# EARTH ECONOMICS

We quantify and value the benefits nature provides to people, communities, and organizations, fostering effective decisions that prioritize the wellbeing of people and nature.

We envision a future where the wellbeing of people and the natural world are central to all economic decision making







## **The Private Sector**





Taskforce on Nature-related Financial Disclosures

- Companies exploring impact and dependencies on nature
- Financial mechanisms based on avoided costs
- BTM fills a niche
- Economic analysis used qualitatively





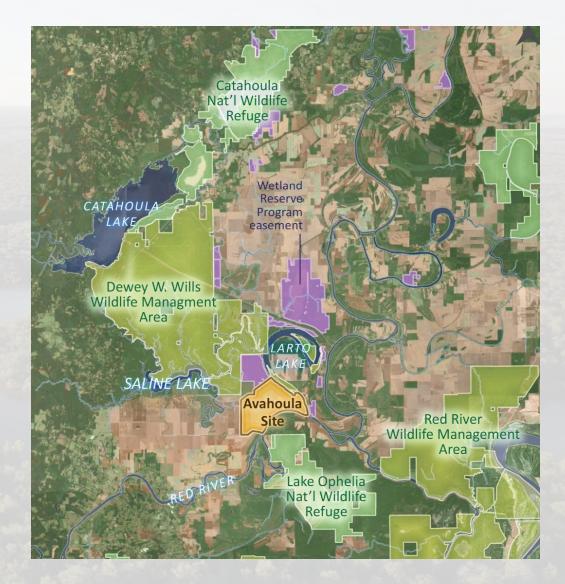


- Communicate the integrity of the Avahoula project for buyers in the Voluntary Carbon Market (VCM)
- Demonstrate that return to forested wetland is more viable than less-resilient cropland long term in this area
- Illustrate all additional benefits associated with afforestation and reforestation (i.e., better water quality, community advantages, flood retention, etc.)

# The Avahoula Site



- Louisiana, Lower Mississippi
  Alluvial Valley
- Connects protected land
- Currently used for ag
- Plant 3.5 million native trees
- Develop moist soil areas
- Allow seasonal flooding

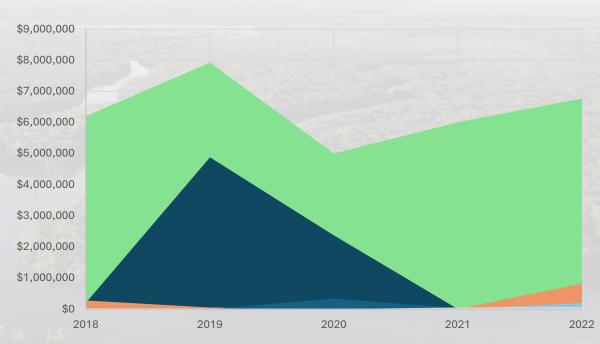


#### In 2022, Louisiana farmers claimed over \$172 million in indemnities

- Catahoula was the second-highest parish in reported losses in crop value (2018-2022)
- Excess moisture or precipitation and flooding
- Taxpayer subsidize \$269,000

Indemnities in Catahoula Parish by Reported Cause of Loss (USD 2022). Source: USDA

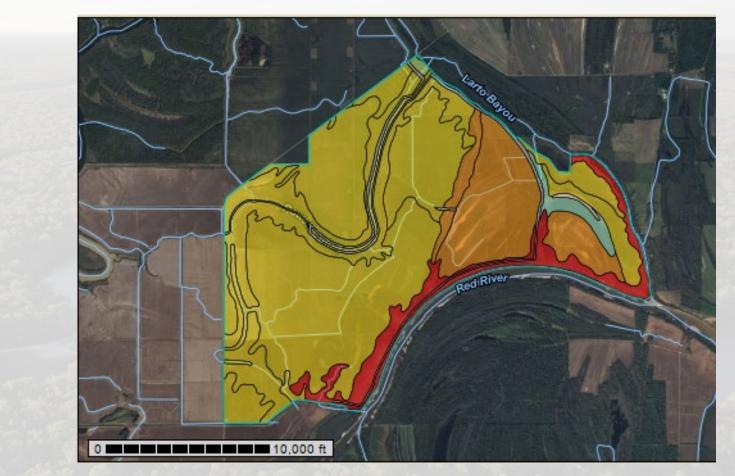






#### **Pre-restoration Conditions**





Soil Rating Polygons Capability Class - I Capability Class - II Capability Class - III Capability Class - IV Capability Class - V Capability Class - V Capability Class - VI Capability Class - VI Capability Class - VII Not rated or not available

# **Ecosystem Services Valuation**



- Based on conversion of 6,395 acres of cropland to forested wetlands
- Majority of studies used were from Louisiana or the South East

