Acreage and Investment In Conservation Tillage and Cover Cropping Across State and Federal Programs, Food and Agriculture Corporate Sustainability Programs, and the Voluntary Carbon Market for EDF+Business Request for Proposals June 2023

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Context & Objective

Conservation practices like no-till agriculture and cover cropping have increased in adoption over the years and in many cases have helped farmers realize the environmental co-benefits associated with these soil health practices, build climate resilience, and in some cases soil carbon sequestration.

Historically much of this practice adoption has been supported by Federal, State and other funding mechanisms. Over the past two decades, however, major food and agriculture companies have built a business case for engaging on the greenhouse gas (GHG) emissions in their supply chains (Scope 3 emissions), which largely consist of emissions from production agriculture. Many of these corporate engagements have taken the form of investments in cost-share programs with farmers in their supply chain to proliferate climate smart agriculture practices. The support is accompanied by an acknowledgement that climate change will not only impact companies' abilities to source certain key ingredients if production continues as business as usual but will also have profound implications for greenhouse gas emissions. Furthermore, many land-sector companies have set Science Based Targets for 2030 and are now required to set Forests, Land and Agriculture (FLAG) specific targets by December 2024, inciting additional urgency to mitigate scope 3 emissions.

There has been little analysis to date to help understand trends of these climate smart focused engagements (including USDA's longer standing programs such as EQIP and CSP), particularly in terms of assessing which might yield more success than others. Relatedly, one question that has yet to be answered is to what extent the rise of these newer programs such as Scope 3-focused corporate pilot programs to increase cover crops and no-till agriculture, the historic USDA Partnerships for Climate Smart Commodities grants, IRA investments, and the voluntary carbon market are projected to move the needle on climate mitigation and facilitate achievement of corporate climate goals compared to prior iterations of climate smart agriculture programs (e.g., USDA, EQIP, and CSP).

Environmental Defense Fund has a long history of working collaboratively with companies to support business and environmental win-wins. We have built a robust portfolio of engagement with companies to support the transition to a net-zero future, focusing on setting ambitious environmental goals, implementing climate action through engaging within complex value chains, advocating for effective public policies, and investing in innovations that move us further, faster. In parallel, our EDF Impact teams have in-depth expertise in areas like carbon markets, resilient food systems, agricultural GHGs and soil health and avoided land conversion.

Corporate and private sector funding are often cited as opportunities to advance these nature and adaptation-related outcomes, but EDF has not yet taken a comprehensive look at the breadth and depth of these in comparison to Federal and State funded climate smart agriculture programs or the voluntary carbon market. The ultimate goal of this project is to evaluate the current and future distribution of acres under conservation practices across federal and private incentive programs to understand what the potential achievable mitigation impact might be at a high level. With 2030 rapidly approaching, the findings would inform EDF's focus on driving company action to the highest value-added mitigation and adaptation solutions.

EDF seeks an analytical and experienced consultant to conduct an evaluation of the following questions as part of a larger phased approach.

Phase 1 will generally focus on identifying how the different types of incentive strategies have moved the needle so far on climate smart agriculture (CSA) adoption and mitigation, and what the projected future adoption and mitigation will look like based on these corporate commitments, to further understand any gaps that need filling or adjustments in strategy that need to be made.

Phase 2 will broadly analyze implications of Phase 1 findings and support EDF in our stakeholder engagement strategy related to cropland mitigation and adaptation accordingly.

Scope of Work

The consultant will work with the EDF team to leverage industry connections, academic literature, knowledge databases, and other relevant resources to assess acreage engaged in cover cropping and conservation tillage programs across the United States. The consultant will disaggregate the acreage (if possible) by food and agriculture corporate investments from sustainability programs, federal and state funding, voluntary carbon markets, and other incentives and endeavor to avoid any double-counting of the same acres for different programs - although any stacking of payments/incentives should be addressed in the cost per acre assessment. This will include:

- 1. External landscaping of acreage across all climate smart agriculture programs in the US corporate, US government, voluntary carbon market, and others.
- 2. Horizon scanning to understand the future of how this new acreage will move the needle towards GHG mitigation from croplands.
- 3. Evaluation of company scope 3-focused incentive programs to assess whether they are focusing on the highest value mitigation opportunities.

To accomplish these, we propose two phases of work, which will broadly explore the questions below.

Phase 1:

- 1) How many acres are currently engaged in conservation practices (specifically cover cropping and conservation tillage) in the United States via Food and Agriculture company investments towards their climate goals?
- 2) What are the baseline adoption rates (trend in adoption prior to 2018) outside of corporate investments, carbon market programs, IRA, etc.?¹
- 3) How many acres will the USDA Climate Smart Commodity pilot projects, the Inflation Reduction Act and other newer federal sources add to the baseline?
- 4) Based on current corporate commitments from the food and agriculture sector towards climate goals, how many acres would have to be under conservation practices to meet their commitments?
- 5) How much additional acreage is committed to the voluntary agricultural soil carbon market (i.e, address any potential double-counting)?
- 6) How many acres are projected to be added with incentives to adopt these practices incorporated into loan and insurance rates?
- 7) What is the scale of investment of each of these programs (e.g. cost per acre of specific practice adoption)? And how does this newer wave of investment compare to past investments?

Phase 2:

- 1) What are the implications of the findings on how food and agriculture companies are currently building out their climate and nature strategies?
- 2) What are the implications for effective use of public vs private funding towards new cropland improvements?
- 3) How can EDF position ourselves uniquely in this advocacy context, based on our core competencies and way of working?

Deliverables

- 1. High level mapping exercise of acreage engaged across all climate smart agriculture programs applying conservation tillage and cover cropping in the US corporate, US government, voluntary carbon market (and any others that do not fall clearly into a category). This would include PPT deck offering a broad geographic representation of acreage (specific if possible) broken down by conservation practices and funder.
- 4. Internal report on horizon scanning to understand the future of climate mitigation from croplands from conservation agriculture, with an eye towards understanding how/if this new acreage will move the needle towards corporate climate goals and how potential overlap influences additionality requirements of carbon markets.

Payment

\$75,000-85,000 USD **Timeframe** RFP Released June 30, 2023 Bids Due July 14, 2023

¹ Use Wallander et al 2021 paper as the baseline.

Candidate Interviews	Week of July 26, 2023
Project Timeframe	August to November

Bidder's Primary Contact for RFP

Please provide the contact information for the bidder, including name, title, organization, mailing address, phone number, and e-mail address.

General Proposal Requirements

Proposals should include a high-level overview of how you plan to approach the above request, including a draft schedule and budget. Please include a summary of experience working on nature-related topics, supporting corporate strategy development, and/or working with large, global non-profit organizations. If applicable, include any helpful corporate, NGO or coalition relationships/networks that would be used to support the project. In an appendix, please include a resume for all consultants who would be part of this project.

Submit proposals in written form or via PowerPoint slide deck to **Simone Schenkel at** <u>sschenkel@edf.org</u> by July 14, 2023.