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**NRCS AWARDS \$1.4 MILLION CONSERVATION INNOVATION GRANT TO
TROUT UNLIMITED AND ENCOURAGE CAPITAL**

Pioneering program attracts private investment in agriculture upgrades and river habitat improvements

Washington, D.C. – The Natural Resources Conservation Service today announced a \$1.4 million Conservation Innovation Grant (CIG) to Trout Unlimited and Encourage Capital, a New York-based investment group, for a groundbreaking pilot project that seeks to conserve water and maintain agricultural lands by attracting private capital for investments in infrastructure upgrades and operational changes that will also improve rivers and fish and wildlife habitat in the Western United States. Trout Unlimited and Encourage Capital will be working with Culp and Kelly LLP, a Phoenix-based law firm with expertise on water issues, and Bowman Environmental Consulting on this project.

The Liquid Assets Project will identify, develop and finance a series of sustainable agricultural and ranchland investments that will demonstrate how private investment capital can be used to generate a combination of environmental, social and investment returns.

Authorized by the 2002 Farm Bill, CIGs reward creative tools, technologies and strategies that boost productivity on farms, ranches and private forests while also improving water quality, soil health and wildlife habitat. Of the 140 proposals submitted, the NRCS awarded \$22.6 million in 2017 CIG national funding for 33 projects to drive public and private sector innovation in resource conservation.

The NRCS award reflects the agency's growing interest in the emerging financial sector of conservation finance and impact investment, which raises and manages capital to support land, water and natural resource conservation.

"The Conservation Innovation Grant program is an example of government at its best, providing seed money to help spur cutting-edge projects," said NRCS Acting Chief Leonard Jordan in a release.

"We're excited to help pioneer a pragmatic, market-driven approach to conservation that harnesses the creativity and vision of private investors to solve some of our most pressing water problems," said Laura Ziemer, senior water counsel for Trout Unlimited. "This shows that conservation, business and agriculture interests can work together to provide steady returns for the future."

According to Ricardo Bayon, a partner and co-founder of Encourage Capital, the grant is a great example of how government can achieve the greatest amount of conservation per dollar spent by involving private investors. “We all know that we can’t and shouldn’t rely on government alone to solve our problems, whether in the field of conservation or agriculture. We think the best solutions will come from government and the private sector, including private capital providers, working hand in hand with farmers to improve farm and ranch economics while addressing the nation’s pressing environmental problems. At Encourage we are proud to be working with creative NGOs like Trout Unlimited, innovative law firms like Culp & Kelly LLP, and forward-looking government agencies like NRCS. Done right, conservation doesn’t have to be a zero-sum game, it can be a win-win for farmers, funders, and the environment.”

Agriculture accounts for over 70 percent of water use across the West, and much of the region’s irrigation infrastructure is aging and in need of repair. This presents an opportunity to modernize water use and delivery in a way that creates multiple benefits.

Through the Liquid Assets Project, Trout Unlimited and project partners will provide capital for ranchers to convert to sustainable ranching practices and for farmers to improve water use through crop switching or irrigation system improvements. The project aims to boost both water savings and farm and ranch profits, and avoid “buy and dry” land fallowing practices that can harm farm and ranch economies and can also be harmful to the environment. The project also seeks to make investments in areas where the saved water can provide environmental benefits, either directly by enhancing stream flows, or indirectly by using the river as a conduit to deliver water to downstream users. The project will be managed by Margaret Bowman of Bowman Environmental Consulting.

“These investments are intended to demonstrate that creative investors can work within existing frameworks of water rights and water infrastructure to help meet changing water demands and create real conservation outcomes – while benefiting the West’s important agricultural economies,” said Peter Culp, a partner at Culp & Kelly, LLP. The project grew out of an October 2015 report written by Encourage Capital and Culp, which outlined a series of promising impact investment strategies that could help to finance water resource solutions and generate related environmental and social benefits.

“With federal funds and programs under increasing pressure, it makes sense to explore the potential of market-based approaches to conservation,” said Ziemer. “The bottom line is, this is a smart investment in our rivers, farms and ranches, and rural communities in the West.”

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Trout Unlimited is the nation’s oldest and largest coldwater fisheries conservation organization dedicated to conserving, protecting and restoring North America’s trout and salmon and their watersheds. Follow TU on Facebook and Twitter, and follow our blog for all the latest information on trout and salmon conservation.

Encourage Capital is an asset management firm specializing in profitable and strategic investments to solve critical social and environmental problems. A unique partnership of disciplined investors and creative problem-solvers, the new firm is already working with major asset owners to deploy investment capital to solve problems like the global ecosystem decline, climate change, and bringing financial services to the world’s poor.

Bowman Environmental Consulting is a consulting firm based in Maryland. Margaret Bowman, Principal.

Culp & Kelly, LLP is a law firm based in Phoenix, Arizona, that focuses on the critical issues surrounding water and natural resource management in the American West.