



Stacking Environmental Credits

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AFT's Mission



Saving the Land that Sustains Us by:

- ❑ **Protecting working farm and ranch land**
- ❑ **Promoting environmentally sound farming practices**
- ❑ **Keeping farmers on the land**





Should we do stacking?



- ❑ **Farmers, ranchers, landowners produce multiple benefits; they should be able to sell if there is a market**
- ❑ **If we support markets, we should support stacking; similar issues**
- ❑ **Question is how?**





Is stacking needed? yes



- ❑ **Robust, large, long lasting market**
- ❑ **Additional benefits, maximize environmental outcomes**
- ❑ **Build support from ag for markets**
- ❑ **Increase supply of credits**
- ❑ **Include variety of different practices and producers**
- ❑ **To help transactions in early markets**
- ❑ **“Adding payments” works, CREP**





Build Ag Support



- Need to overcome skepticism; stacking helps**
- Development of markets needs support of agriculture**
- Focus groups with farmers and ag leaders; they expect it--
“if I produce it, why can’t I sell it?”**
- Presentations to farm groups they always ask for this**
- Helps include practices on working lands not just taking
land out of production**
- Challenge: farmers understanding and acceptance of
paying for performance not conservation practice**





Supply of credits

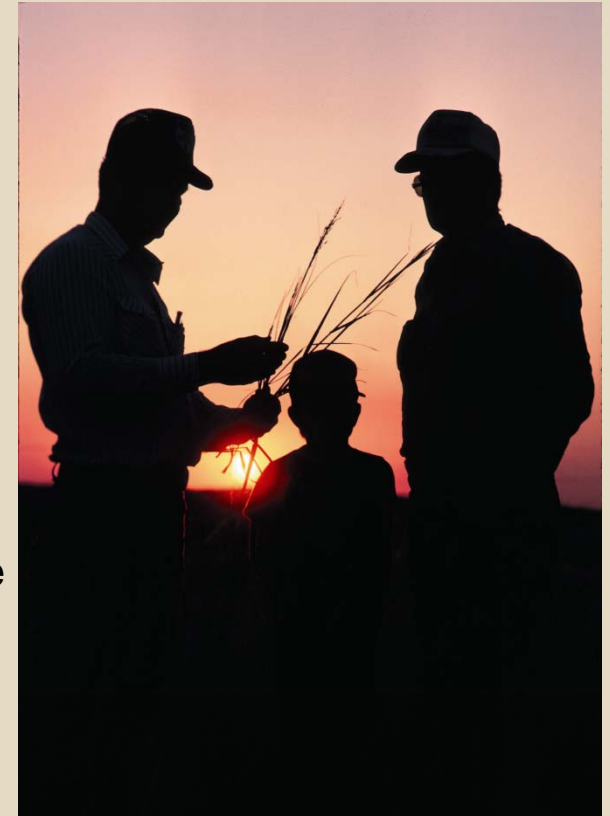
- ❑ **Is there sufficient supply?**
- ❑ **Lots of potential credits; may not all translate into available credits**
- ❑ **Depends on the market**
- ❑ **Which practices? Which farmers?**
- ❑ **Don't we want funds to go to practices that provide multiple benefits?**





Example

- Use averages (state farm budgets)
- Carbon:
 - Net revenue for corn \$250-300/acre
 - ¼ - ½ ton of C for reduce fertilizer
 - \$8-10 for C credit
 - \$2-5/acre
 - So stacking could help
- Water:
 - ORB 75% of 590 \$10 – 30/acre; \$7-22/acre
 - Ches Bay WRI 2-3lbs/acre; \$8-20/lb; \$16-60/acre
 - Stacking needed?
- Also, want/need \$\$ in the trading system for aggregation, verification, etc. Stacking can help
- Don't we want to send market signals that reward projects that provide both?





Need experience: pilot trade

- ❑ Several nutrient management projects with same practice
- ❑ Run credit tools for N and C to project credits
- ❑ Core WQT project pays for N
- ❑ Adding on research, testing, tracking generation of C credits
- ❑ Maybe to test we sell N to one buyer and C to a different buyer
- ❑ Discuss and debate implications
- ❑ Talk with farmers regarding perceptions and incentives





Vision of success



“Viable Farm and Clean Water”

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