



ENVIRONMENTAL
FARMERS GROUP

New markets: a natural capital cooperative

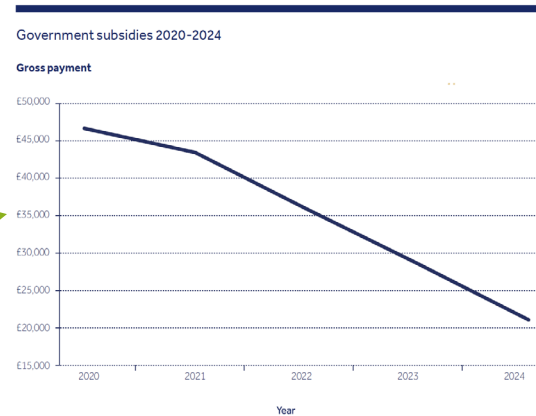
Digby Sowerby, Managing Director

A new model was needed

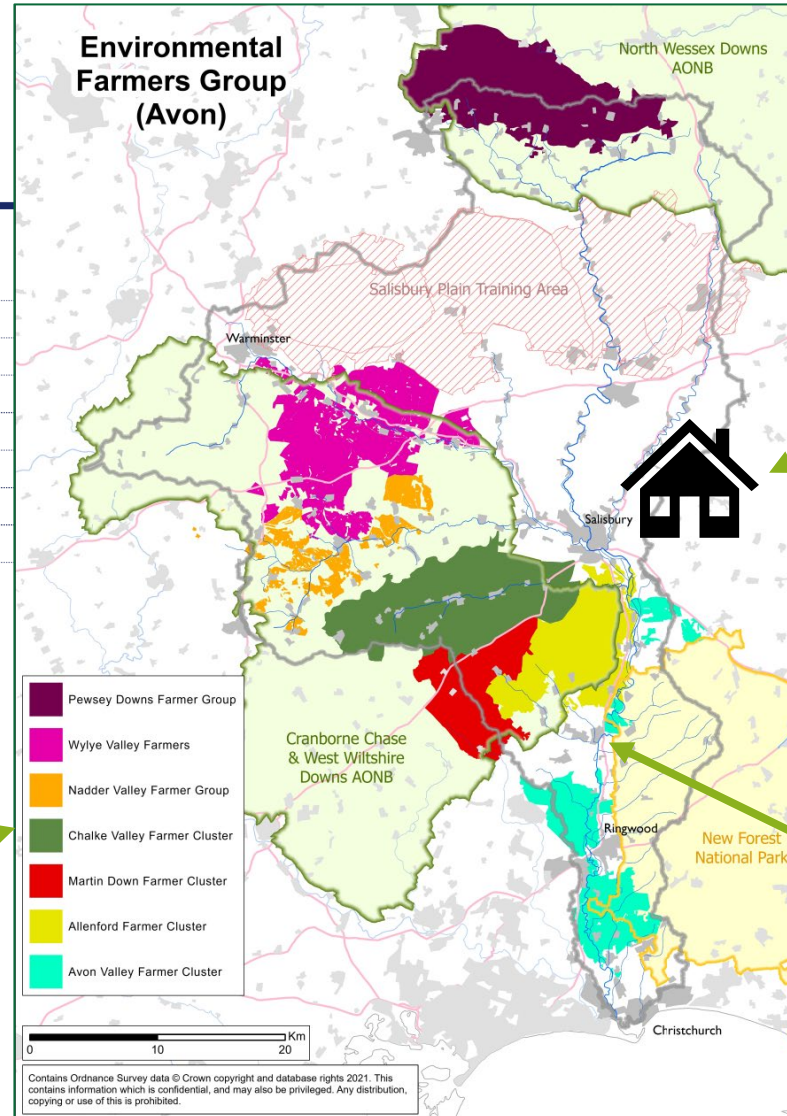


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£37m BPS



Strong cluster
network



Housing
demands



A natural capital cooperative

Environmental delivery on a landscape scale with fair financial reward for farmers.

