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NRCS Strategic Plan – Overarching Strategies

Section Overview: Introduction to the market based approach to conservation.

Market Based Approach to Conservation

Preamble:

A market is essentially a set of rules for exchanging goods and services. When it works well, everyone has equal access to sufficient information to make good decisions.

Examples of market-oriented approaches to conservation include:

- Using economic approaches, such as auctions and cap and trade
- Providing data to inform the conservation investment decisions of others
- Focusing on monetary and non-monetary incentives

Lack of reliable information about the benefits produced by specific conservation actions hinders development of environmental markets. NRCS is involved in developing reliable information about conservation benefits not only to improve the management of public programs but to create opportunities for markets to play a role in accelerating conservation on private land.

Activity: Read the "Market Based Approach" guiding principle of the NRCS Strategic Plan at http://www.nrcs.usda.gov/about/strategicplan/stratplan_vis_3_16.pdf

There are many ways in which farmers can utilize private sector contributions to help them with improving and protecting the environment. One way market forces help leverage public conservation payments is through environmental credit trading. Some examples of existing environmental credit markets include:

Carbon Credit Trading
Nutrient Credit Trading
Wetland Mitigation Banks

Activity: Review Carl Lucero's Power Point Presentation titled "USDA Efforts Supporting Ecosystem Services and Markets".

Questions & Activities:

1. Are you currently using a market based approach in your field office? If so, what are the pros and cons of such an approach?

2. Talk to a DC in your state that is effectively using a market based approach and get their opinions of the benefits.

3. Visit your State Office Point of Contact for Market Based activities and learn how your state has developed this initiative. Are there success stories?

4. What supports would you need to implement a market based approach in your local field office area?

5. Share your thinking of the market based approach with your supervisor.

Information about Existing Environmental Markets:

Self Study: Visit the following two websites to learn specifics about Carbon and Nutrient trading markets.

Carbon Credit Trading:

http://agcarbontrading.org/

Central New York Resource Conservation and Development, Inc. (CNY RC&D) with funding from Northeast Sustainable Agriculture Research and Education (NESARE) hosted a workshop called **Carbon Trading: Market Opportunities for Agriculture** on May 20, 2008. The objective of the workshop was to give agricultural educators a basic understanding of the complexities of carbon trading, while providing them with a set of tools to educate farmers and landowners about carbon trading. This website hosts all the educational materials produced from this workshop and are intended for public use and dissemination.

Nutrient Credit Trading:

http://www.dep.state.pa.us/river/Nutrient%20Trading.htm

Pennsylvania's Department of Environmental Protection's Nutrient Trading Program is a voluntary, market-driven program that helps to identify and finance the most cost- effective solutions to reducing nutrient loadings to the Chesapeake Bay. This website provides information on the background of trading, trading principles, policy, and how to participate in the trading program.

A video about Nutrient Credit Trading is also available for viewing. A request for the free DVD can be made to:

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Optional Further Study of Environmental Credit Trading:

Environmental Trading Network:

http://www.envtn.org/about.htm

The ETN is a national clearinghouse for water quality trading projects. The ETN is the only non-profit organization devoted solely to the development and implementation of successful water quality trading programs across the nation. The goals of the ETN are to facilitate implementation of the federal Clean Water Act, optimize the cost of improving water quality, support local watershed management initiatives, create incentives for voluntary point and nonpoint source programs, and, increase the level of public awareness and support for trading. It also provides information about other ecological markets such as wetland mitigation banking and habitat conservation banks.

Question:

Now that you have a better understanding of the market based approach to conservation, how would you begin to use or expand your efforts to use it in your local field office area?

Other Resources:

The Market Based approach to conservation is an evolving one. A new concept of ecosystem services and markets is gaining acceptance. Recently USDA announced the creation of a new OFFICE OF ECOSYSTEM SERVICES AND MARKETS. See press Release No. 0307.08 or contact:

Carl Lucero of NRCS at (301) 504-2222 or see the link

http://www.usda.gov/wps/portal/!ut/p/_s.7_0_A/7_0_2KD?contentidonly=true&contentid=2008/12/0307.xml

E n v i r o n m e n t a l M a r k e t s

New Approaches for Natural Resources Management Webinar

The agricultural economics profession has developed valuable information and insights into environmental markets. This Web seminar is sponsored by the Resource Economics and Social Sciences Division, NRCS, and The Council on Food, Agricultural and Resource Economics. A special webinar was developed with a priority to NRCS staff, to discuss environmental benefits and assist NRCS to better recognize its role in these markets.

C-FARE – www.cfare.org Register for an account and choose from the on demand sessions as needed.

The Full Agenda with contact information is posted Distant Learning web site for your info, along with a copy of the course introduction.

To learn more about Ecosystem Services and Markets go to http://www.ecosystemmarketplace.com/

Section Completed

_____ **Date**_____

District Conservationist Initials

_____ **Date**_____

Supervisor Initials