

PAYMENT FOR ECOSYSTEM SERVICES BACKGROUNDER

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Livestock producers managing native rangelands on the Canadian prairies have come under increasing pressure over the past two decades to manage for ecosystem goods and services (EGS) as well as for water and forage for our livestock. On native prairie ecological goods and services primarily include biodiversity with species at risk as indicators, water retention and quality, and carbon sequestration. We find ourselves overwhelmed with information on how to manage for EGS, requests to participate in EGS programming as stakeholders and requests for access to and information about our land and ranching practices for survey and research purposes. However, none of the programming offers adequate financial compensation for our time and effort to participate, nor does it offer adequate incentive to encourage more than marginal participation by livestock producers.

Governments and environmental non-governments organizations have focussed on the delivery of BMP programs, sometimes cost-sharing the capital expenditure. Considerable public money is expended on these programs, yet most are not particularly effective. No programming currently exists on the Canadian prairies that produces proven results and provides enough financial incentive to attract producers to participate with the intent of maintaining or improving the provision of EGS. In addition, there is no adequate mechanism in place to offset the opportunity cost (including disproportionate subsidies for alternative land uses) of retaining native prairie and keeping it healthy.

Most ranchers are supportive of trying to provide EGS from the lands they manage. We are proud to have healthy rangelands that sequester carbon, slow runoff, retain moisture, maintain water quality and support species at risk and other biodiversity. We know that ranchers are key to the conservation of native prairie in Canada. However, the increasing pressure from the public to provide these services for free leads mostly to resistance from producers and defensive reactions from livestock producer groups.

Current food policies and limited competition within the beef value chain have resulted in low profitability for cow-calf producers. Ranchers are short on time and cash and most do not have the time or knowledge to manage for anything other than livestock production. Society must learn that livestock production on native prairie is truly ecologically sustainable because it has the potential to produce both food for humans and EGS. RSAI contends that voluntary, results-based programming that provides adequate financial incentive will shift focus: from off-farm jobs and unsustainable grazing practices to managing for EGS and from defensive, protective reactions to proactive partnerships. It is also our contention that with adequate financial incentive tied to proven results, livestock producers will seek out information and implement the practices best suited to maximizing the provision of EGS for their location and situation as they currently do in their efforts to maximize livestock production.

RSAI undertook research in 2011 and 2012 to find the kind of programming that provides sufficient financial incentives using positive and respectful programming to maximize EGS from native rangelands. The results of our work indicate that a Payment for Ecosystem Services (PES) scheme should meet our goals.

PES programs involve voluntary transactions where a well-defined environmental service or product is being purchased by at least one buyer from at least one provider, if and only if the provider supplies the product or service. PES schemes are known to provide incentives to address market failure by altering the economic incentives or overcoming disincentives faced by land managers who can affect the provision of ecosystem goods or services such as biodiversity. They are simple, results-based and effective if carefully designed to focus on positive outcomes and to create an atmosphere of pride and cooperation, rather than a regime of fear.