EFG Board



Matt Fry,
Farmer



Gavin Fauvel,
Estate
Director



Teresa Dent
CBE, GWCT



Hallam Mills,
Farmer



Rob Shepherd,
Farmer & Chair



Christopher
Sparrow,
NCA



Colin Smart,
ex. John Deere



Tim Palmer,
Farmer



Josh Stratton,
Farmer

How the model works

- Farmers pay **£1.25 / ha / yr**
- Get advice on opportunities & how to take them
- Build own 'farm plan'
- Trade natural capital through EFG
- Share/receive income from trading (**12%**)

100% farmer owned



Scale is our USP in natural capital



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600 farmers covering 400,000ha

- 76,000ha Membership

Biggest organisation by
area in natural capital

4%+ England's
farmed area

£21m trading pipeline

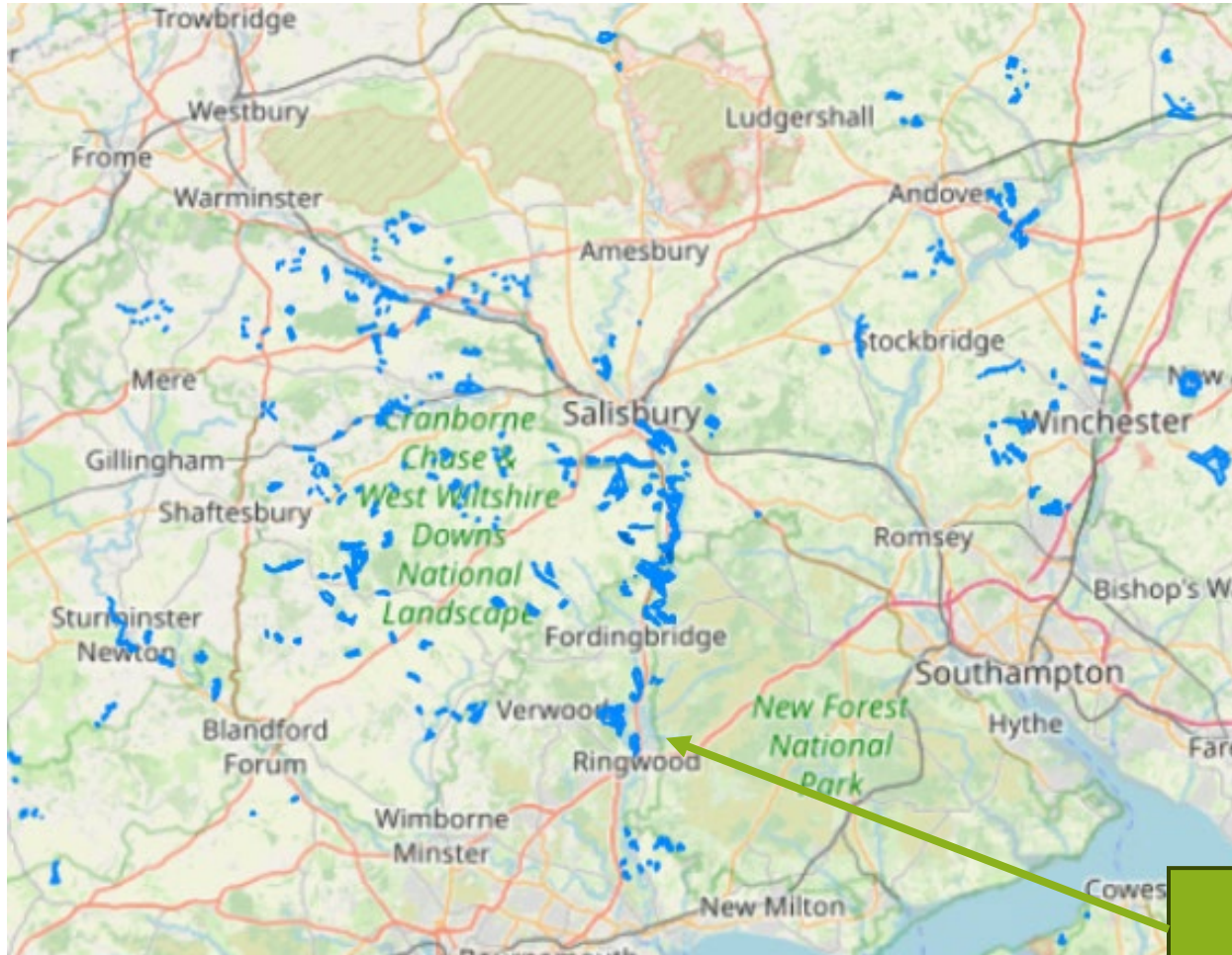
- £1.5m trades agreed

6,500ha identified for nature recovery

- 16 projects being registered (375ha)



2029 Strategic Objectives



- **400,000ha** Members
- **£20m** annual trading value
- **2,500ha** begun nature recovery

Land for nature
recovery (blue)

Benefits of EFG model

To have an impact – need more than one farm to recover a landscape.

To meet demand – only farmers have the scale but need single outlet to market.

To reduce risk – not everyone will be able to contribute and benefit all the time.

To ensure a fair return – scale provides selling power.



Our main challenges



Market competition is well financed

Bottom-up vs top-down

Communicating simplicity & fairness to farmers

What is natural capital

Ecosystem produces...



...ecosystem services:

- Increased carbon sequestration
- Increasing biodiversity
- Improved water quality & water holding

Main principles



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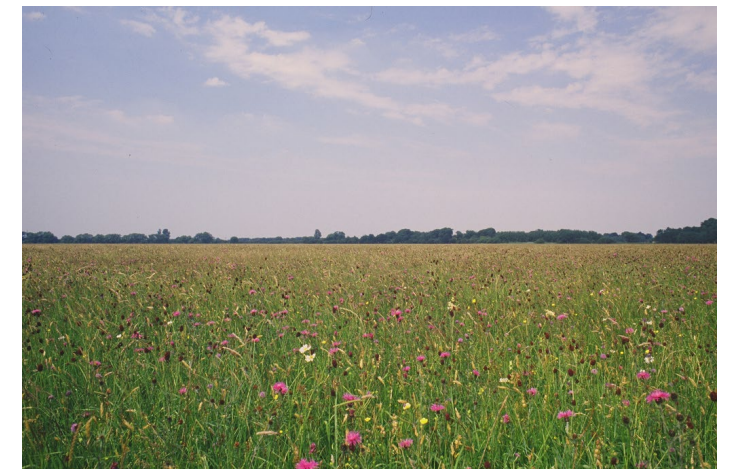


Improve



OR

Create



