Environmental markets can provide incentives to preserve ecosystems and the services they provide by quantifying, valuing and monetizing ecosystem services, like clean air, clean water, healthy soils and abundant wildlife. By connecting ecosystem services with buyers for those services, environmental markets offer an innovative approach to increasing conservation on private lands, while also offering the potential of new income streams for farmers and ranchers. Through the Natural Resources Conservation Service (NRCS) Conservation Innovation Grants (CIG) program, we’re supporting the development of progressive, market-based conservation solutions that leverage Federal funding with private sector investments.

**Rice Farmers Selling Credits in the Carbon Market**

Producers that adopt climate-smart practices to reduce greenhouse gas emissions on their land have the ability to generate carbon credits. Any company looking to reduce their carbon footprint can then purchase these credits. Thanks to a CIG, and work from a diverse group of partners, the structure was put in place so that rice farmers who were curbing their emissions by implementing conservation practices could quantify their impact. They could then generate credits that could be sold in the carbon market. The first-ever carbon credits generated by rice farmers were sold to Microsoft through this program.

“Being the first of a kind emission reductions from sustainable rice production, Microsoft valued the innovation by farmers and the investment in technology to catalyze measuring and monitoring emission reductions.”

— Rob Bernard
Chief Environmental Strategist,
Microsoft
Banking on Sage Grouse Habitat

Protecting Sage Grouse habitat on Western ranches has been a priority for NRCS for more than 10 years. Conservation to improve sage grouse habitat can also improve the health of ranches for livestock. CIG projects are working to develop the tools and methods for ranchers to generate additional income for the conservation they’re already implementing on the land. Ranchers are using these habitat improvements to generate wildlife habitat credits that they can sell to energy and mining companies looking to offset their impact on sage grouse habitats.

More Information

Conservation Innovation Grants is a competitive program that supports the development of new tools, approaches, practices, and technologies to further natural resource conservation on private lands. Through creative problem solving and innovation, CIG partners work to address our nation’s water quality, air quality, soil health and wildlife habitat challenges, all while improving agricultural operations.

For more information or to apply for a Conservation Innovation Grant visit nrcs.usda.gov/CIG.

“Over the past three years, the CIG funds with in-kind contributions provided stimulus for ranchers to invest in range and sagebrush improvements that in return resulted in being eligible in their state’s compensatory mitigation programs.”
—Robert Veldman, Senior Mitigation Advisor, K-Coe Conservation