

17 October 2017

Modern Agroclimatic Research and investment planning (high performance-high resolution adaptation)

Dr. Henry David (Hank) Venema, PEng



THE UNIVERSITY OF
WINNIPEG



Key Ideas

- Start-up Mode: need your wisdom and support
- Science -> Sustainability
- Climate risk and opportunity management
- Water
- Soil
- Biomass (Food++)
- Data -> High Performance Computation

Global Motivation – the \$64 trillion dollar question

4 PER 1000 INITIATIVE

Soils for food security and climate



Building on solid, scientific documentation and concrete actions on the ground, the "4 per 1000 Initiative: soils for food security and climate" aims to show that food security and combating climate change are mutually complementary and to ensure that agriculture is a source of solutions. This initiative consists of a voluntary action plan under the Global Climate Action Agenda (GCAA), backed by an ambitious research program.



CHATHAM HOUSE

The Royal Institute of International Affairs

World will need 'carbon sucking' technology by 2030s, scientists warn

New methods to capture and store emissions, such as planting more forests and pumping carbon underground, are currently costly and need testing



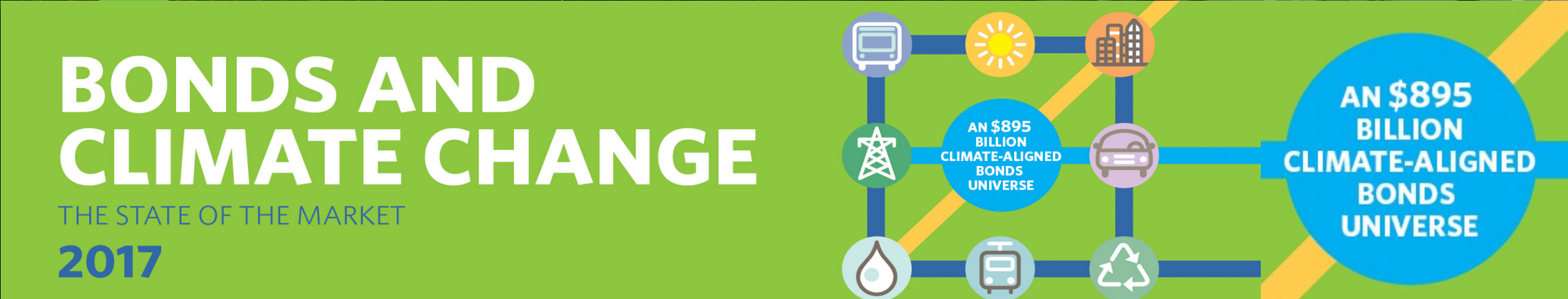
TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



BONDS AND CLIMATE CHANGE

THE STATE OF THE MARKET 2017



AN \$895 BILLION CLIMATE-ALIGNED BONDS UNIVERSE

AN \$895 BILLION CLIMATE-ALIGNED BONDS UNIVERSE

2011 As a foreshadowing



56%

**Feel the government
should spend more
on infrastructure**

even if it means increasing the province's debt

Compared to

29%

who do not

Results based on weighted Vote Compass data



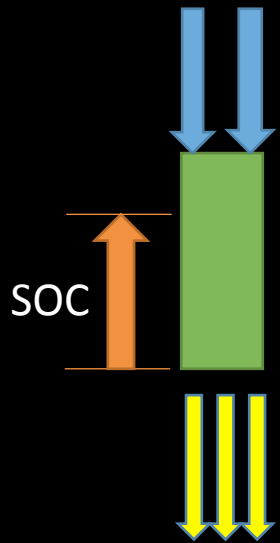
Climate and Agriculture: Three Views

Field

Landscape

Watershed

Precip
Temp
Management
(cultivar, N,P, tillage)

