



Ecological Goods and Services  
&  
Alternative Land Use Services

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THE CANADIAN  
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LA FÉDÉRATION  
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## **Ecological Goods and Services**

A healthy functioning ecosystem is the basis of human civilization. Benefits derived from ecosystems include fresh water, clean air, food production, and raw materials as well as erosion control, climate regulation, disease prevention and recreational opportunities. These benefits are known as Ecological Goods and Services (EG&S). The value of some of these services can be easily calculated, however, many of the goods and services do not appear on any balance sheet, yet, are critical to the survival of modern economies.

Although essential, the continued capacity to provide EG&S will depend on society's view of their current value. Unfortunately, the true worth of an EG&S is often only appreciated when it is lost.

## **Non-Trade Concerns and the World Trade Organization**

The function of providing EG&S is referred to as a non-trade concern (NTC) in the World Trade Organization (WTO) and as such, falls in the "Green Box". Green box policies have to meet "the fundamental requirement that they have no, or at most minimal, trade-distorting effect or effects on production". These NTCs such as food security, the environment, rural development, and poverty alleviation, are public goods that may justify government intervention but are not tied to production.

## **Valuing EG&S, supporting farmers**

Today, the concept of EG&S is gaining ground, with a growing recognition that they are vital to our economic development and social well-being. By valuing EG&S, Canadians are valuing their natural capital and more importantly, their future. As a policy concept, EG&S is a means of bridging the environmental demands of Canadians and the policy requirements that foster a socially and economically viable agriculture and sustainable rural communities. Through payment programs and market mechanisms for EG&S, agricultural producers are rewarded for rendering ecological services that provide environmental benefits to the public at large from public resources on private land.

## **Alternative Land Use Services**

Alternative Land Use Services (ALUS) is delivery program that promotes the provision of EG&S by-creating an incentive-based, non-trade distorting vehicle for encouraging resource stewardship by landowners and integrating the environmental demands of Canadians into the mainstream of Canadian agriculture. ALUS offers payments for the maintenance of existing natural assets, particularly where a viable alternative exists for converting natural assets into other (agricultural) uses and provides incentives for landscape improvement. Further, ALUS invests in the capacity of citizens and rural communities to support local conservation by allowing flexible decision-making at the community level that respects local agricultural and environmental priorities. Since farmers and ranchers are in the best position to deliver environmental goods and services on their land, ALUS allows farmers to lead the environmental agenda and develop workable solutions in co-operation with their communities, farm organizations, governments, non-government agencies, and the Canadian public.