Helping Market-Based Approaches Engage Landowners in Conservation

ACES and Ecosystem Markets
Ft. Lauderdale, FL    December 12, 2012

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What are market-based approaches?
Market-based approaches can...

• Expand revenue opportunities for working lands
• Provide environmental benefits
• Accelerate conservation activities
• Reduce costs of restoration or compliance
• Increase opportunities for private investment
• Improve accountability/effectiveness of existing conservation programs
Why is USDA involved?

Prior to 2008,

- Consistent with mission and existing authorities
- Access, Relationships, and Trust
- Experience with environmental markets

In the 2008 Farm Bill, Congress instructed USDA to establish uniform guidelines for science-based methods to measure ecosystem services benefits … and facilitate the participation of farmers, ranchers, and forest landowners in emerging ecosystem services markets.
Consult with Federal and State government agencies and nongovernmental interests including farm, ranch and forestry producers; financial institutions involved in environmental services trading; academic institutions; NGO’s; and private sector representatives.

**2008 Farm Bill: Section 2709**

- **Science-based methods** to measure environmental services benefits of land management practices
- **Protocol to report environmental services benefits**
- **Registry to collect, record, and maintain benefits measured**
- **Process to verify benefits registered**

**METRICS**

**MARKET INFRASTRUCTURE**

Build on existing activities or information
USDA Priorities

- Work with those setting rules and regulations to facilitate participation of farmers and rural landowners
- Demonstrate, test and finance approaches
- Develop guidance and tools
- Communicate benefits
- Integrate environmental market approaches into USDA programs
- Prepare for the next Farm Bill
Metrics, Tools and References
Improving Consistency and Removing Barriers

- Science-based
- User-friendly
- Meaningful
- Appropriate
- Consistent
- Accepted
- Meet regulatory criteria

*Example*: NRCS’ conservation practice standards
Some Examples…

Farm of the Future

Baseline in Environmental Markets: Tradeoffs Between Cost and Additonality
Elizabeth Michel
Marcos Wartington
ECONOMIC RIFT NUMBER 16 • February 2012

In It Together:
A How-To Reference for Building Point-Nonpoint Water Quality Trading Programs
Overview (Part 1 of 3)
July 2012

Measuring Up:
Synchronizing Biodiversity Measurement Systems for Markets and Other Incentive Programs

FACT SHEET
Conservation Reserve Program Sign-Up 43
Environmental Beneﬁts Index (EBI)

Nutrient Tracking Tool
http://nn.tarleton.edu/NTT/
Farm Bill investments in metrics facilitate market-based approaches and improve programs

Example: FSA Conservation Reserve Program (CRP) performance data

CRP improves water quality.
- Prevented 226 million tons of sediment, 623 million pounds nitrogen and 124 million pounds phosphorus from leaving the field.

CRP enhances wildlife habitat.
- Independent studies identified benefits to Prairie Pothole ducks, ringed-neck pheasants, sage grouse, northern bobwhite quail, and other grassland birds.

CRP sequesters carbon.
- Sequestered 51 million metric tons CO2 equivalent.
Market Infrastructure
Reducing Uncertainty

- Transparent
- Guidelines
  - eligibility
  - baselines
  - verification protocols
  - registry design for tracking credits
- Demonstrations
- Analysis and Evaluation
- Coordinate agencies, tribes, and stakeholders

*Example:* NRCS’ Conservation Innovation Grants (CIG)
Next…

Integrating Federal Efforts to Support Environmental Markets –

*An Interactive Dialogue*