



Ripe100 Pilot Proposal - One Page Summary

For Consideration in Ag Appropriations, Infrastructure, or Other 2021 Vehicles

The Purpose: The purpose of Ripe100 is to fairly compensate agricultural producers who voluntarily adopt climate smart practices with payment terms that: a) reward farmers for the climate, water quality, soil health, biodiversity, and other public benefits they deliver; and b) complements the private carbon market with a public program that ensures farmers are fully protected by climate policy costs and transforms climate policy into a profit opportunity that benefits farmers and the environment. Principles of Ripe100 are: complements private carbon markets; voluntary; does not punish early adopters; integrates equity and inclusion for all farmer sizes and types; protects producers from climate policy costs; and simple enrollment and self-verification procedures.

Who: RIPE is a farmer-led nonprofit whose Steering Committee includes: **North Dakota Grain Growers Association, Arkansas Rice Federation, Iowa Corn Growers Association, National Black Farmers Association**, and a host of impressive agricultural producers serving in their personal capacity.

Why:

- 1) **Carbon farming payments from the private and public sectors are insufficient to cover the financial burden imposed by climate policy so a new pathway is needed.** Ripe100 is designed to remedy many of the shortcomings of carbon farming payment programs. First, the size of the private market is relatively small and mainly accessible to large farms, which means that most farmers are not able to access carbon farming market opportunities. Second, even if a government program were large enough to reach all farmers, the proposed value of carbon farming is too low. Current carbon farming proposals would pay \$10-20/acre, which would not cover the cost of adopting most climate-smart practices (e.g. \$30/acre for cover crops), let alone compensate farmers for broader climate policy costs such as higher fertilizer prices (e.g. estimated at \$6-\$25/acre for corn). Ripe100 would broaden participation, allow farmers to participate in both public programs and private markets, compensate producers at \$100/acre to allow them a reasonable rate of return, and streamline monitoring procedures to reduce expensive verification costs.
- 2) **Farmers prefer the Ripe100 approach to carbon market payments alone.** A poll of farmers across the country, conducted by Farm Journal's Trust in Food division and commissioned by Ripe in 2021, finds:
 - a) **78% of farmers** nationally support a government program that pays for improvements to stacked environmental services over a carbon only program; and
 - b) **76% of farmers** nationally support a climate policy that pays \$100/acre for voluntary stewardship practices.

Pilot Budget: A budget of \$30,000,000 covers five states to participate. Each participating state will receive \$4,000,000 in direct farmer payments, with payments of \$100/acre up to 100 acres, for payments of \$10,000 per farmer. USDA will receive \$10,000,000 to administer and evaluate, half of which will go to the participating state administrators. Program is readily scaled to include more states, as funding allows.

RIPE100 Pilot Proposal Details

Summary

American farmers have a pivotal role to play in tackling climate change, but they shouldn't sacrifice their own prosperity in the process. 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 conservation. [RIPE100](#) is a federal program proposal to directly pay farmers \$100 per acre or animal unit for voluntary land stewardship that can provide a greater benefit to the public through reduced greenhouse gases, improved soil health, cleaner water, water conservation, flood mitigation, pollination, biodiversity and other environmental services. This program is designed to fairly compensate agricultural producers who voluntarily adopt climate smart practices with payment terms that: a) reward farmers for the climate, water quality, soil health, biodiversity, and other public benefits they deliver; and b) complements the private carbon market with a public program that protects agricultural producers from surpasses climate policy costs.

Complementing Private Carbon Markets & Remediating Shortcomings of Carbon Farming Programs To Maximize Farmers' Options

RIPE100 is designed to maximize farmers' options to participate in private and public programs as fits their business needs. Following the precedent of existing Farm Bill conservation programs, RIPE100 is designed to complement private market investments in agricultural stewardship. RIPE100 does not claim the environmental asset produced by practices on farms, allowing farmers to sell those assets in the private market and enroll in the public program¹. Additionally, 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. Carbon farming program pay \$10-20/acre, which would not cover the cost of adopting most climate-smart practices (e.g. \$30/acre for cover crops), let alone compensate farmers for broader climate policy costs such as higher fertilizer prices (e.g. estimated at \$6-\$25/acre for corn) and expensive verification costs².

