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Evaluating how private conservation initiatives may increase farmer adoption of conservation practices

Neil Hamilton

Drake University, neil.hamilton@drake.edu

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Evaluating how private conservation initiatives may increase farmer adoption of conservation practices

Abstract:

The Private Conservation Initiative (PCI) is a relatively new tactic to encourage landowners and their tenants to consider changing or adding to their conservation toolbox. This project took a closer look at the availability, mechanics, and potential effects of PCIs in Iowa.

Principal Investigator:

Neil Hamilton
Director
Drake University
Agricultural Law Center
Des Moines, IA

Co-investigator:

Matt Russell
State Food Policy
Project Coordinator
Drake University
Law School
Des Moines, IA

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\$37,500 for year one

Q If private conservation initiatives expand to help put more conservation on Iowa farmland, what do farmers need to know in order to capitalize on opportunities and minimize any risks to participating?

A The project leaders identified a series of decision points for farmers when entering agreements with private conservation providers. The project also identified both costs and benefits for farmers to consider. The implications of PCI regarding federal farm conservation programs will be particularly important as Congress develops the 2018 Farm Bill.

Background

Several Iowa agricultural businesses and farm organizations recently have developed what can be described as “private conservation initiatives” (PCI), designed to encourage farmers and customers to adopt conservation practices, improve soil health and address environmental issues such as nitrate loss and climate change. This project examines the nature and range of PCIs underway in Iowa to understand how they operate, what they offer farmers who participate, and what role they might play in promoting soil and water conservation and addressing climate change.

The project included:

- Inventory and collection of examples of PCIs now underway;
- Analysis of the PCIs to develop a taxonomy or method to classify and describe them by identifying key characteristics and differences;
- Legal evaluation of how the terms and contracts used in PCIs compare to those in public conservation programs, such as the Conservation Stewardship Program (CSP) and Environmental Quality Incentives Program (EQIP) offered by the U.S. Department of Agriculture; and
- Development of educational materials for farmers to understand PCIs and questions to ask when considering opportunities to participate.

Approach and methods

The Drake Agricultural Law Center hosted a conference, interviewed stakeholders, and visited farms to develop a baseline understanding of farmers’ attitudes and reactions toward PCI. Center staff worked with businesses and farm groups involved with the private initiatives to collect and inventory information about existing PCI efforts in Iowa. They examined publically available sources of information and direct communications.

Drake Ag Law staff interviewed PCI program participants and promoters to ensure a



P O L I C Y



Iowa farmers are being encouraged to implement more conservation practices while maintaining their productivity. Photo courtesy Drake Agricultural Law Center.

full understanding of how PCI are designed to work. They prepared a taxonomy and comparison of PCIs to understand the main features. The taxonomy was developed based on a set of questions such as:

- what is the nature of the “agreement” entered between the farmer and the PCI promoter,
- what are the selection or eligibility criteria for participation,
- what is the product or environmental service being created,
- what is the enhanced environmental performance communicated to third parties, and
- what benefit does the farmer receive for participating in the PCI.

This initial taxonomy will be valuable in part because PCIs likely will change as the experience and nature of the programs evolve. The legal methodologies used in PCIs were compared and contrasted to the program documents and agreements used in common public conservation programs offered by the USDA and NRCS, in part to understand how all these efforts can be integrated.

The Center staff took the insights gained through the inventory and analysis and converted the information into user-friendly educational materials, including a checklist of questions a farmer could ask when considering a PCI, a description of PCI with a case study, and a list of several examples of PCIs in Iowa.

Conclusions

1. Interest is strongest among companies with something to sell, such as a product or service. PCI enthusiasm is higher among companies and organizations with something to sell in this space, for example food businesses such as Unilever and General Mills; agribusinesses such as Monsanto, ADM and AGREN; and input suppliers and cooperatives such as Land O’Lakes. A number of nonprofits and farm organizations such as the Environmental Defense Fund and Practical Farmers of Iowa are optimistic that the PCI efforts will improve environmental performance and assist farmers in meeting their obligations.
2. No uniform approach and little in the way of “legal” documentation. Instead there is more of a “one-off feel” which perhaps is understandable giving the experimental nature of the efforts. Somewhat surprisingly, there appear to be few contractual or legal agreements documenting participation. More detailed inquiries with the developers are needed.
3. Little evidence of direct financial rewards for farmers. While many farmers are excited about PCI as a new source of revenue, there seem to be few examples of any direct money or economic benefit coming to them. Promises of access to information and education are driving the PCI movement, not dollars.
4. The benefits are other than financial. Project interviews identified benefits other than direct dollars that farmers may gain from PCI, including:
 - Best practices will actually make farmers more money by reducing costs, increasing yields, and maximizing production on most productive land. The evidence for these claims is still unproven. Past experience suggests farmers have difficulty capturing profit associated with these types of efficiencies

without exercising increased power in the supply chain. There are few examples of anyone working on how to help farmers leverage these benefits.

