USDA and Market-Driven Conservation
Market Opportunities

- Markets are demonstrating demand for commodities produced using climate-smart practices
- Consumers are increasingly interested in how their products are produced
- This program is about leveraging that demand to create new revenue streams for producers
Benefits for Commodity Markets

Projects will:

• Create new market opportunities through the production of commodities that meet the growing demand for sustainable products.

• Empower farmers, ranchers and foresters to produce-climate smart commodities, meeting domestic and global consumer demand.
What will projects entail?

Proposals must provide plans to:

• Pilot implementation of climate-smart agriculture and/or forestry practices on a large-scale, including meaningful involvement of small and/or historically underserved producers

• Quantify, monitor, report and verify climate results

• Develop markets and promote climate-smart commodities generated as a result of project activities
First Pool Award Announcement

• USDA announced an investment of up to $2.8 billion in 70 selected projects under the first pool of the Partnerships for Climate-Smart Commodities opportunity

• Proposals for the 70 selected projects include plans to match on average over 50% of the federal investment with nonfederal funds

• USDA received over 450 proposals from more than 350 groups for the first funding pool, which included proposals seeking funds ranging from $5 million to $100 million
First Pool Award Announcement

• USDA anticipates these projects will deliver significant impacts for producers and communities nationwide, including:

• Hundreds of expanded markets and revenue streams for producers and commodities across agriculture ranging from traditional corn to specialty crops.

• More than 50,000 farms reached, encompassing approximately 20-25 million acres of working land engaged in climate-smart production practices such as cover crops, no-till, nutrient and manure management as well as pasture and forest management.
First Pool Award Announcement

- More than **50 million metric tons** of carbon dioxide equivalent sequestered over the lives of the projects. This is equivalent to removing more than 10 million gasoline-powered passenger vehicles from the road for one year.

- More than 50 universities, including multiple minority-serving institutions, engaged and helping advance projects, especially with outreach and monitoring, measurement, reporting and verification.
Partnership Network

- USDA will establish a Climate-Smart Commodity Partnership Network to provide lessons-learned
- Topics may include: approaches to quantification, measurement, monitoring and verification; options for supply chain traceability; approaches to marketing
- Lessons-learned will be documented and shared publicly
Climate-Smart Commodities and Carbon Markets

- Carbon itself is not a commodity under this funding opportunity.
- Projects may investigate systems that track GHG benefits associated with both climate-smart commodities and offsets.
- Some projects contemplate future participation in private-sector carbon markets.
- Applicants were asked to ensure there is not double-counting of climate benefits in supply chains and offset markets.
The Inflation Reduction Act and USDA

• The landmark Inflation Reduction Act (IRA) provides USDA with nearly $40 billion to invest over the next 10 years to improve life and livelihoods in rural communities.

• Specific investments include:
  • Nearly $20 billion for climate-smart agriculture on farms, ranches, and forests
  • $13.4 billion to lower costs for families and support good-paying clean energy jobs in rural communities
  • $5 billion to protect communities from wildfires and conserve forests

• These investments will provide new sources of on-farm income and employment in rural communities, reduce energy costs, and help secure and strengthen American agriculture in the face of climate change, all while achieving significant reductions in greenhouse gas emissions.