

REHARVEST PAY FOR SUCCESS

STATE PROGRAM: Iowa Department of Natural Resources

ASSISTANCE RECIPIENT: ReHarvest

ASSISTANCE AMOUNT: \$7.5M



PROJECT DESCRIPTION

The Soil and Water Outcomes Fund was established by ReHarvest Partners, a partnership created by Quantified Ventures and the Iowa Soybean Association. The Iowa CWSRF invested \$7.5 million in ReHarvest Partners, which administers the Fund with AgOutcomes (a subsidiary of the Iowa Soybean Association). Iowa's CWSRF investment, for 16 years at 2 percent interest, will allow ReHarvest to sign up 85,000 acres in priority Iowa watersheds in 2021, with payments to farmers between \$20-\$40 per acre. This partnership utilizes a "pay for performance" structure to incentivize farmers to implement new conservation practices that improve water quality and sequester carbon. Rather than pay farmers for implementation of the practice, farmers are paid for the verified environmental outcomes these practices produce. The carbon and nutrients captured by these practices (utilizing no-till farming and planting cover crops) are verified, and the credits are then sold to a variety of private and public customers. By earning slightly more from selling the credits than what is paid to the landowners, the structure is self-sustaining, enabling not only the repayment of the CWSRF's investment but a consistent source of funding that will perpetuate the program. This market driven approach will allow increasingly more acres to be enrolled each year with a corresponding improvement in water quality from the reduction in nutrient runoff. These significant environmental benefits will be achieved without any state or federal appropriations.

To read more about this case study, please visit <https://www.epa.gov/system/files/documents/2022-02/2021-pisces-compendium.pdf>.