



# RIPE

RURAL INVESTMENT TO PROTECT OUR ENVIRONMENT

## **RIPE Offers Path to Implement the Food and Agriculture Climate Alliance Policy Recommendations & Increase Farmer Profitability**

The American Farm Bureau Federation, National Farmers Union, National Council of Farmer Cooperatives, along with The Nature Conservancy, the Environmental Defense Fund, and other stakeholders, joined together as the Food and Agriculture Climate Alliance (FACA) and released policy recommendations in November 2020. Their initial report provides high-level recommendations for the federal government to support farmers in voluntarily lowering their greenhouse gas emissions. Two of their key recommendations, that will most directly impact farmers' bottom line, are to compensate farmers for their carbon sequestration value through a performance-based tax credit and/or a Carbon Bank that would be authorized under the USDA Commodity Credit Corporation (CCC).

RIPE's Stewardship Incentive Program (SIP), which has been in development for more than three years, offers a detailed path toward enacting those high-level policy options. **The SIP proposal includes carbon compensation as a good first step, and includes compensation for farmers' full set of environmental benefits, thereby delivering a higher and more reliable profit opportunity for farmers.**

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### **RIPE's Stewardship Incentive Program (SIP) Proposal**

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Current federal climate policy recommendations - including from FACA, Congressional blueprints, Biden campaign, and Biden advisors such as Climate21 - all propose to pay farmers only for the carbon sequestration value they deliver. Research commissioned by RIPE demonstrates that for most farmers, carbon farming payments will be less than the cost that climate policy imposes on farmers through higher input costs such as fertilizer and fuel. The cost of climate policy will raise input costs by \$11-\$64/acre, and the cost of adopting practical climate smart practices such as cover crops add approximately \$30/acre, for a combined policy cost of \$40-\$94/acre. Carbon farming payments will be in the range of \$4-\$24/acre, **leaving farmers at a net loss of \$17 to \$90/acre.**

Meanwhile, when farmers adopt climate-smart practices they are contributing significant value beyond carbon sequestration through additional environmental services, such as water quality, water conservation, soil health, biodiversity, air quality, and other ecosystem services. RIPE's SIP proposal is to reward farmers for the stacked ecosystem service value -- including, but not limited to the carbon value. The higher SIP payment level both accurately reflects the value to society of climate smart practices while also investing in the farms that take on the effort of implementing them.

SIP uses credible estimates of the ecosystem service values based on broad literature reviews, not based on invasive and expensive farm-level monitoring. SIP also offers a guaranteed minimum payment to ensure that farmers' conservation efforts and policy advocacy result in profitable opportunities.

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## RIPE's Key Principles

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- Support climate policies that enable agricultural producers to earn a fair and profitable return from voluntary investments in agricultural stewardship practices;
- Reflect the full public value provided by farmer stewardship practices in payments to agricultural producers, and do not penalize early actors;
- Cover the full cost of practice reimbursement as well any policy-related cost increases, and offer a fair and reasonable stewardship incentive

### How does SIP align with FACA?

- Like FACA, SIP is led by agricultural producers & is dedicated to a voluntary climate approach for farmers
- SIP is a specific and achievable way to accomplish FACA policy recommendations on payments for carbon sequestration

### Why is SIP necessary?

- SIP is the only policy proposal that fully protects producers from the financial burden of climate policy
- SIP is based on 3 years of R&D on how to address farmers' climate policy costs in a manner that can cultivate ag producers to fully champion comprehensive climate policy that impacts all economic sectors, which can secure a bipartisan coalition for common sense climate policy

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## RIPE Steering Committee

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Advisors are serving in their personal capacity in 2020 and are in conversations with their respective trade associations.

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| • <b>Brad Doyle</b> – Board of Directors, American Soybeans Association   | • <b>Eunice Biel</b> – Former Chair, Executive Committee, Minnesota Farmers Union |
| • <b>Brandon Hunnicut</b> – Vice Chair, Nebraska Corn Board               | • <b>Fred Yoder</b> – Co-chair, Solutions from the Land                           |
| • <b>Curt Mether</b> – Chair, Iowa Corn Growers Association               | • <b>Meredith Ellis</b> – Board Member, Integrity Beef Alliance                   |
| • <b>Dwight Mogler</b> – VP of Resources, Iowa Pork Producers Association | • <b>Phil Gordon</b> – Vice President, Michigan Corn Growers Association          |

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## About RIPE

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Rural Investment to Protect our Environment (RIPE) is a farmer-led initiative dedicated to advancing climate policies that allow agricultural producers to earn a fair profit when they adopt sustainable agricultural practices.