Favored by Farmers & Public Opinion

The program reflects the preferences of farmers and broader public opinion, both of which highly favor compensating farmers for wider environmental benefits than carbon alone. A March 2021 poll finds that **78% of farmers support a program that pays for improvements to stacked environmental services over a carbon only program**³. The poll finds that 76% of farmers would support a climate policy that paid \$100/acre for stewardship practices, and 65% support a higher federal budget expenditure to see a stacked environmental service program implemented over a carbon payment alone. This grassroots farmer support for compensating growers for the wider set of benefits is also preferred by the wider public opinion in both parties. Only 39% of rural Republicans support government spending on climate, according to seminal research by Robert Bonnie in 2020, while that rises dramatically to 77% support for government spending to help farmers address climate change, and rises even further

¹ The statutory and private market precedents drawn upon are listed in the RIPE100 White Paper on page 38, available at www.RipeRoadmap.org/resources.

² Detailed economic analysis supporting this statement are provided in the RIPE100 White Paper available at www.riperoadmap.org/resources.

³ The poll conducted by Trust in Food, a division of Farm Journal, was commissioned by RIPE. It surveyed agricultural commodity producers with at least 25 acres or animals in Arkansas, Georgia, Iowa, Kansas, Nebraska, Pennsylvania and South Dakota.

to 93% support for financial incentives to farmers for water and soil health⁴. The Democratic public opinion is higher for climate spending and comparably high on the support for farmers investing in a wider set of environmental services.

Another key component of the RIPE100 Pilot is the inclusion of early adopters. In light of a potential USDA Carbon Bank and other climate proposals, progressive farmers and ranchers who have adopted climate friendly conservation practices on their farms are fearful that they will not be able to participate in future climate programs. USDA should test additionality parameters as current carbon registry rules discriminate against some early actors. RIPE feels it is critical to include early adopters in any climate proposal in order to incent the maintenance of their good work, expand that work, and protect them from the additional costs of climate policy.

RIPE100 Pilot Objectives

1. Demonstrate the effectiveness of the RIPE100 program to empower agricultural producers to reduce GHG and provide other environmental service benefits while earning fair compensation that reflects the public benefits and surpasses policy costs.
2. Demonstrate the ability to deliver a scientifically rigorous estimate of ‘additional’ GHG reduced in an ag-climate program that does not penalize early actors and avoids costly and invasive verification.
3. Informs USDA on how to best develop and expand the RIPE100 program using the same principles.

RIPE100 Pilot Principles and Goals

- Payments for conservation measures that surpass the practice adoption and maintenance costs, cover the costs of climate policy, and fully reflect the comprehensive environmental and economic benefits each practice provides to the public.
- Compensate all farmers and ranchers, including early adopters, for environmental benefits delivered and test additionality of early adopters.
- USDA to quantify the total impact on greenhouse gases with a distinct report on the additional GHG reductions.
- Voluntary participation
- Simple enrollment process
- Free technical assistance including conservation education and developing comprehensive conservation farm plans tailored to each farm’s particular context
- Provides a simple self-verification process
- Complements private carbon and ecosystem service (ES) markets
- Includes equity and inclusion principles

RIPE100 Pilot Methods

- All row crop and livestock producers are eligible to participate and can enroll at their local USDA NRCS office.
- Each producer may enroll up to 100 acres or animal units into the RIPE100 Pilot Program by choosing to maintain or adopt at least one practice offered in the pilot (**Figure 1**).

⁴ According to seminal research by Robert Bonnie et al. in February 2020 from the Duke University Nicholas Institute, “Understanding Rural Attitudes Toward the Environment and Conservation in America”.

- Minimum contract length for participation is one year, however a voluntary annual re-enrollment is allowed for a second and third year if the participant attends at least one USDA sponsored educational workshop per year and works with USDA to develop a comprehensive conservation farm plan.
- Selection of participants will be 1) based on a first-come first-served basis equally within 2) four distinct farm size categories as measured by either acres or animal units to include a) 10-259, b) 260-999, c) 1000-1999, and d) 2000+. Total enrollment per pilot area will be based on budget.
- Selected participants will receive an upfront \$100/acre or animal unit payment to implement the adopted practice within a one year period.
- Extensions will be automatically granted for a second year, due to unforeseen circumstances like flooding.
- Selected participants will self certify their practices annually and submit to the USDA.

