



**Great Lakes Protection Fund**

1560 Sherman Avenue, Suite 1370, Evanston, Illinois 60201

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**Funded Project**

# Water-Friendly Financing in Agriculture Supply Chains

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Project No.	2030
Timeline	2020 – Active
Award Amount	\$100,000
Team Leader	University of Michigan

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This design award is an early-stage investment to create a new system of incentives for farmers to produce crops using water-friendly practices. The project team will develop a privately financed approach to create demand among businesses for water-friendly grains produced in the Great Lakes basin. They will engage financial and agricultural stakeholders to explore how the offering of performance-based, low-interest loans to supply chain businesses can influence farming practices. The project team estimates that this strategy will have substantial benefits to the Great Lakes and over time could reduce nutrient runoff by ten to fifteen percent.

During this project, the team will analyze the use of capital across the agricultural supply chain, assess how investments within the supply chain can be aligned with sustainability outcomes, explore approaches to verifying and validating supply chain sustainability performance, and recruit a team of advisors to inform the design work. A primary outcome from the design phase will be the development of an implementation proposal to the Fund to build on the findings of this design work.