	Pre-Project		Post-Project		Difference	
Ecosystem Service	Min	Max	Min	Max	Min	Max
Air Quality	\$236	\$559	\$18,723	\$44,381	\$18,487	\$43,822
Aquifer Recharge	\$6	\$47	\$459	\$3,735	\$453	\$3,688
Biological Control	\$169	\$169	\$13,400	\$13,400	\$13,231	\$13,231
Cultural Value	\$256,404	\$431,700	\$20,354,310	\$34,270,014	\$20,097,907	\$33,838,314
Disaster Risk Reduction	\$86 <i>,</i> 575	\$596,582	\$6,872,677	\$47,358,962	\$6,786,102	\$46,762,380
Habitat	\$218,665	\$278,849	\$17,358,496	\$22,136,063	\$17,139,831	\$21,857,214
Pollination	\$20,097	\$20,097	\$1,595,406	\$1,595,406	\$1,575,309	\$1,575,309
Water Supply	\$12,391	\$12,391	\$853,656	\$853,656	\$841,266	\$841,266
Water Quality	-\$2,992,431	-\$2,992,431	\$3,842,208	\$3,842,208	\$6,834,639	\$6,834,639



Conversion from harvested crops to red oak, moist soil units, and appropriate hydrologic management supports 12,235 - 23,017 additional waterfowl

Habitat/crop type	Food (lbs/ac)	TME (kcal/g)	DEDs/acre	Acres	DEDs	Waterfowl
Soybean (harvested)	54	2.65	36	5,115	184,147	1,674*
Cotton (harvested)	NA	NA	NA	1,279	0	0
Seasonal Flooded Row Crop Total						1,674*
Bottomland hardwood, 60% red oak	103	2.76	250	1,000	250,000	2,273
Moist Soil wetland	103	2.47	1,686	6,50	1,095,900	9,963
Seasonal Partial Flooding Total						12,235
Bottomland hardwood, 60% red oak	116	2.76	250	5,744	1,436,000	13,055
Moist Soil wetland	535	2.47	1,686	6,50	1,095,900	9,963
Seasonal Complete Flooding Total						

# Habitat Carrying Capacity - Birds



- Landbirds require forest core to nest, defined as over 250 meters from forest edge
- Twelve species that did not achieve their target population goals within existing forest habitat
- In total, 6,105 landbirds from currently undersupported species benefit

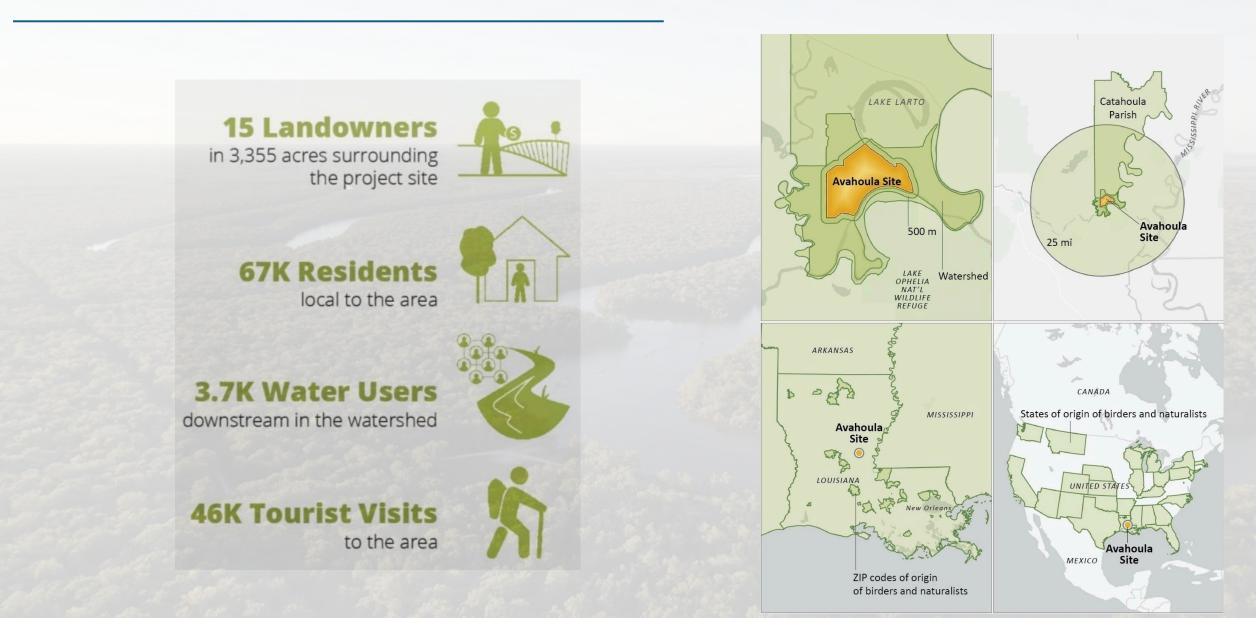




- Bagging an additional duck ranges from \$15 to \$106 per duck
- \$9,000 to \$122,000 in post-restoration value to waterfowl hunters.
- Birdwatching increase in consumer surplus is \$9.47 per additional bird in the population
- \$174,000 to \$276,000 to birdwatchers



# **Beneficiary Mapping**



### Avahoula's Value





#### **Project impacts by the numbers**

- 840K tons of carbon sequestered over 40 years.
- \$2.7 billion provided for new and permanently protected ecosystem services.
- \$170 million in climate resilience benefits generated.
- 67,000+ Louisiana residents benefit from Avahoula's impacts.
- 12k-23K migratory waterfowl are supported annually by the restoration of food sources.
- \$80 million in new ecosystem services created every year.
- \$180k-\$400k provided annually for improved recreational experiences.