



Developing Markets for Ecosystem Services

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Deputy Director

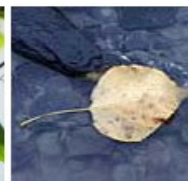
USDA Office of Environmental Markets

What are markets for ecosystem services?

A tool for...

- Paying landowners for the ecosystem services they provide on their private lands
- Investing private funds in natural capital
- Encouraging innovation
- Reducing the costs of regulatory compliance
- Improving the effectiveness of practices

...bringing real, verifiable conservation to scale



U.S. markets for ecosystem services

Greenhouse gas offsets (CO₂, NH₄, N₂O)

- Regional Greenhouse Gas Initiative
- Oregon CO₂ Standard
- Voluntary markets

Water quality credits (N, P, temperature, sediment)

- Total Maximum Daily Loads (TMDL) under the Clean Water Act

Wetland mitigation banking

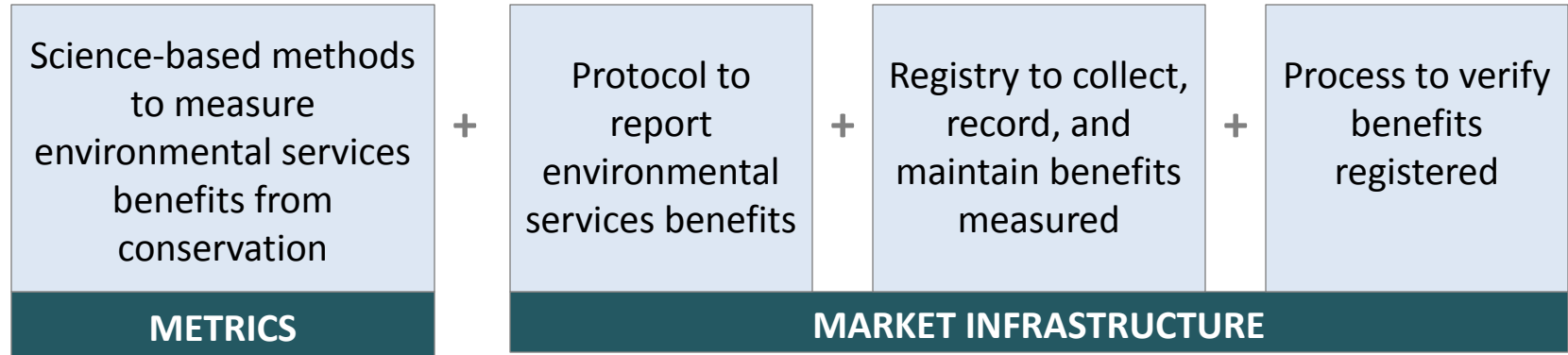
- Clean Water Act Section 404

Conservation banking

- Endangered Species Act
- Voluntary markets for biodiversity/habitat credit trading



2008 Farm Bill: Section 2709



Use of existing information: Build on existing activities or information

Consultation: Consult with Federal and State government agencies and nongovernmental interests including farm, ranch and forestry producers; financial institutions involved in environmental services trading; academic institutions; NGO's; and private sector representatives

COORDINATION

The Office of Environmental Markets

Helping to build unified, transparent **markets for ecosystem services** where landowners can participate and buyers can trust that they're purchasing a **real conservation benefit**.

In other words...



...making markets work for conservation



Market Development

Happening now...

- UMD water quality trading guidelines
- CWS biodiversity metrics



Coming attractions...

- Registries Protocol Development
- Verification Guidelines Development





Government Collaboration



Happening now...

- USDA Coordination Council
- USDA Interagency Working Group
- Cross government policy dialogues



Coming attractions...

- Federal activity inventory and assessment
- 



Advance Innovation

Chesapeake Bay EO13508

C'Bay Environmental Markets Team

- Led by OEM
- Baselines issue paper
- Anatomy of ecosystem services
- Reporting and verification protocols







Advance Innovation



Upper Mississippi and Ohio River Basin MOU

– USDA/EPA/EPRI

- 
- Coordinate research and activities;
 - Support data collection and analysis;
 - Explore barriers and ways to overcome them;
 - Support demonstration projects
- 

Build an Information Gateway

Nutrient Trading Tool

- Web based, User Friendly model
- Calculates estimates for:
 - Nitrogen
 - Phosphorus
 - Sediment
 - Yield



United States Department of Agriculture
Natural Resources Conservation Service



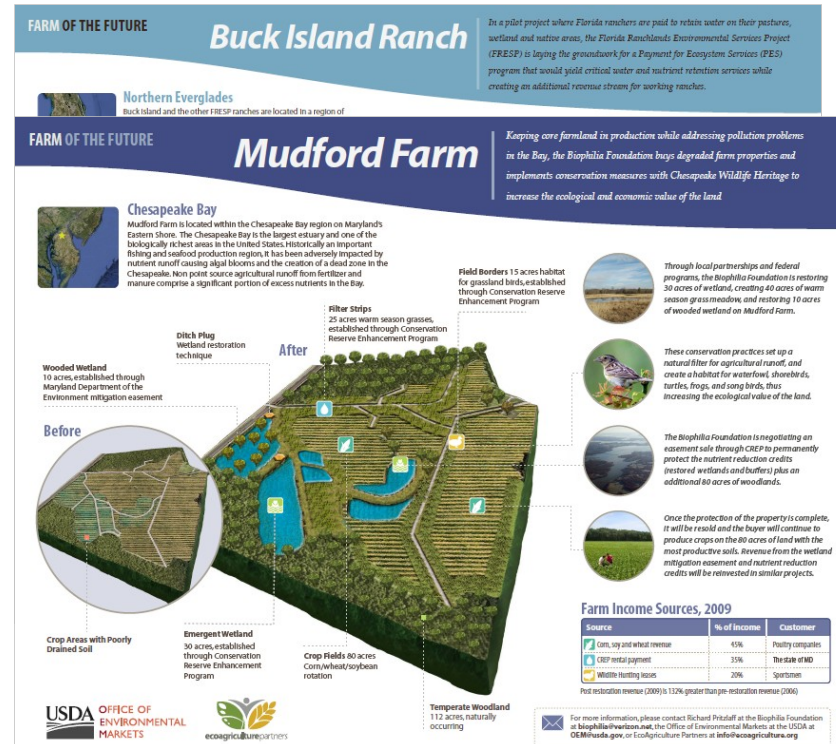
Agricultural Research Service
the in-house research arm of the U.S. Department of Agriculture



Build an Information Gateway

Farm of the Future

- Sacramento River
- Watson Partners Farm
- Buck Island Ranch
- Mudford Farm
- Big River and Salmon Creek Forests





Thanks!

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