Executive Summary for Policy Makers

RIPE100:
Helping American Farmers Prosper as They Invest in Our Climate & Environment
February 24, 2021

We, the farmers, ranchers, and agricultural commodity association representatives serving on the Steering Committee for RIPE, Rural Investment to Protect our Environment, are pleased to introduce the White Paper for the RIPE100 plan.

President Biden’s Administration and Congress plan to introduce sweeping climate policies across the U.S. economy, including the agricultural sector. RIPE is proposing a policy roadmap, called the RIPE100, for climate policy to include a fair return to agricultural producers for their voluntary investments in stewardship practices that deliver public benefits. RIPE100 proposes compensating farmers with $100/acre or animal unit for practices that deliver public benefits that are equal to or greater than the proposed compensation from the combination of climate mitigation, clean water, healthy soil, and other environmental services.

Agricultural producers can deliver tremendous value to improve climate, water, air and soil resources with stewardship practices including cover crops, rotational grazing, manure management, and conservation irrigation systems. Farmers and ranchers are unlikely to implement those practices nor support comprehensive climate policy if it hurts their bottom line. We are excited by the RIPE100 plan because it helps eliminate risk for farmers to invest in conservation measures, is equitable for all producers, is simple and transparent in design and can be implemented within 100 days.

RIPE100 also promotes diversity, equity and inclusion by addressing barriers that have often kept farmers of color, smaller diversified farmers, women farmers and young farmers from participating in previous programs.

We look forward to engaging in a robust dialogue that can cultivate farmers and ranchers as true champions of comprehensive climate policy.

Sincerely,
RIPE Steering Committee

Adam Bierbaum, Member, Board of Directors, Iowa Corn Growers Association
John Wesley Boyd, Jr., President, National Black Farmers Association
Brandon Hunnicutt, Vice Chair, Nebraska Corn Board; Member, Corn Board, National Corn Growers Association; Chair, Board of Directors, Field to Market (serving in personal capacity)
Eunice Biel, Minnesota Farmers Union Board of Directors; Fillmore County Soil and Water Conservation District Supervisor (serving in personal capacity)

Brad Doyle, Board of Directors, American Soybean Association; President, Poinsett County Farm Bureau; former President, Arkansas Soybean Association (serving in personal capacity)
Meredith Ellis, Rancher, G Bar C Ranch; Board Member, Integrity Beef Alliance; U.S. Roundtable for Sustainable Beef (serving in personal capacity)
Phil Gordon, Vice President, Michigan Corn Growers Association (serving in personal capacity)
Fred Yoder, Co-Chair, Solutions from the Land; Past President, National Corn Growers Association (serving in personal capacity)

*Participation in RIPE reflects a commitment to constructive dialogue and does not represent a final endorsement of any particular policy.*
Abstract

RIPE100: Helping American Farmers Prosper as They Invest in Our Climate & Environment

American farmers have a pivotal role to play in tackling climate change, but they shouldn’t sacrifice their own prosperity in the process. Livestock and row crop producers can reduce agricultural greenhouse gas emissions – which comprise 10.5% of all U.S. climate emissions – using proven management techniques that offer billions of dollars in public environmental benefits. Providing a financial incentive for farmers to use these techniques would reap a four-fold return on investment.

At RIPE (Rural Investment to Protect our Environment), a non-profit group of farmers, ranchers, and agricultural commodity association representatives, we believe that through rural-urban coalition building, we can advance bipartisan climate policy while also ensuring that farmers are recognized for their ongoing stewardship and conservation of soil health, water quality, biodiversity, and more.

RIPE100 is a proposal to directly pay farmers a minimum of $100 per acre or animal unit for voluntary land stewardship that can provide a greater benefit to the public through carbon sequestration, improved soil health, cleaner water, water conservation, flood mitigation, pollination, biodiversity, and other environmental services. This approach is supported by many program precedents, volumes of peer-reviewed research, and offers producers adequate incentive to adopt effective conservation measures.

RIPE100 is designed to remedy many of the shortcomings of carbon farming payment programs, which are a net economic loss for most farmers, and allows farmers to participate in both systems. It also promotes diversity, equity and inclusion by addressing barriers that have often kept farmers of color, smaller diversified farmers, women farmers and young farmers from participating in previous conservation programs.

The RIPE100 plan:

- Offers farmers and ranchers a profitable incentive to invest in effective farm stewardship practices.
- Integrates equity principles and rewards farmers of all sizes and types
- Complements private carbon markets with a public program that offers farmers guaranteed revenue and eliminates middlemen and expensive transaction costs
- Uses a simple program design that offers transparency to all stakeholders
- Can be implemented within 100 days, offers policymakers flexibility on funding mechanisms, with room to scale and refine as funding and political support grows.