Figure 1: RIPE100 Pilot Practices*

Practice Name, (NRCS Practice Code): Value of Environmental Benefits per Unit

Cover Crops (340): \$102/ac.	Riparian Forest Buffer (391): \$5,045/ac.
No-Till (329): \$112/ac.	Filter Strip (393): \$2,588/ac.
Irrigation Water Management (449) AWD for Rice: \$141/ac.	Livestock Forage and Biomass Planting (512): \$263/ac.
Riparian Herbaceous Cover (390): \$1,754/ac.	Livestock Comprehensive Nutrient Management Plan (Certified State Plans or NRCS): \$439/animal unit
Maintain Grass and Forest Cover on Expiring CRP Contracts and Historic Native Grasslands: \$623/ac.	

**All practices listed above meet the \$100/acre threshold as determined by RIPE research. NRCS will have authority to include additional practices it finds that surpasses \$100/acre or animal units in public benefits.*

RIPE100 Pilot Evaluation

- USDA will estimate a benefit-cost ratio based on the environmental values delivered by all participants, including GHG emission reductions and other environmental services like water quality, water savings, air quality, flood mitigation, biodiversity and wildlife habitat, and fisheries habitat.
- One of the goals of the pilot is to develop a method for USDA to report the GHG benefits of the program without requiring expensive and invasive farm-level monitoring. Since RIPE100 is designed to reward all producers to participate, including early actors, USDA will report two different figures. First, the estimated gross GHG impacts that includes the benefits from early actors. Second, it will report a subset of that estimate that removes early actors and captures the “additional” GHG reductions from the program.
- Environmental impact will be assessed at the program-level without requiring costly farm-level analysis, as is the precedent established by the USDA and EPA in their Annual Inventory of GHG Emissions, which is

used by the federal government to report on its climate goals domestically and internationally⁵. That method addresses the variance between farms, ecologies, and practice adoption by relying on program-wide literature reviews and uncertainty sensitivity analysis. Therefore, the program can meet the need to report additional GHG without requiring costly monitoring and verification. The pilot includes funding to USDA to review its assessment methodology, consider ways of simplifying the current method to allow for cost-effective annual reporting, and identify research and budgetary needs to evaluate program impact for national expansion of the program.

- USDA will identify data gaps during their evaluation and may implement appropriate research components to address these through other funding mechanisms if necessary and/or when a national program is implemented.

RIPE100 Pilot Outcomes

- Demonstrate the success of climate conservation program designs that compensate farmers for a wider set of ecosystem services.
- Application rate will meet or exceed funding indicating the program design will support strong adoption rates by farmers and ranchers across the country by covering practice implementation costs, practice maintenance costs, all climate policy costs, while delivering public benefits that surpass program costs. This will further be supported by the simplicity of enrollment, providing transparency to all stakeholders and allowing farmer-friendly self-certification versus more complex carbon offset systems.
- In consultation with the EPA, the USDA will determine the environmental values accrued by the pilot and demonstrate how the inclusion of early actors will continue to provide substantial climate benefits by summarizing:
 - Environmental benefits accrued by early adopters
 - Environmental benefits accrued by new adopters
 - Net environmental benefits of all participants when removing GHG emission reductions of early adopters from total benefits.

Using the data reported by the USDA and analysis by EPA, the pilot will demonstrate how public conservation programs can be stackable on top of private carbon market payments in consideration of additionality. While some proposals require farmers to choose between public and private payments, RIPE100 is designed to allow farmers to stack payments. Relying on the well-established precedent of Farm Bill conservation programs, private carbon market

⁵ [Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990-2019 – Main Text \(epa.gov\)](#)

terms, and other policies, the program does not claim the environmental assets and thereby allows farmers to stack payments⁶⁷⁸⁹.

- Will inform the development of a national program that can rely on program-level current methodology used by USDA and EPA to measure climate and other environmental benefits delivered, avoiding invasive and costly farm-level monitoring and allowing more funds to go directly to farmers for the value they deliver. There is wide variability in the level of ecosystem service value that is delivered depending on the farm location, practice, and research method used. However, a pragmatic program design can be implemented immediately by leveraging a wide set of climate smart practices that are supported by scientific studies, including USDA research, that find they are delivering over \$100/unit on average. The pilot program begins with the suite of practices that demonstrate delivering an average of this value or higher, and the principles of the program allow for expanding the program to include additional practices and adjust payment levels as additional research and funding becomes available. For instance, as the Ecosystem Service Marketplace Consortium research emerges about the value of various practices, the RIPE100 program can integrate those refined payment terms to reflect the performance-based outcomes, as funding allows.

