

A FARM OF THE FUTURE

Ecosystem services previously taken for free could generate perhaps half the income of a farm, if markets for various kinds of environmental credits take off as hoped. Farmlands in the future may have a diverse portfolio of ecosystem services to offer to a wide range of customers.

BIODIVERSITY CREDITS

Conservation organizations are leasing development rights from the owners of undisturbed forests and other habitats that host threatened endemic species and fast-vanishing ecosystems.



CO₂ OFFSET CREDITS

When landowners plant new forests and promise never to cut or burn the trees, they can receive carbon dioxide offset credits that industries will buy to help them comply with restrictions on greenhouse gas emissions.



RENEWABLE ELECTRICITY

Wind farms generate nonpolluting electricity that commands premium prices in deregulated power markets. The turbines can also garner tax credits that subsidize their capital and operating costs.



CERTIFIED SUSTAINABLE TIMBER

Sustainably harvested timber is now one of numerous "eco-labeled" products that are certified as ecologically sound and sold at a premium in specialty markets.



WATER CREDITS

Careful management of water and wetlands is economically valuable for many reasons. Urban water authorities purchase water filtration credits to protect the quality of their watersheds; wetland owners can also receive compensation from government agencies for flood-control services, from conservation organizations for the preservation of migratory waterfowl breeding areas, and from agricultural cooperatives for the prevention of soil salinity increases caused by overdrawn groundwater aquifers.



| COMMODITY | PERCENT OF FARM'S INCOME | CUSTOMER |
|--------------------------------|--------------------------|--------------------|
| Biodiversity credits | 5 | Conservation trust |
| CO ₂ offset credits | 10 | Steelmaker |
| Renewable electricity | 15 | Power market |
| Certified sustainable timber | 20 | Specialty market |
| Water credits | 20 | Urban water market |
| Wheat | 15 | World market |
| Wool | 15 | World market |

