

NEWS RELEASE

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## **ESMC Finds Potential Demand for Ecosystem Market Credits Approaches \$14 Billion**

Potential purchases of U.S. ecosystem credits from agriculture could be as high as \$13.9 billion according to an IHS Markit economic assessment released today by the Ecosystem Services Market Consortium (ESMC). The study sought to determine the extent of market demand for credits that American farmers and ranchers can generate through establishing and maintaining conservation practices that provide quantified ecosystem benefits. The Economic Assessment was released at the September 24 Farm Foundation Forum on “Incentivizing Conservation Agriculture.”

“The Informa assessment confirms ESMC’s conviction that there is substantial demand for ecosystem services from farmers and ranchers. ESMC is building a voluntary market to monetize those outcomes for producers, using science-based approaches to increase and measure soil organic carbon, reduce greenhouse gas (GHG) emissions and improve water quality and water use efficiency,” said ESMC Executive Director Debbie Reed. “This study demonstrates conclusively the demand for the ecosystems services marketplace ESMC will launch in 2022. Through the ESMC marketplace, farmers and ranchers will receive payments for the environmental benefits they provide, and corporate and public entities will be able purchase credits to meet their sustainability goals.”

The new marketplace will encourage U.S. farmers and ranchers to institute conservation practices on their land that will benefit the environment while increasing sustainability and resiliency. As the study notes, “Healthy soils also improve crop yield and resilience while decreasing farmers’ and ranchers’ need for agricultural inputs.”

The study focused on privately owned, working agricultural lands in the U.S. To estimate potential GHG improvements, IHS Markit, an agribusiness consulting company, looked at mitigation potential possible from changes in farm management practices for field crops, pasture or grazing land and specialty crops. For improvements in water quality and water use efficiency, IHS Markit analyzed outcomes based on reducing nitrogen and phosphorous runoff. On the other side of the equation, IHS Markit found that “there is demand for ecosystem credits that is tangible and credible and not just theoretical and conceptual.”

ESMC's goal is to build a marketplace that works first and foremost for farmers and ranchers, but also meets the desires of corporations, industries and municipal operations to meet regulatory and sustainability objectives. The Consortium is currently planning additional pilot projects to test and refine its ecosystem services protocols to measure soil organic carbon, GHG emissions, water quality and water use efficiency over major US regions, soils and agricultural systems. Once the market opens in 2022, ESMC will enroll 30 percent of available land in the top four crop regions and top four pasture regions in the U.S. to impact 250 million acres by 2030.

The report may be downloaded at [www.ecosystems-services-market.org](http://www.ecosystems-services-market.org).

Current ESMC Founding Circle members include: ADM; Bunge; Cargill; Corteva Agriscience; Danone North America; General Mills; Land O'Lakes; McDonald's USA; National Fish and Wildlife Foundation; Nestle; Noble Research Institute, LLC; Nutrien; The Nature Conservancy and the Soil Health Institute. ESMC Legacy Partner members include: American Farmland Trust; American Soybean Association; Anuvia Plant Nutrients; Bayer; the Conservation Technology Information Center; Farm Foundation; Impact Ag Partners; Mars, Inc.; National Association of Conservation Districts; National Corn Growers Association; National Farmers Union; NativeEnergy; Newtrient, LLC; Pivot Bio; Sand County Foundation; Soil Health Partnership; The Fertilizer Institute; Tatanka Resources; the Tri-Societies; Tyson Foods and World Wildlife Fund. Partners pledge financial support and active participation to improve ways to measure, verify and monetize increases in soil carbon, reductions in greenhouse gas emissions, improved water quality and increased water conservation. ESMC welcomes companies, nonprofit and conservation organizations and agricultural organizations as partners.

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About the Ecosystem Services Market Consortium (ESMC): The Ecosystem Services Market Consortium LLC ([www.ecosystems-services-market.org](http://www.ecosystems-services-market.org)) was formed in May 2019 and is a subsidiary of the Soil Health Institute. ESMC's mission is to advance ecosystem service markets that incentivize farmers and ranchers to improve soil health systems that benefit society. ESMC LLC is a member-based organization launching a national scale ecosystem services market for agriculture to recognize and reward farmers and ranchers for their environmental services to society. ESMC members represent the spectrum of the agricultural sector supply chain with whom we are scaling sustainable agricultural sector outcomes, including increased soil carbon, reduced net greenhouse gases, and improved water quality and water use conservation.

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