FarmPivot Revolving Loan Fund: Transforming Agriculture in Washington State

A new finance model to transform agriculture
and increase carbon removal

EXECUTIVE SUMMARY

Of the 7.5 million acres of cropland in the state of Washington, only 4.8% uses cover crops and 25% uses no-till farming practices. Increasing the adoption of these key climate-smart practices, plus other climate-focused agricultural solutions, would help Washington meet its mandate to become carbon neutral and increase carbon sequestration.

The Washington State Department of Agriculture (WSDA) should establish and host a revolving loan fund (RLF) to transition the state's farms to climate-smart practices. This proposed FarmPivot RLF would increase farmers' profitability and climate resiliency while supporting government and industry climate commitments by reducing greenhouse gas emissions (GHG), increasing carbon sequestration, and enabling the sharing of data on business and climate impacts from climate-smart farming.

PROBLEM

Farmers are on the front lines of a changing climate, and new extremes in weather are affecting their land and livelihood. Washington state government and corporations have pledged to reduce

95% of GHG emissions by 2050. Agriculture plays a critical role in such reductions as healthy, carbon-rich soils remove and store atmospheric carbon. Yet current financing options do not incentivize long-term and system-wide change in agriculture to help address the climate change challenge. Farmers need a new financing model to scale climate-smart practices across the state.

> *The FarmPivot RLF would help transform climate-smart agriculture across Washington by increasing farm profits, reducing GHG emissions, and sequestering carbon.*

SOLUTION

The WSDA should establish the FarmPivot RLF to support Washington farmers seeking to transition to climate-smart practices. A key barrier to widespread transition to climate-smart practices is access to effective financial tools and incentives. Existing conservation programs and carbon markets do not provide the flexibility and independence of a loan offered through the FarmPivot RLF program.

The FarmPivot RLF would provide flexible, low-interest, long-term loans and technical assistance to farmers, and become a self-sustaining revolving fund within ten years. The FarmPivot RLF would help transform climate-smart agriculture across Washington by increasing farm profits, reducing GHG emissions, and sequestering carbon. Finally, the FarmPivot RLF would compile data on financial and climate impacts from participating farmers in order to support the business case for widespread adoption of climate-smart agriculture.

For more information about this proposal, see: (1) a policy brief for the State of Washington explaining this proposal; (2) an operational plan outlining how to implement this proposal; and (3) an interactive website hosted by the State for farmers to learn more about climate-friendly agriculture practices.