



# SUSTAINABLE BUSINESSES FOR THE BAY

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January 5, 2024

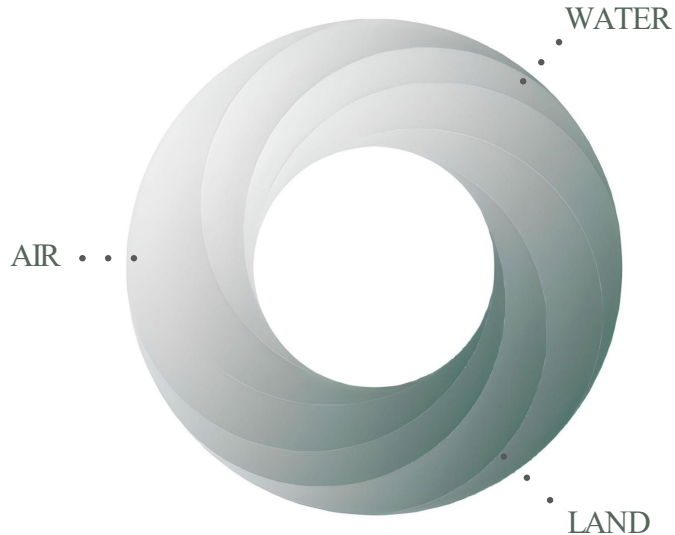


CONSERVATION INNOVATION FUND



*Maryland & Virginia*  
Milk Producers Cooperative Association

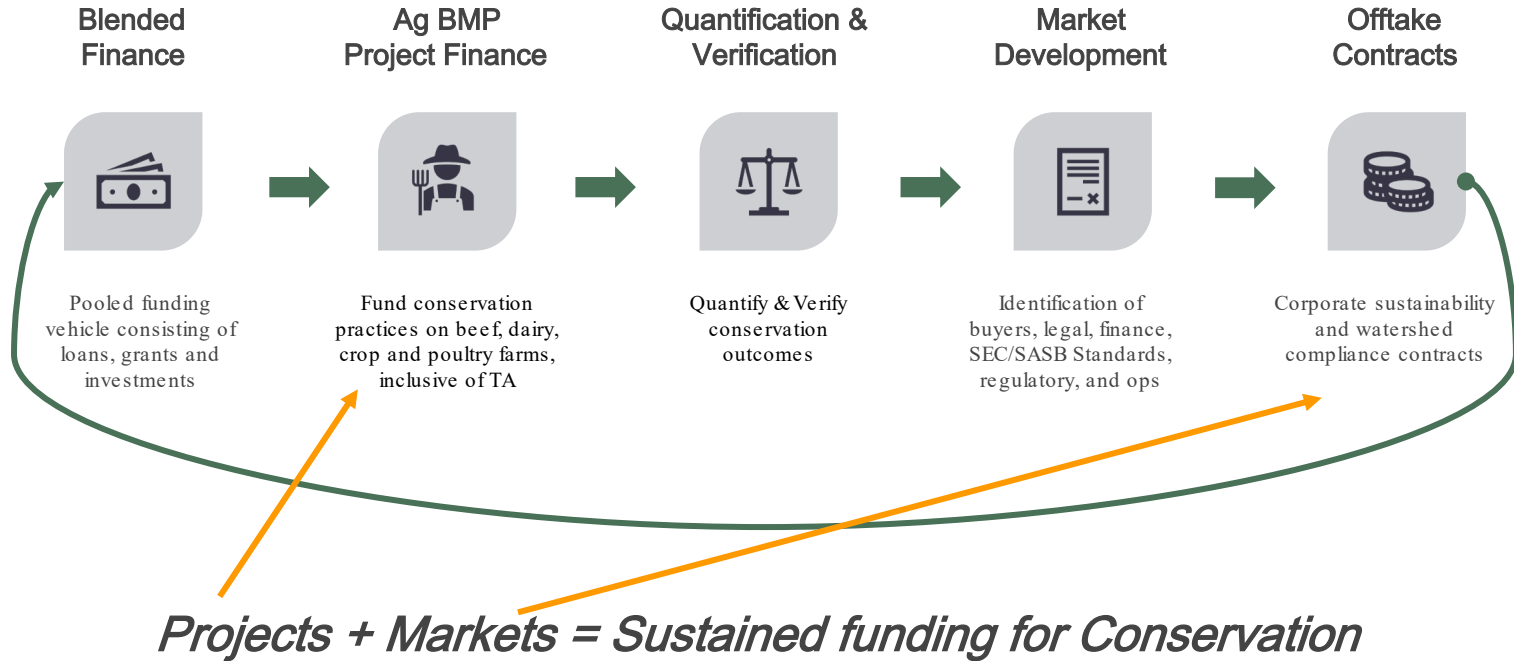
# Conservation Innovation Fund



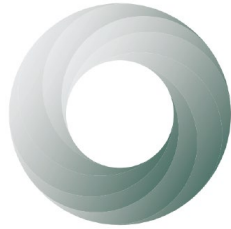
- Founded in 2019 by i2 Capital and seasoned conservation & corporate executives
- Mission to build on-ramps for environmental markets
- Closed on \$30M+ within 4 years
- Operates the Revolving Water Fund to address MS4 and NPDES permit requirements
- Partnered with Virginia DEQ and DCR to pilot nutrient reduction purchase pools in VA
- Recipient of Maryland CWCA award
- Recipient of USDA Climate Smart Commodities award

