Integrated Economic and Environmental Accounting for Agriculture

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This paper presents the methodological and conceptual aspects of a framework, which extends the conventional economic accounts for agriculture with environmental issues, valuated in monetary terms. This leads to Economic and Environmental Accounts for Agriculture (EEAA).

The EEAA are based on the conventional agricultural accounts and on existing tools for valuing non-market goods and services. The private costs and benefits of the sector are integrated with external “social” ones, i.e. tradable goods and services with non-tradable ones. As the concerned external effects go beyond the usual environmental externalities, the presented framework results in “multifunctional accounts”, rather than the mere so-called “green accounts”.

The EEAA thus allow a better monitoring and evaluation of agriculture’s multifunctionality. They enable simulating impacts of policy instruments, such as a subsidy increase, not only on agricultural income, but also on societal welfare. It also becomes possible to appreciate the shares of different stakeholders (producers, public authorities, water agency, consumers, etc.) in the costs or advantages of the environmental goods and services provided by agriculture.

The case of Belgium, with an intensive agriculture in a highly urbanised context is given.