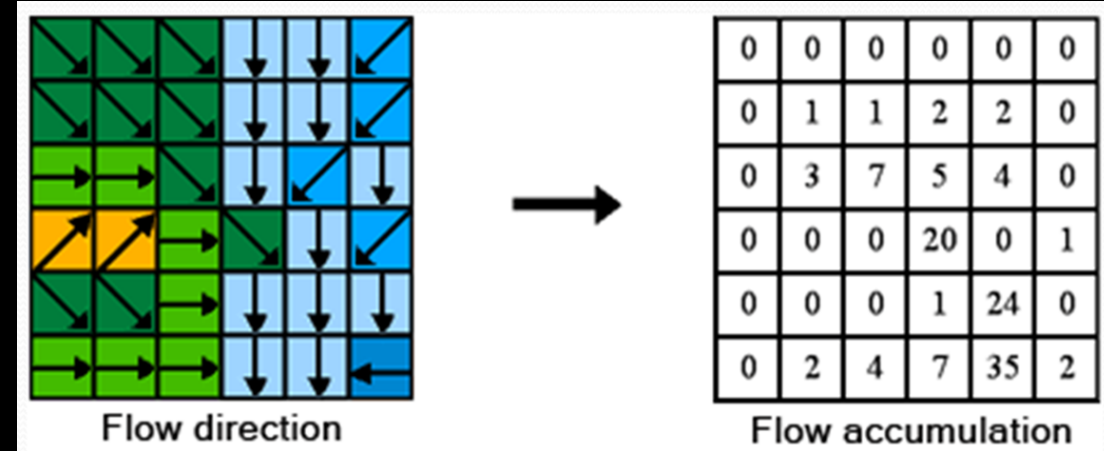
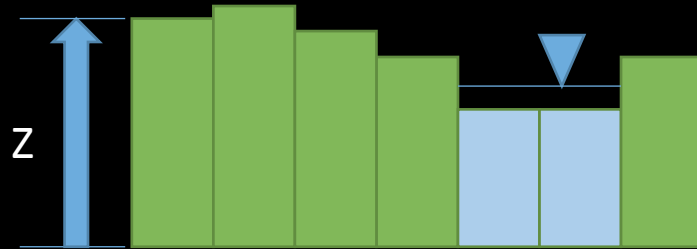


Biomass, \$, Q

Max (\$)

Max (SOC)

Min Var(Q)