- Being able to fend off regulation. This is a primary talking point for those selling PCI to farmers, especially among agribusiness and farm organizations.
 - Better access to markets. This may be more about staying in the market rather than having access to new or more lucrative markets.
 - Improved community image for farmers, i.e., the public relations benefit. This can be both in terms of farmers feeling like they are doing the right thing and social and market pressure to make farmers feel they are. Much of the PCI work is data driven and some farmers will use their data to compare with other farmers and to improve their own operations.
5. Farmer participation likely to be required for market access. It appears increasingly likely farmers may be compelled to participate in a PCI rather than incentivized to do so. Market access is the key issue and leveraging point to require participation.
 6. Creation, control, and access to farm data important element. There is a strong sense of competition among the key players around data and information. Farmers are assured their data is being protected. Who is putting a value on this data? How are data used? Who controls the data? What kind of legal obligations are associated with the data?
 7. Growing frustration among farm groups over trends in PCI. Some agriculture organizations are becoming frustrated because the benefits from PCIs are not materializing as they expected. Others are concerned the costs are being shifted to farmers and any benefits are being gathered at the top of the supply chain. This is consistent with how other costs and benefits have migrated along agricultural product supply chains.
 8. Concern that PCI may be a new round of “green-washing.” The nature of consumer-based claims around sustainability being made by companies and the lack of direct connection of claims to identifiable farm-level actions may lead observers to question whether what is involved is more designed to obtain a green halo marketing benefit for companies involved, aka “green-washing.” Farmers may need to ensure the needle is actually moving on farm-level environmental performance.
 9. Relation of PCI to public conservation programs is uncertain. One key question is how PCIs will interact with public programs. Will it be a substitute or alternative to public programs and resources or is it complimentary? Messages are mixed, but it is clear many PCI promoters are playing on the increasing farm-level frustration with the inability of NRCS to deliver programs in a timely and less rule-bound manner.
 10. No shared definition of sustainability and different motivations. The lack of a common understanding of what sustainability means has made it difficult to integrate water quality, soil health, and climate action into PCI efforts.
 11. Farmer resistance to climate change action may hinder efforts. One real risk is how the farm sector’s blind spot on climate change may prevent it from leveraging significant financial benefits for farmers. Even if agriculture just sees climate change dollars (from carbon credits or carbon tax) as a source of funding for water

quality, this could be a major win. Currently, it is very difficult to get farmers to organize around climate change and farm group leaders know this.

12. PCIs appear to focus on practices rather than measurable outcomes. Much like current public programs, PCIs examined are mainly practice-based efforts rather than outcome-based. There is a potential for outcome-based efforts to be developed and monetized in some way. Farmers will need to organize to leverage this opportunity to use data and monitoring to actually demonstrate environmental improvements (something that drives regulatory efforts) since there is little evidence other entities in the supply chain will do so.
13. Reliance on practices and data generated may limit attention to changes in land management. The combination of practice-based efforts and reliance on data about these practices may encourage more of a “green halo effect” rather than promotion or study of actual substantive land management changes.
14. Important need for independent research and examination. If PCIs and related sustainability efforts continue to grow, independent disinterested research into the environmental claims and outcomes of PCI will be needed. This is especially true if PCIs are seen as alternatives or replacements for public conservation programs with identifiable and measureable outcomes. Businesses at the top of the supply chains appear more interested in promoting themselves as “green” than investing in accountability and innovation.
15. Buyers of farm commodities appear uninterested in traceability. Interest in PCI appears not to be about traceability of the actual crop, but instead about performance across a geographic or production region. Buyers want the advantage of purchasing low-cost, interchangeable commodities, but they want those commodities to have generic sustainable properties.
16. Role for land grant research important, but uncertain. PCI seems to be an important opportunity for land grant institutions. If it does not develop, it may lead to further erosion of public support for research and consolidation of industry control of the agricultural research agenda.

Impact of results

The project aimed to better understand private conservation initiatives to help farmers and agricultural groups evaluate the operation and design of the programs. In some cases, private business-supported mechanisms may be more flexible in addressing water quality and nutrient loss issues than traditional public conservation programs. PCI possibly may offer the potential to expand the impact of sustainable agriculture on farm-level conservation practice adoption. However, project findings also reflect the ongoing need for public programs that can provide farmers and landowners with resources (cost share, loans, technical assistance, incentive payments) to better implement conservation practices on a larger scale and in shorter time frames.

Education and outreach

Project findings have been shared through diverse channels and organizations that assist farmers, landowners, and their advisors, including groups serving landowners and farmers, such as ISU Extension; Women, Food and Agriculture Network; and Practical Farmers of Iowa. The Center utilized media contacts and Drake University’s Office of Marketing and Communication to disseminate project findings and resources

to the media and the public. Resources generated by this research are available at: <http://drakeaglaw.org>. These resources include:

- What is a PCI?
- Ten questions farmers and landowners should ask
- Examples of PCI
- Further research and policy questions
- *Drake Journal of Agricultural Law* article
- Workshop resources

Leveraged funds

In addition to Leopold Center funds, the Drake Ag Law Center used internal funds (\$12,500) from the Lillian Goldman Charitable Trust and other sources to support the project.

**For more information,
contact:**

Neil Hamilton

Drake University
Agricultural Law Center
2507 University Ave.
Des Moines, IA 50311
(515) 271-22056
e-mail:
neil.hamilton@drake.
edu