



Field to Market®

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# Climate-Smart Agriculture Innovative Finance Initiative

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[www.fieldtomarket.org](http://www.fieldtomarket.org)

Our progress and ultimate success lie in learning together, mobilizing more capital to support farmers in the transition, and pursuing solutions that create wins for farmers, business, society and our planet.

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# Removing Barriers to Scale Sustainable Ag

## The State of Sustainable Ag

Actionable analysis and insights for engaging U.S. row crop farmers to scale the adoption of conservation practices.





62%

of farmers believe that implementing conservation practices **improves their long-term profitability**

74%

believe farmers **should receive monetary incentives** for utilizing certain practices that benefit the public good



# Only 15%

of farmers **have received better market access or additional revenue** due to implementing conservation practices



## CASE FOR ACTION

- Increasing attention on the financial barriers to the implementation of sustainable agriculture at scale.
- Growing questions about how financial innovation can overcome these barriers.
- Need for targeted solutions to address key farmer barriers.
- Opportunity to map financial innovations and identify a suite of interventions best targeted to solve key challenges.





# Innovative Finance Workgroup

- **Date Created:** January 2021
- **Purpose:** explore value-added incentive strategies and finance mechanisms to support U.S. farmers in scaling conservation practices and delivering sustainable outcomes
- **Result:** “Financial Innovations to Accelerate Sustainable Agriculture: Blueprints for the Value Chain” Report





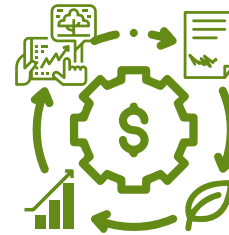


# 12 financial blueprints

and case studies for value chain actors to follow as they seek to catalyze **lasting and systemic change**



**BLENDED  
FINANCE**



**SUSTAINABLE  
FINANCE**



**TRANSITION  
RISK  
SHARING**



**PAY FOR  
PERFORMANCE**

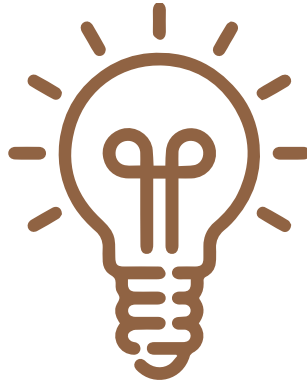


**LAND TENURE &  
LEASING  
INCENTIVES**

## RECOMMENDATIONS



**01 Engage existing financial partners** throughout the value chain in discussions about sustainability



**02 Experiment and pilot innovative financial mechanisms** and diversified incentive strategies tailored to address farmer needs, challenges, and motivations



**03 Share results** to spur further adoption and innovation across the industry



## Climate-Smart Agriculture Innovative Finance Initiative

Using innovative finance mechanisms to accelerate climate-smart practice uptake by farmers, including Tribal and Black farmers, leveraging private sector demand to strengthen markets for climate-smart commodities.

**Funding Ceiling: \$70 Million**

**Partnerships for Climate-Smart Commodities**



## Phase 1

USDA's Catalytic Capital will be used to support farmers in scaling climate-smart agriculture.

- 1. Provide farmers who adopt climate-smart agriculture practices with access to lower cost, flexible capital and favorable incentives.**
  - The Federation of Southern Cooperatives
  - Akiptan
  - Intertribal Ag Council
- 2. Support farmers who adopt climate-smart practices with risk-sharing solutions that target the key barrier of crop yield risk in practice adoption.**



## Phase 2

### Climate-Smart Agriculture Innovative Finance Initiative – Phase 2

In Phase 2, Field to Market will request applications for collaborations to be funded with additional USDA catalytic capital.

**Objective:** Bring in more partners to leverage funds and launch additional financial innovations.

## Field to Market Named in Additional Projects



National Association of  
Conservation Districts





A man and a woman are standing in a vast, green agricultural field under a dramatic, cloudy sky at sunset. The man, wearing a cap and a plaid shirt, is holding a small plant or seedling, and the woman, also in a plaid shirt, is looking at it. The field is filled with rows of young plants, and the horizon is visible in the distance. The overall mood is one of hope and dedication to agriculture.

**IT WILL TAKE COLLECTIVE ACTION TO TACKLE THE  
MOST PRESSING CHALLENGES FACING AGRICULTURE,  
society and the planet**



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