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# Landowner Participation in Offset Markets

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*This study focused on the willingness of landholders to produce environmental services.*

## Markets for Environmental Services

Governments in Australia (at local, State and national levels) are increasingly turning to market-based instruments (MBIs) to provide the environmental outcomes that society demands. While demanding economically efficient agricultural production, society is also demanding efficient production of environmental services (ES) such as clean water, sustainable native flora and fauna, and soil and landscape quality.

## Willingness to Participate

This study estimated the willingness of farmers to accept payment for ES, identified their preferred payment methods, defined the activities they would be prepared to undertake to produce these services, and examined the roles of other stakeholders in the market.

As part of the process of developing MBIs in Australia, it is necessary to seek a better understanding of the perceptions of farmers with regard to providing environmental services and the potential to integrate the production of these services within existing farming systems.



Policy makers need to know what producers would be prepared to do and what they would need to be paid to produce ES.

## Findings

The study focused on farmers in the Walgett Shire of western NSW, and found that willingness to provide ES was influenced by factors such as land value, whether offset contracts would be binding, whether markets would be voluntary or regulated, and landholder concern for the environment. The amount of compensation required by farmers varied, depending on whether the land was basic or special grazing country, or cropping country.

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## Project Details

**Project Title:** "Determining Landowners' Willingness to Participate in Offset Markets"

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