How to trade natural capital



Project – to plant
new woodland

Methodology – to measure
carbon sequestered



Verifier – to check
measures are correct



Register – to trade high-
integrity credits with buyers

S&P Global

What are the main opportunities now?



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Soil Carbon

Increase carbon stored in soil by
cover cropping, implementing
min till etc.

E.g. 2 tn CO₂e / ha / yr
£50-£100/ha Gross Margin

Bought by companies registered
with SBTi.



Biodiversity Net Gain

Improving the condition of a
habitat or creating a new habitat.

E.g. 4 Biodiversity Units / ha
(30yrs)
£50k-£75k/ha Gross Margin

Bought by developers in
England.



Nutrient Neutrality

Land out of production or
reducing nutrient impact on river.

E.g. 20 nutrient credits / ha
(80yrs)
£50k-£75k/ha Gross Margin

Bought by developers in certain
water catchments.



Our view on the opportunity ahead

Projects must address a business need

For example:

- Reduce flood risk so that businesses and homes don't incur cost of flood.
- Hold and store water to provide reliable supply for data centres.
- Cleaning water to reduce cost for water companies.

Investment will drive aggregation to achieve impact

- Individual companies also don't have funds to address their risk.
- Investors therefore crowd buyers and sellers to achieve scale.

Government will drive investment (slowly)

- Government has committed to markets - £1bn from private finance/yr by 2030.
- It will (eventually) mandate companies to contribute in different ways.

Thank you

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TRETHOWANS
Law. As it should be.





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THANK YOU

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