Greenhouse Gas Markets

Chesapeake Bay Foundation ($491,070)—proposes to expand the use of management intensive grazing in the Chesapeake Bay watershed, enrolling at least 35 farmers to transition 1,400 acres of farmland to rotation grazing. CBF will quantify the nutrient and greenhouse gas benefits associated with the transition and explore opportunities for producers to participate in water quality trading and greenhouse gas markets.

Climate Action Reserve (CAR) ($311,636)—proposes to build on its recently developed avoided conversion of grassland protocol. In partnership with Environmental Defense Fund, the Climate Trust and others, CAR will develop a streamlined approach to lower barriers to entry for landowners – resulting in an initial pilot project generating substantial carbon credits.

Climate Action Reserve ($109,014)—proposes to increase participation in carbon markets by small forest landowners, through development a standardized forestland carbon forestry methodology and automated computer application that will streamline and simplify the development and submission of forest carbon offset projects.

Ducks Unlimited ($219,073)—proposes to scale up DU's 2011 avoided conversion of grassland project that culminated in the 2014 purchase by Chevrolet of carbon credits from ranchers in North Dakota. DU will refine the American Carbon Registry protocol to streamline it for producers and will use the refined protocol to model the carbon credits for 16,000 acres in its portfolio – investing in new contracts on approximately 10,000 acres.

Ducks Unlimited ($68,452)—proposes to explore development of a greenhouse gas protocol for restored or avoided drainage of wetlands in agricultural landscapes. The generation of greenhouse gas credits from the avoided conversion of wetlands could help reduce incentives for wetland drainage by creating value for the ecosystem services wetlands provide.

Environmental Defense Fund ($960,101)—proposes to build on its strong relationships with United Suppliers, the Almond Board of California and farmer networks to create a large scale pilot generating the first aggregated nutrient management greenhouse gas credit project. This project will demonstrate how growers implementing enhanced nitrogen management processes on annual and perennial crops can participate in carbon markets. It sets the stage for significant reductions in nitrogen fertilizer pollution – a win for the environment *and* for growers' bottom lines.

Indian Land Tenure ($295,067)—proposes to increase engagement and participation of Indian Tribes in greenhouse gas markets. ILT will adapt greenhouse gas protocols to address Tribal issues and complete pilot projects that generate carbon credits for sale in greenhouse gas markets.

The Nature Conservancy ($498,477) —proposes to demonstrate the potential of carbon markets as a viable financial instrument. TNC will enroll 50,000 acres of rangeland in North and South Dakota into a carbon offset program that offers permanent protection and the generation of approximately 750,000 tons of carbon offsets. These offsets will be sold on the voluntary market and net revenues will be used for additional conservation in the Prairie Pothole Region.

White River Irrigation District ($927,000)—proposes to form a farmer-owned and farmer-directed environmental stewardship co-op to promote resource conservation and sustainable agriculture

methods for rice production in the Mid-South. With an initial focus on methane emissions reductions, the co-op will create, aggregate, and market carbon offsets and pursue verification and certification of rice conservation activities for sustainable branding opportunities.

Water Quality Trading

Conservation Marketplace Midwest ($243,933)—proposes to develop and pilot a Field Stewards program, an innovative conservation credit system designed to allow companies in the food industry to buy "offsets" for water quality and agricultural conservation. Through the purchase of certification credits, food companies can demonstrate sustainability to their customers without having to create a new chain-of-custody supply chain for agricultural commodities, keeping costs low for retailers and the consumer.

Electric Power Research Institute ($300,000)—proposes to develop and execute, for the first time, trades of "stacked" ecosystem services for water quality and greenhouse gas emissions reduction credits. EPRI administers the Ohio River Basin nutrient trading program – the only multi-state trading program in the country.

Great Lakes Commission ($400,000)— substantial water quality issues plague the Western Lake Erie Basin (WLEB), leading to harmful algal blooms each summer in Lake Erie. The Great Lakes Commission proposes to develop a framework for water quality trading in the WLEB.

Iowa League of Cities ($700,000)—proposes to develop a framework for water quality trading in Iowa to support the state's Nutrient Reduction Strategy.

National Association of Conservation Districts ($116,725)—proposes to develop guidance materials and engage in outreach and training to increase participation of soil and water conservation districts in nutrient trading programs. In many water-quality trading programs, district employees are the conservation experts interacting with agricultural producers – generating credits from the installation of conservation practices.

Virginia Tech University ($285,729)—proposes to develop the information and tools required to incorporate agroforestry into Virginia's nutrient trading program, which currently depends on the retirement of marginal agricultural lands for credit generation. In December 2014, USDA, EPA and the State of Virginia celebrated a first-of-its-kind transaction when the Virginia Department of Transportation purchased phosphorous credits generated by a Virginia farmer.

Conservation Finance

American Farmland Trust (AFT) ($306,118)—proposes to establish a pollinator habitat credit program in Michigan. AFT will engage at least 15 business entities to fund the establishment of pollinator habitat through this 'Payment for Ecosystem Services' program.

EcoTrust ($528,000)—proposes to test a 'Forest Bank' model to channel private investment capital for forest management and landscape-level conservation across the Swinomish Indian Reservation.

Island Press-Center for Resource Economics ($487,000)—proposes establishment of a 'Conservation Finance Roundtable' to support implementation of the cohort of conservation finance CIG projects. The Roundtable will also explore models and mechanisms for conservation finance projects, and provide program and policy recommendations to NRCS.

Partners for Western Conservation ($279,400)—proposes, with partners including Colorado Cattlemen's Association and the states of Nevada and Utah, to develop a pay-for-success investment instrument for wildlife habitat and water quality conservation. The state of Nevada will pilot the instrument as part of its efforts to conserve greater sage-grouse habitat.

Terra Global Capital, LLC ($730,647)—proposes to improve the viability of greenhouse gas markets for range and pasture lands through a variety of activities across five states (CA, OR, WA, TX, HI). Development of a comprehensive range and pasture land greenhouse gas protocol through Climate Action Reserve is a key deliverable.

The Climate Trust ($1,000,000)—proposes to establish the Working Lands Carbon Facility, an entity designed to attract private capital to invest in agricultural systems that value and generate carbon credits. $4 million in private capital will be invested in agricultural and forestry projects that reduce greenhouse gas emissions and sequester carbon through proven conservation practices.

Vital Farmland LP ($260,398) —proposes to develop tools and metrics to evaluate ecosystem services generated on sustainably farmed agricultural lands, in service of catalyzing impact investments in sustainable agriculture. Farmland LP is an investment group that purchases farmland and transitions it to organic production.

World Resources Institute ($500,000)—proposes to develop the frameworks and partnerships needed to stimulate the issuance of green bonds, and other innovative financing mechanisms, for natural infrastructure. This project connects investors, utilities, water-dependent companies, municipalities, EQIP eligible landowners, and environmental groups to build replicable templates and processes that unlock private sector financing for conservation, restoration and enhanced stewardship on America's farms, forests and ranches.