This plan is uniquely designed to ensure that climate policy will not hamper farmer profitability, offering a path to involve farmers as true champions of climate policy as part of a broader bipartisan climate coalition to improve American farmers’ financial and environmental sustainability.
Executive Summary for Policymakers

RIPE100: Helping American Farmers Prosper as They Curb Climate Change

About RIPE

RIPE (Rural Investment to Protect our Environment) is a coalition of farmers, ranchers, and agricultural trade association representatives advancing a bipartisan dialogue about comprehensive, common-sense climate policy that integrates fair and forward-looking agricultural solutions. We believe a powerful rural-urban coalition will form to support a federal framework that simultaneously supports climate mitigation and invests in rural America. We want farmers to earn a fair and profitable return from voluntary stewardship practices that deliver tremendous public value to carbon, soil health, water quality, and other environmental services.

The Challenge

The core challenge to comprehensive U.S. climate policies has been a lack of bipartisan support. At RIPE (Rural Investment to Protect our Environment), we propose addressing that challenge with fair, forward-looking agricultural policies to appeal to more rural legislators.

Farmers and ranchers can deliver tremendous value to improve climate, water, air, and soil resources by planting cover crops and many other practices including rotational grazing, manure management, and conservation irrigation systems. But agricultural producers are unlikely to implement those practices or support comprehensive climate policy if it hurts their bottom line.

That has been the drawback to most climate proposals, including the proposed USDA Carbon Bank program, which would pay farmers $20/ton of carbon sequestered along with technical assistance and R&D. At that rate, most carbon sequestration practices deliver only $10 per acre and would not even cover the cost of adopting the practices, let alone compensate farmers for broader climate policy costs such as higher input costs, yield losses, climate and adaptation costs, and practice verification costs, as the chart below shows. The net economic loss will result in low levels of practice adoption and continued lack of support from the farming sector for climate policy.
The Solution

RIPE100 addresses this challenge by including a fair return to agricultural producers for their voluntary investments in stewardship practices that deliver public benefits. RIPE’s analysis indicates that the public benefits are equal to or greater than the proposed compensation to farmers of $100/acre or animal unit (AU).

The proposed RIPE100 offers $100/acre or AU for practices that benefit the public through a combination of carbon sequestration and improved soil health, water quality, water conservation, and biodiversity among other ecosystem service benefits. Stewardship practices typically deliver climate benefits in the range of $10 per acre or AU and a suite of other environmental benefits that total over $100/acre or AU related to clean water, soil health, water conservation, pollination, and biodiversity, as shown in the chart below.
By setting the $100/acre or AU price, RIPE100:

- Offers farmers and ranchers a profitable incentive to invest in effective farm stewardship practices
- Complements private carbon markets with a public program that offers farmers guaranteed revenue and eliminates middlemen and expensive transaction costs
- Integrates equity principles and rewards farmers of all sizes and types
- Offers policymakers flexibility on funding mechanisms
- Offers transparency to all stakeholders
- Can be implemented within 100 days with room to scale and refine as funding and political support grows.
The Details

The RIPE100 program is designed in two phases.

The goal of Phase 1 is to launch within 100 days by relying on established research and simple, pragmatic program design, as follows:

1. Farmers enroll, attend a conservation workshop and adopt effective farm stewardship practices that are compensated at $100/acre or AU. Farmers will select among stewardship practices that address climate change, water quality, water conservation, and soil health and adopt one suitable to their operations.

2. Farmers self-certify practices annually with USDA oversight. Following the established precedent of existing USDA Natural Resources Conservation Service (NRCS) programs, farmers will self-certify the adopted conservation practices. Self-certification will be required annually and submitted to NRCS for validation, using current USDA best practice of auditing 5% of participants.

3. Annual payments continue after the first year, once participants develop comprehensive conservation Farm Plans. The program would provide annual payments to farmers at $100/acre or AU with increasing acreage enrolled for each farm or ranch as the program budget grows. To be eligible for future payments farmers must develop a conservation Farm Plan tailored to their respective farms, continue to use the adopted practice, or add additional acres and/or additional practices. USDA will provide technical assistance for plan development and implementation and will help growers choose practices that maximize benefits rather than only cut costs.

4. Enrollment is a simple and equitable process that does not penalize early adopters. To ensure farmers of all types have equitable access to the program, funds will be allocated for socially disadvantaged producers and operators of farms of all sizes, based on acreage or number of livestock. Producers who have already adopted farm stewardship practices will have the same eligibility for the payment as first-time farm stewards.

5. USDA will manage the program, receiving funding for administration, educational programming, farm plan development and technical assistance.