\$\$

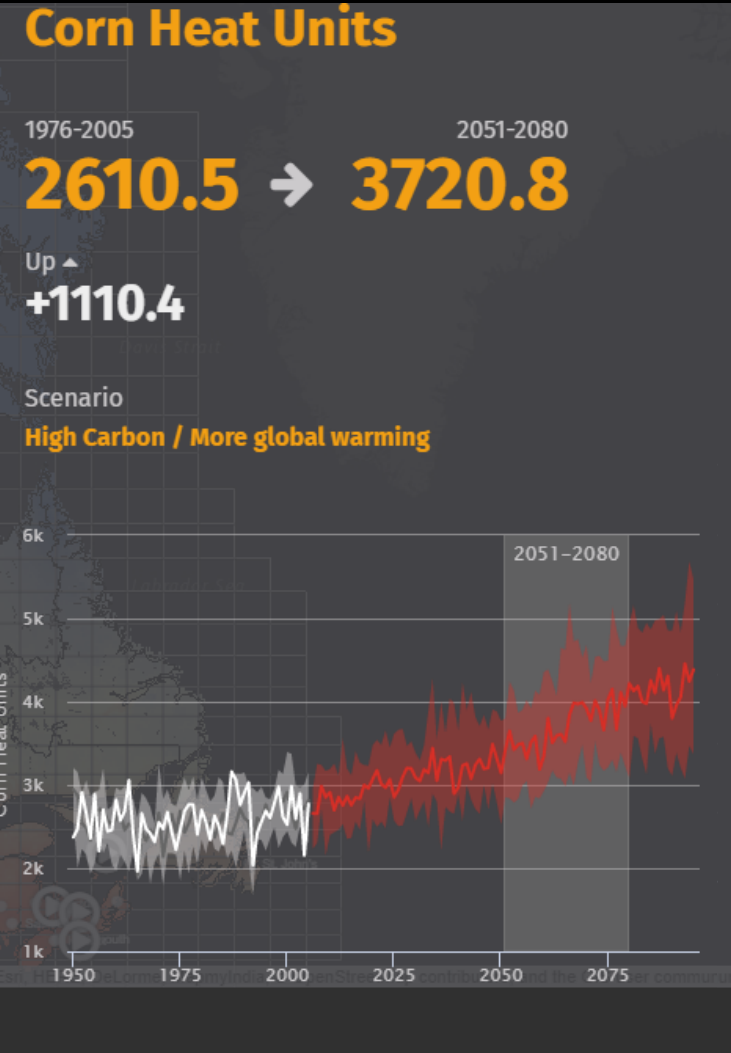
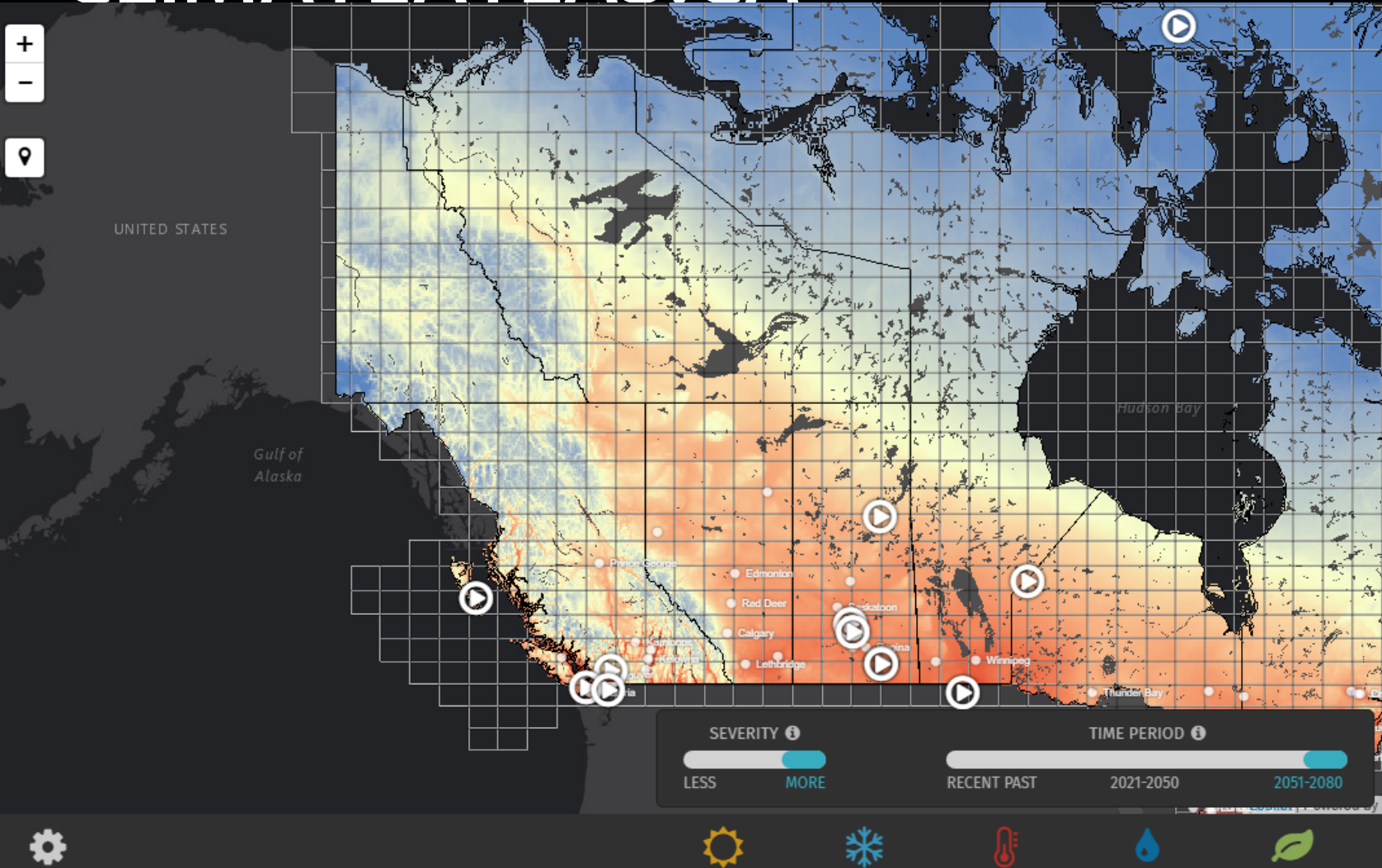
Key Domains