*CIF operates at forefront of market -based conservation agenda*

# Revolving Fund Model



# Mid-Atlantic Climate-Smart Commodities Market Program



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 **ALLIANCE**  
for the Chesapeake Bay



**STROUD**<sup>™</sup>  
WATER RESEARCH CENTER

 **ALLIANCE**  
FOR THE SHENANDOAH VALLEY

 **ESMC**  
Ecosystem Services  
Market Consortium

WITH CATALYTIC CAPITAL SUPPORT FROM:



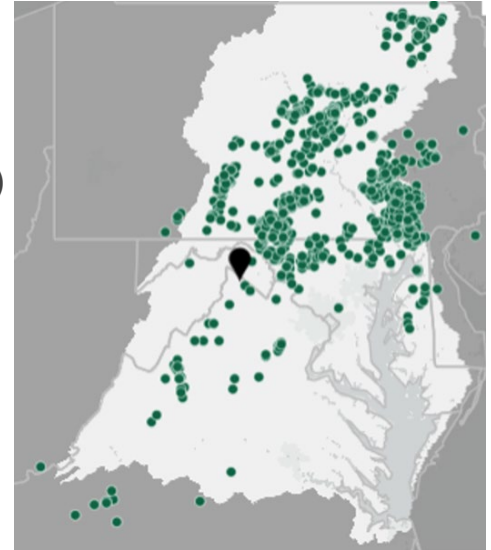
LONGWOOD *foundation*



*Corporate  
Sustainability  
Commitments + Public  
Purchase Pools create  
fully integrated  
market system*

# Maryland & Virginia Milk Producers Cooperative Association

- Regional Dairy Cooperative in business for 103 years
- Over 950 member owners
- Members located in 10 state (over 90% of member farms in CBW)
- Owns 5 milk processing plants
- Owns Maola brand milk
- Sells over 1.64 billion glasses of milk/year



# MDVA Role

- MDVA is a trusted advisor to member owners
- Over 100 year relationship with members
- Staff that works daily directly with members
- Dedicated Sustainability team
- Dairy industry goal to achieve net zero by 2050
- Passion for supporting dairy farmers in their conservation journey



6





# The Farmers: MDVA

- Surveys & regular visits with farmers establish project interest and needs
- Over 200 farmers on waiting list for funding
- MDVA staff and producer develop individualized list of practices needed
- Opportunity to engage in carbon markets as an additional source of revenue
- Match farmers with funding opportunities that meet their needs



# Alliance for the Chesapeake Bay

- **Mission:** The Alliance brings together communities, companies, and conservationists to improve our lands and waters.
- **Four Program Teams:** Agriculture, Forest, GI, and Stewardship and Engagement
- **Vision:** Clean streams and rivers flowing through resilient landscapes, cared for by the people who live, work, and play in the Chesapeake Bay watershed.





# Alliance for the Chesapeake Bay

- Creating solutions that make sense for farmers
- Scale solutions to be built into the agricultural supply chain
- Leverage funding and resources available to farmers/partners



# BERRYVILLE, VA FARM

BEFORE



VS

AFTER





*Maryland & Virginia*  
Milk Producers Cooperative Association

 **ALLIANCE**  
for the Chesapeake Bay





*Maryland & Virginia*  
Milk Producers Cooperative Association

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for the Chesapeake Bay

# Corporate Sustainability



\*World Benchmarking Alliance

- Corporate Commitments align with Sustainable Development Goals
- Overlap with State and Federal Commitments
- **Corporations more likely to participate in a framework that aligns with State level policy and funding solutions.**

# Corporate Sustainability Commitments



Reduce GHG emissions by 30% by 2030 vs. 2020 and achieve net zero by 2050; support regenerative agriculture across 1 mn acres of land by 2030.



50% reduction in absolute greenhouse gas emissions from operations (scope 1 and 2) between 2018-2030 and net zero by 2040; 37% reduction in absolute greenhouse gas emissions from value chain (scope 3) between 2020-2030.



Reduce absolute Scope 1 and Scope 2 emissions by 50 percent and absolute Scope 3 emissions by 25 percent by 2030 against a 2018 baseline. Commitment to integrate water quality and quantity awareness across supply chain.

