

Croatan Institute Wins Major Award for Soil Wealth

With support from a \$700,000 USDA Conservation Innovation Grant, Croatan Institute will lead a two-year \$1.5 million project to unlock new financing to expand regenerative agricultural systems and improve rural resilience across the United States.

On December 17th, 2019, the US Department of Agriculture's Natural Resources Conservation Service (NRCS) [announced](#) the awarding of approximately \$12.5 million in Conservation Innovation Grants (CIG) to support organizations and universities that are developing the next generation of tools and technologies to boost conservation on private agricultural lands.

As part of this announcement, NRCS awarded \$700,000 in funding for a \$1.5 million multi-stakeholder initiative led by Croatan Institute aimed at developing an innovative, place-based financing model to support the adoption of farming systems that improve "soil wealth."

The 2019 NRCS funding pool for conservation innovation focused on four priority areas: water quantity, urban agriculture, pollinator habitat, and accelerating the pace and scale of conservation adoption. NRCS selected [19 projects](#) for CIG awards, and Croatan Institute was one of 10 organizations awarded grants for accelerating conservation adoption.

Earlier this year, with support from a 2017 CIG led by Dr. David LeZaks at Delta Institute, researchers at Croatan Institute, in collaboration with Dr. LeZaks and the Organic Agriculture Revitalization Strategy (OARS), [released a ground-breaking report that pioneered the concept of "Soil Wealth,"](#) a term used to describe the constellation of social and environmental benefits associated with financing regenerative agriculture. By fostering greater resilience on farmland and within food and agricultural value chains, regenerative agriculture stimulates both quantitative improvements in soil health and measurable social impact on rural community wealth creation.

This newly funded project will develop the emerging concept of rural regenerative organic agricultural districts, also known as ROADs, to help agricultural producers and landowners finance soil wealth using land-secured financing mechanisms and other place-based investing approaches that could unlock new sources of capital for implementing conservation practices with regenerative agricultural features. With CIG funding, and matching contributions from private-sector and non-profit partners, the project seeks to accelerate the development of regenerative agricultural systems at a pace and scale needed to stem the dual tides of soil degradation and rural economic decline.

"Regenerative agriculture is a critical toolkit for creating regional resilience across rural landscapes, both on farmland and across food and agricultural value chains," stated Dr. Joshua Humphreys, president and senior fellow of Croatan Institute, senior strategist of

OARS, and principal investigator on this project. **“We know that dense regional clusters of regenerative, organic operators create tangible socio-economic benefits for farmers and their broader rural communities, and the improvements in soil health on farms that are implementing regenerative conservation practices are delivering impressive ecosystem service value. However, financing the implementation of this regenerative organic transition remains a challenge that this project aims to tackle head-on in new place-based ways.”**

“Alongside philanthropic investments, NRCS programs such as Conservation Innovation Grants provide critical sources of ‘catalytic capital’ that we view as essential ingredients in integrated capital approaches to building soil wealth,” noted Dr. LeZaks, Regenerative Food Systems Lead at Delta Institute and co-author of “Soil Wealth.” **“I’m delighted to see our earlier work on financing regenerative agriculture move from ideation to implementation with a widening circle of farmers, investors, and partners in this new CIG led by our collaborators at Croatan Institute.”**

The scope of this new project is national, but it will give particular attention to four distinct geographies where the Institute and its partners will explore specific opportunities and barriers associated with establishing this new place-based financing model for regenerative agriculture and assess a variety of potential configurations for its deployment through special-purpose rural ROADS:

- Southeast, focusing on small-scale vegetable, grain, livestock, dairy, and agroforestry systems in North Carolina;
- Upper Midwest, focusing on diversified grain and livestock systems in Wisconsin;
- West Coast, focusing on permanent fruit and nut crops and grassfed dairy in California and Oregon;
- Heartland, with a focus on diversified grain, and pastured livestock for dairy, meat, and fiber in Kansas and Missouri.

Current project partners and advisers include Agriculture Capital, the Council of Development Finance Agencies, Community Capital Management, Delta Institute, DD Danforth Burlin, Globetrotter Foundation, Green Rural Redevelopment Organization, Mercaris, Meridian Institute, Michael Fields Agricultural Institute, Natural Capital Investment Fund, Organic Valley, Slipstream, Thread Fund, the Upper Coastal Plain Council of Governments, and Working Landscapes. Farm partners include Bender Farms, Oliver’s Agroforest LLC, the Crews Family Farm, and numerous certified organic farmer-members of CROPP Cooperative working across these focus geographies.

“As in our earlier work on OARS and Soil Wealth, collaboration is critical to our success,” noted Christi Electris, fellow and co-founder of Croatan Institute and co-author of the “Soil Wealth” report. “We are excited to build upon our OARS pilot project in eastern North Carolina and extend our current work in the Driftless Area of Wisconsin into a robust model for regional replication across the country. As this project moves forward, we welcome additional potential partners in both the initially targeted geographies and other

regions around the country with an interest in building this kind of place-based financial infrastructure for regenerative agriculture.”

Authorized by the 2002 Farm Bill, the USDA Conservation Innovation Grant program helps develop the tools, technologies, and strategies to support next-generation conservation efforts on working lands. Read the USDA NRCS press release here: <https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/newsroom/releases/?cid=nrcseprd1519823>.

About Croatan Institute

Croatan Institute is an independent, nonprofit research institute whose mission is to harness the power of investment for social good and ecological resilience. Based in the Research Triangle of North Carolina with an extended team of affiliates in Boston, Chicago, New York, the Florida Gulf Coast, and Geneva, the Institute has rapidly established a reputation for rigorous, cutting-edge research and actionable analysis to support strategic decision-making by organizations and practitioners in the field. For more information about the Institute’s people, projects, and publications, please visit www.croataninstitute.org.



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About the Organic Agriculture Revitalization Strategy

OARS is an initiative that re-envisioned certified organic food and agriculture – now nearly a \$50 billion mainstream market – as an inclusive economic development strategy for revitalizing rural places. Developed by Croatan Institute and Earthwise Organics with initial support from Organic Valley’s Farmers Advocating for Organics program and a growing group of partners, the OARS place-based framework works closely with regional partners to identify business and investment opportunities to expand regenerative organic value chains and to mobilize capital to help build community health and wealth. For more information about OARS, please visit www.OARSproject.org.



OARS

For more information about the Institute’s pioneering work on Soil Wealth, visit www.soilwealth.org

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