- (traditional) Agro-climatic Risk Assessment
- (modern) Stochastic Crop, Biomass and Sink Analytics
- (modern) Natural Infrastructure System Design and System Resilience
- (modern) Finance and Investment

Agro-climatic Risk Assessment

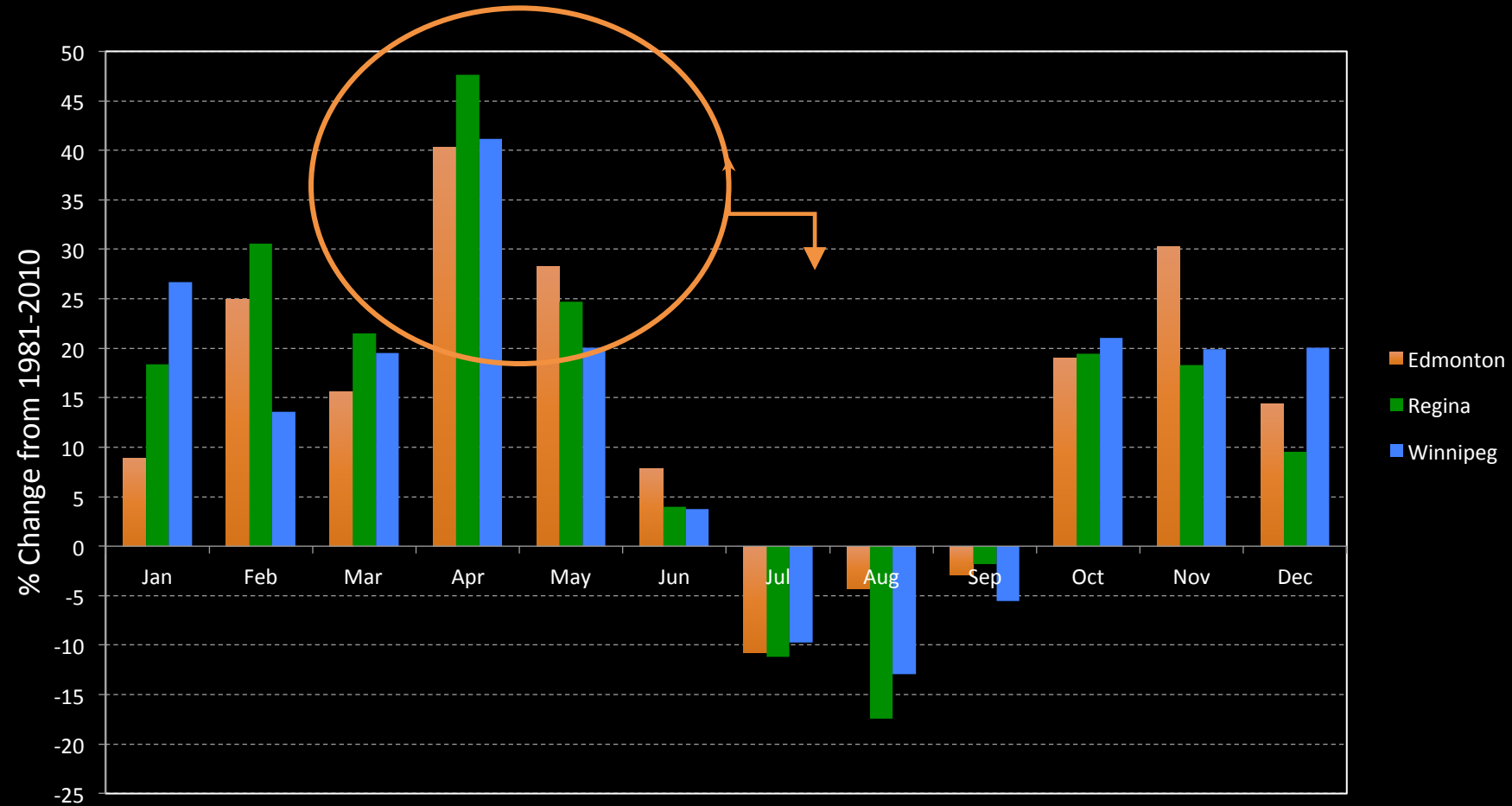


Agro-climatic Risk Assessment: CLIMATEATLAS.CA



Agro-climatic Risk Assessment: Synthesis

2051-2080 Δ PPT: RCP8.5



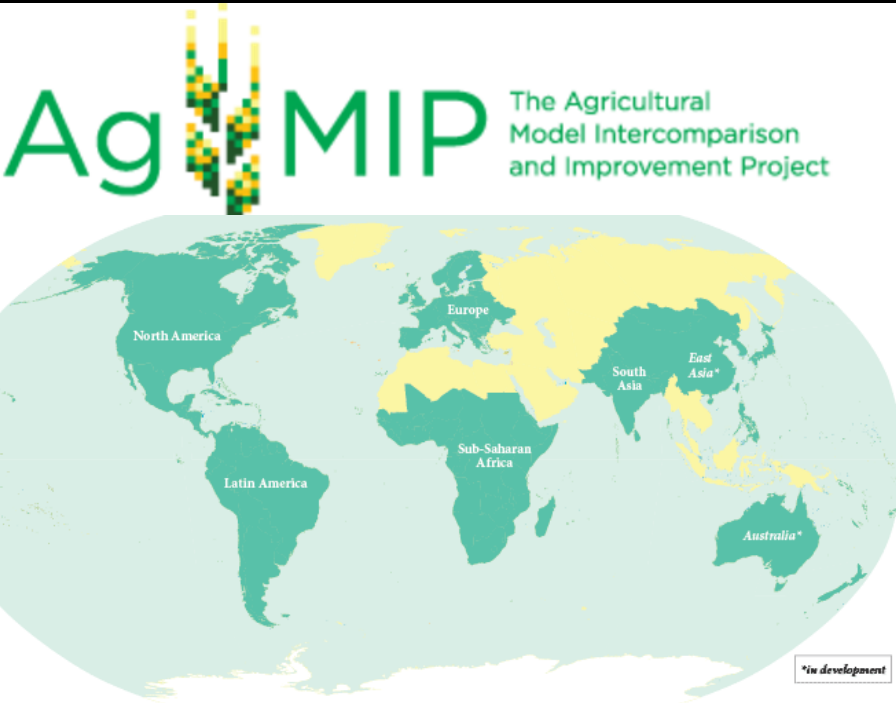
Spatial Stochastic Crop, Biomass and Sink Analytics