*Commitments have major potential implications for Bay Watershed*



## Scope 1 vs. Scope 3 Carbon Offset Credits

### Scope 1

GHG directly emitted by an organization's facilities or operations. Examples include GHG emitted from a company's own facilities and vehicles

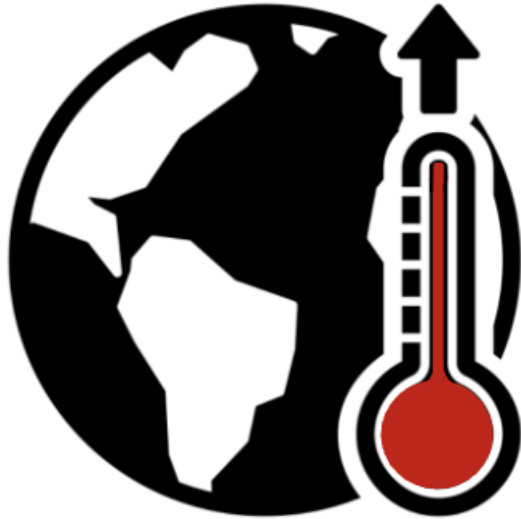
### Scope 3

GHG emissions a company causes indirectly via its supply chain (the production and extraction of purchased materials, outsourced activities, waste disposal, etc.)

*Scope 3 emission reductions = conservation practices for Ag. producers in the Bay Watershed*

# Corporate Sustainability and Environmental Outcomes

Carbon is a **HOT** commodity



**Carbon:**

- Largely accepted global imperative for corporate climate pledges and disclosures
- Increasing number of published neutrality pledges and plans face criticism over achievability
- Many corporations lack access to the individual farms that could help achieve Scope 3 emissions targets

**Water:**

- A newer, more nuanced, agenda with growing interest from stakeholders
- Water quality and quantity targets lack widely accepted reporting standards and measurement frameworks
- Targets are most advanced in Scope 1/Direct (*Veolia example*)
- Scope 3/Indirect is advancing with corporate commitments and the SBTN freshwater hub

*Partnership Focused on Ag. and Water Sector Corporate Commitments*

# THCWP



ALLIANCE for the Chesapeake Bay + TURKEY HILL CLEAN WATER PARTNERSHIP + Maryland & Virginia Milk Producers Cooperative Association

I scream, you scream,  
we all scream for ~~ice cream~~  
**CLEAN STREAMS!**

Flip over to see how you can win free ice cream

Save 50¢ on ice cream  
for clean streams

**50¢ OFF**  
ANY ONE 48 OZ.

All Natural Ice Cream,  
Theopolitan® Ice Cream, or  
Turkey Hill Premium Ice Cream



Hershey Co., Land O'Lakes, Chesapeake Bay Alliance collaborate to foster sustainable dairy production in Pa.



By Paula Wolf / Contributing Writer  
July 13, 2021 11:32 am

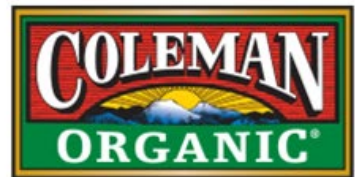
The Hershey Co., Land O'Lakes Inc. and the Alliance for the Chesapeake Bay are collaborating on Sustainable Dairy PA, an initiative to reduce greenhouse gas emissions and help improve water quality in



LAND O'LAKES, INC.



We Believe In Responsible Food and Agriculture®



# Successful Funding

- NRCS EQIP
- NRCS RCPP
- PA ACAP
- MD AWTF
- MACS
- VACS
- NFWF INSR
- NFWF SWG
- NRCS CIG
- SDBII FII
- SDBII PT&M
- NEDBIC OFMS&H
- NEDBIC DFI&M
- USDA REAP
- PA REAP



- Flexible funding
- Provide payment to contractors directly
- Funding through private organizations
- Funding for climate smart practices
- Funding for energy efficient practices: such as milking systems & farm equipment improvements
- Farmer organizations eligible for application
- Inclusion of early adopters & producers with no historical data
- Some up front financial support to reduce initial burden to farmers
- Engage early adopters & new start ups

# Steps Forward

## Regulation

- Explicitly allow use of agricultural nonpoint source reductions to meet MS4 NPDES permit requirements
- Encourage enabling legislation to align market frameworks and financial incentives (pay-for-performance contracting)
- Advance state-level sustainability commitments for water and carbon

## Quantification

- Streamline local and bay-wide quantification requirements
- Align state systems with corporate reporting requirements

## Funding

- Create government funded purchase pools to acquire pollution reductions (nitrogen, carbon, phosphorous eg. CWCA, Conowingo)
- Facilitate bridge funding mechanisms to provide inexpensive capital to project developers (eg. SRF funds)
- Allow for side-by-side or “stacked” funding opportunities

*Corporations want aligned goals, clear incentives and co-funding arrangements.*





# SUSTAINABLE BUSINESSES FOR THE BAY

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