public money to farmers though, it pays to be clear where that funding can add value beyond what the public pays for at the till. Providing that money in return for genuine public goods does this and offers an important alternative source of revenue for farmers in addition to that which they can secure through the market for the food they produce.

[Public goods and long-term productive capacity](#)

It is in our best interest as a society to protect and support the provision of public goods, as they underpin some of the most fundamental aspects of life, such as the production of food. Sustainable food



June 2022

production can deliver environmental public goods (such as soil health and biodiversity) which ensure our long-term productive capacity, and therefore safeguard food security. Through a transition to nature positive farming systems, we can protect these resources. Agricultural policy that supports this transition to sustainable production through a 'public money for public goods' approach will reward farmers for the environmental public goods that deliver for food security in the long-term. *Essentially helping to heal the planet whilst feeding us well.*