Who Makes the Rules, Anyway?
Understanding Ecosystem Markets

- Market-based approaches
  - Regulatory
  - Voluntary
More is better than less

Price

Demand

Supply

Equilibrium

P*

Q*

Quantity

$3.30*

$436,337.14

*8.7 billion broiler chickens worth $28.7 billion  USDA 2015
Who Makes the Rules, Anyway?

You do.
Roles for Government

• Develop policy to meet public needs
• Provide flexibility in mitigation structures
• Improve transparency
• Support development of tools and resources
• Fund pilot projects and demonstrations
If you want working markets...

- Reduce perceived risk and uncertainty
- Provide a clear definition of the good or service
  - Quantification
  - Communication
- Reward innovation
Opportunities for Innovation

• Government purchase/sale of credits
• Insurance or credit guarantees
• Public-private partnerships
  – Conservation Finance
  – Payment for Performance
  – PES
• Smart markets
• Value added labeling
For more information on markets:

www.oem.usda.gov