



EXECUTIVE SUMMARY



HANDBOOK FOR CONSERVATION DISTRICTS ON Environmental Markets

DECEMBER 2017



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In 2008, the National Association of Conservation Districts (NACD) concluded that market-based engagement opportunities for conservation districts could be important additions to existing district strategies and initiatives and help highlight and assign economic value to the ecological services that well-managed farmland provides (NACD 2008). Conservation districts continue to help develop these market frameworks and are actively recruiting farmers to participate in these markets as credit generators. In some cases, districts also help producers design, place and implement best

management practices to generate credits for sale, while in others; they confirm the baseline status of farms and/or verify and monitor practices to validate those credits.



The conservation delivery system of the future points to a strong need to increase partnering.

NACD 2015

To further advance understanding of these environmental markets, NACD and American Farmland Trust (AFT) joined forces to review and draw lessons from current district involvement in a particular ecosystem service market: water quality trading (WQT). In September 2015, the USDA Natural Resources Conservation Service (NRCS) awarded a two-year Conservation Innovation Grant to NACD and AFT (titled *Enlisting Conservation Districts to Accelerate Participation in Environmental Markets*) to engage and empower conservation districts to participate in environmental markets by developing this booklet and widely disseminating its findings.

The level of district involvement in emerging markets varies considerably. The core competencies of conservation districts have helped them take on review, outreach, technical support and/or administrative roles in these markets. Review-based

roles include site screening, initial project review and on-going project review. Technical support-based roles include calculating credits and providing technical assistance to farmers. Outreach-based roles include educating the public through newsletters, social media, websites and meetings, and engaging with farmers to help them decide whether to participate. Administrative activities include developing a water quality trading program and verifying and/or certifying credits.

The NACD-AFT case studies captured in the handbook show that districts derive benefits from their involvement in environmental markets, particularly when that involvement helps to strengthen dialogue among other districts and partnering organizations. The conservation districts that participated in the case studies also advised other districts:

1. Against pursuing markets as a revenue generator, seeing them more as a partnership to provide local benefits to multiple stakeholders; and
2. To view any trading income to farmers as a supplemental source of revenue to help demonstrate that “conservation pays.”

Some of the districts profiled in the case studies indicated they were most comfortable in roles that included direct contact with producers (i.e. implementing projects and monitoring and verifying them). Several others also cautioned that WQT could be a “time sink” for districts not equipped to handle an influx of paperwork.

In addition to the case studies, the handbook provides a checklist and guidance for conservation districts interested in water quality trading and other environmental markets. These tools are meant to help districts develop a business plan for such programs.

The case studies and the checklist/guidance are included as appendices in the full handbook and are also available as stand-alone documents on the AFT and NACD web sites.

COVER IMAGES TOP: NRCS PHOTO/LYNN BETTS; BOTTOM FAR LEFT AND CENTER: NRCS PHOTO;
BOTTOM FAR RIGHT: NRCS PHOTO/PRESTON KERES



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