6. Complements private carbon markets with a public program that directly pays farmers with a reliable investment that eliminates middlemen and expensive transaction costs. RIPE's proposal augments private sector payments for carbon farming, maximizing farmers’ options. Private carbon farming payments only work for a small portion of farmers, due to the small size of the market, low carbon price, and high transaction costs. RIPE’s proposal avoids high transaction costs and allows farmers to participate in both programs, maximizing farmers’ options.

Phase 2 aims to engage a coalition of agricultural trade groups willing to champion climate policy by integrating a program that offers a fair, profitable opportunity to farmers.

Phase 2 would:

1. Expand program participation to all farmers who want to enroll and as much farmland as they choose to include

2. Refine payment terms to include the latest science on regional variability in environmental outcomes and policy costs, while maintaining a price floor for some practices that guarantees a profitable opportunity for all agricultural producers

3. Include incentives for innovation towards performance-based outcomes.
The program also promotes diversity, equity and inclusion by addressing barriers that have often confronted farmers of color, producers on smaller diversified farms, women farmers and young farmers. Specifically, it provides equitable access to funds by all agricultural communities and all farm sizes, targeted outreach to Black farmers and other disadvantaged farmers, and regular guidance from the USDA Advisory Committee on Minority Farmers.

The Benefits

Phase 1 will remove an estimated 33 million metric tons of greenhouse gas (GHG) from the atmosphere, reducing agriculture’s emissions by 5%, equivalent to removing 7 million cars from the road. It will deliver approximately $14.6 billion in annual ecosystem service value through improved water quality, soil health, air quality, climate mitigation and other public environmental benefits. It will reach 596,000 farmers and ranchers, 33% of agricultural producers, deploying stewardship practices on 39 million acres or AUs. For a program cost of $4 billion, this is a cost-benefit ratio of $4 in public benefits for every $1 invested.

Phase 2 will go much further, with an estimated reduction of 213 million metric tons of GHG, reducing agriculture’s emissions by 34%, equivalent to removing 46 million cars from the road. It will deliver approximately $422 billion in annual ecosystem service value. It will enable all 1.1 million professional farmers and ranchers to enroll, reaching 430 million acres or AUs. For a program cost of $40 billion, this is a cost-benefit ratio of $11 in public benefits for every $1 invested. The table below offers details.

<table>
<thead>
<tr>
<th>Benefits from Phase I</th>
<th>Benefits from Phase II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invests in 33% of producers (391K farmers &amp; 205K livestock producers)</td>
<td>Invests in 100% of producers (1.1 M farmers &amp; 600K livestock producers)</td>
</tr>
<tr>
<td>Reduces 33 million metric tons of GHG</td>
<td>Reduce 213 million metric tons of GHG</td>
</tr>
<tr>
<td>Reduces 5% of agricultural emissions</td>
<td>Reduce 34% of agricultural emissions</td>
</tr>
<tr>
<td>Eliminates emissions equivalent to 7 million cars</td>
<td>Eliminates emissions equivalent to 46 million cars</td>
</tr>
<tr>
<td>Provides $14.6B in environmental service benefits to public</td>
<td>Provides $422B in environmental service benefits to public</td>
</tr>
<tr>
<td>Deploys stewardship practices on 39 million acres and Animal Units</td>
<td>Deploys stewardship practices on 430 million acres and Animal Units</td>
</tr>
<tr>
<td>Public Benefit Cost Ratio of 4:1</td>
<td>Public Benefit Cost Ratio of 11:1</td>
</tr>
</tbody>
</table>
Funding

The Biden administration and Congress are moving quickly to roll out climate-related programs and policies, offering significant opportunities to fund this program in 2021. These include: unallocated funds from existing USDA Commodity Credit Corporation (CCC) authority; funds from expanded CCC authority; economic stimulus legislation, including but not limited to a COVID-19 recovery bill or an infrastructure investment package; the annual Agriculture appropriations bill or other vehicle used to fund the federal government; comprehensive climate legislation; or other agricultural, climate, or finance bills that seek to include this policy concept.

The unique value of RIPE’s proposal is to ensure that the adoption of climate mitigating conservation practices will not cut into farmers’ profits, offering a path to engage farmers as champions of climate policy, creating a broader climate coalition driven by bipartisan support.

For policymakers and their staff interested in learning more about this proposal and State Factsheets about how it could benefit your state, please contact RIPE Government Affairs Director Brian Skretny at BSkretny@RipeRoadmap.Org. For technical policy inquiries, please contact our Policy Director Trey Cooke at TCooke@RipeRoadmap.org.

The full report is available at https://www.riperoadmap.org/resources