RIPE100 Pilot Annual Budget

- \$30,000,000 - Proposal Annual Budget
- \$5,000,000 - USDA Administration and Evaluation
- \$5,000,000 - Per State for Implementation, with \$4,000,000 in direct payments to farmers and \$1,000,000 for administration of that program

Illustrative Legislative Text: “There is hereby appropriated \$30,000,000 to remain available until expended, for the Secretary of Agriculture to carry out a pilot program in no less than three and no more than five states that provides row crop and livestock producers with a payment of \$100 per acre or animal unit for adopting Eligible Climate-Smart Practices. Eligible Climate-Smart Practices shall be defined as agricultural practices that deliver public benefits via carbon sequestration and other ecosystem services - such as water quality, water conservation, soil health, or biodiversity - with a combined public value of at least \$100 per acre or animal unit. The Secretary shall not establish any limitations on producer types or sizes and shall include producers who have already adopted Eligible Climate-Smart Practices. The Secretary shall not claim the carbon sequestered as an environmental asset by Eligible Climate-Smart Practices and thus participants shall not be restricted from also participating in private carbon markets. Funds should be reserved for farmers of different sizes, livestock and row crop producers, and socially disadvantaged farmers and ranchers who have historically been discriminated against by USDA programs, including Black producers, other farmers of color, women, and young farmers. Within 180 days of the inauguration of the program, the Secretary shall submit a report to Congress about the feasibility of expanding the program to all producers that adopt Eligible

⁶ 2018 Farm Bill section 2503(e) Environmental Services Market. Section 1244 of the Food Security Act of 1985 (16 U.S.C. 3844), “Environmental Services Market. The Secretary may not prohibit, through a contract, easement, or agreement under this title, a participant in a conservation program administered by the Secretary under this title from participating in, and receiving compensation from, an environmental services market if 1 of the purposes of the market is the facilitation of additional conservation benefits that are consistent with the purposes of the conservation program administered by the Secretary.”

⁷ 2019 Farm Bill Amendment §1470.37 reads, “(a) NRCS will not prohibit a participant under this part from participating in, and receiving compensation from, an environmental services market if one of the purposes of the market is the facilitation of additional conservation benefits that are consistent with CSP purposes”.

⁸ The California Air Resources Board updated its guidance to not disallow stacking payments with federal conservation programs: <https://ww3.arb.ca.gov/regact/2014/capandtrade14/ctlivestockprotocol.pdf>

⁹ Europe’s direct green payments, which approximate \$96/acre, allow stacking with additional sustainable land use payments. See European Commission Green Payments: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/income-support/greening_en

Climate-Smart Practices. The report shall consider program-level evaluation for purposes of reporting greenhouse gas additionality.”

About RIPE

RIPE (Rural Investment to Protect our Environment) is a coalition of farmers, ranchers, and agricultural trade association representatives advancing a national dialogue for bipartisan, comprehensive, common-sense climate policy that integrates fair and forward-looking agricultural solutions.

RIPE’s Steering Committee is comprised of the following farm associations and leaders:

- **Arkansas Rice Federation**, served by **Kelly Robbins, Executive Director** and **Jim Whitaker**, Winner, inaugural USA Rice Sustainability Award (2018); Winner, 2012 National Rice Farmer of the Year
- **Iowa Corn Growers Association**, served by **Adam Bierbaum, Member, Board of Directors**
- **National Black Farmers Association**, served by **John Wesley Boyd, Jr., President**
- **North Dakota Grain Growers Association**, served by **Dan Wogsland, Executive Director, Ed Kessel, 1st Vice President**, and **James Callan**.
- **Brandon Hunnicutt, RIPE Steering Committee Chair**, Vice Chair, Nebraska Corn Board; Chair, 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)
- **Jimmy Emmons**, Owner, Emmons Farms; Vice President, No-Till on the Plains; Coordinator for Mentoring, Oklahoma Conservation Commission
- **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)

Contacts:

RIPE welcomes your engagement in this proposal.

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