Crop Analytics



AgMIPS "the IPCC for food" Prairie Climate Centre



Ensemble Climate Projections from GCMs emissions scenarios

Ensemble Crop Model Results; DSSAT, APSIM etc

Emissions Scenarios

Agricultural System Structure

Yield Estimates

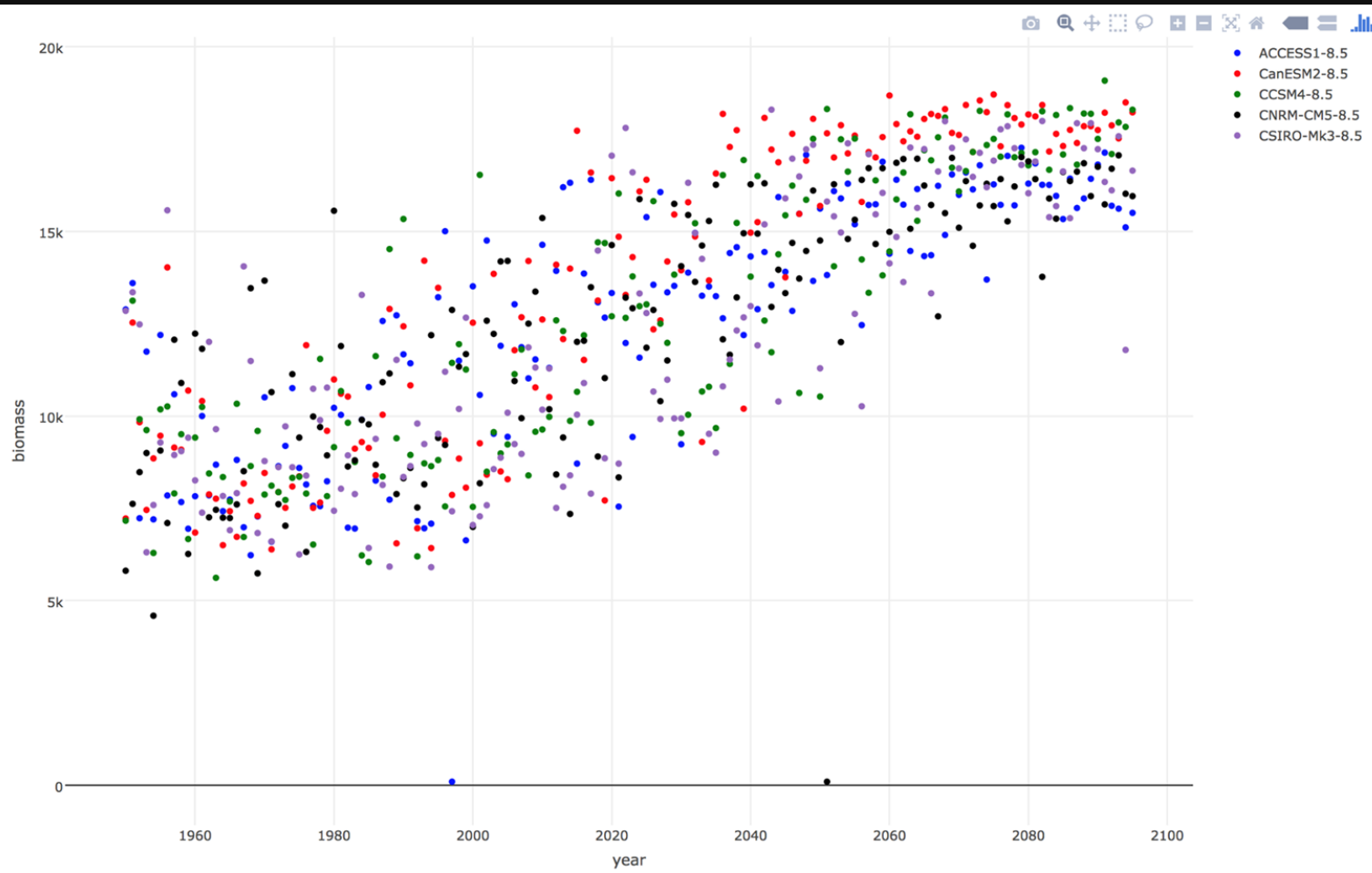
Economic, Environmental Social Impacts



Atlas – Intermediate Products Prairie Climate Centre

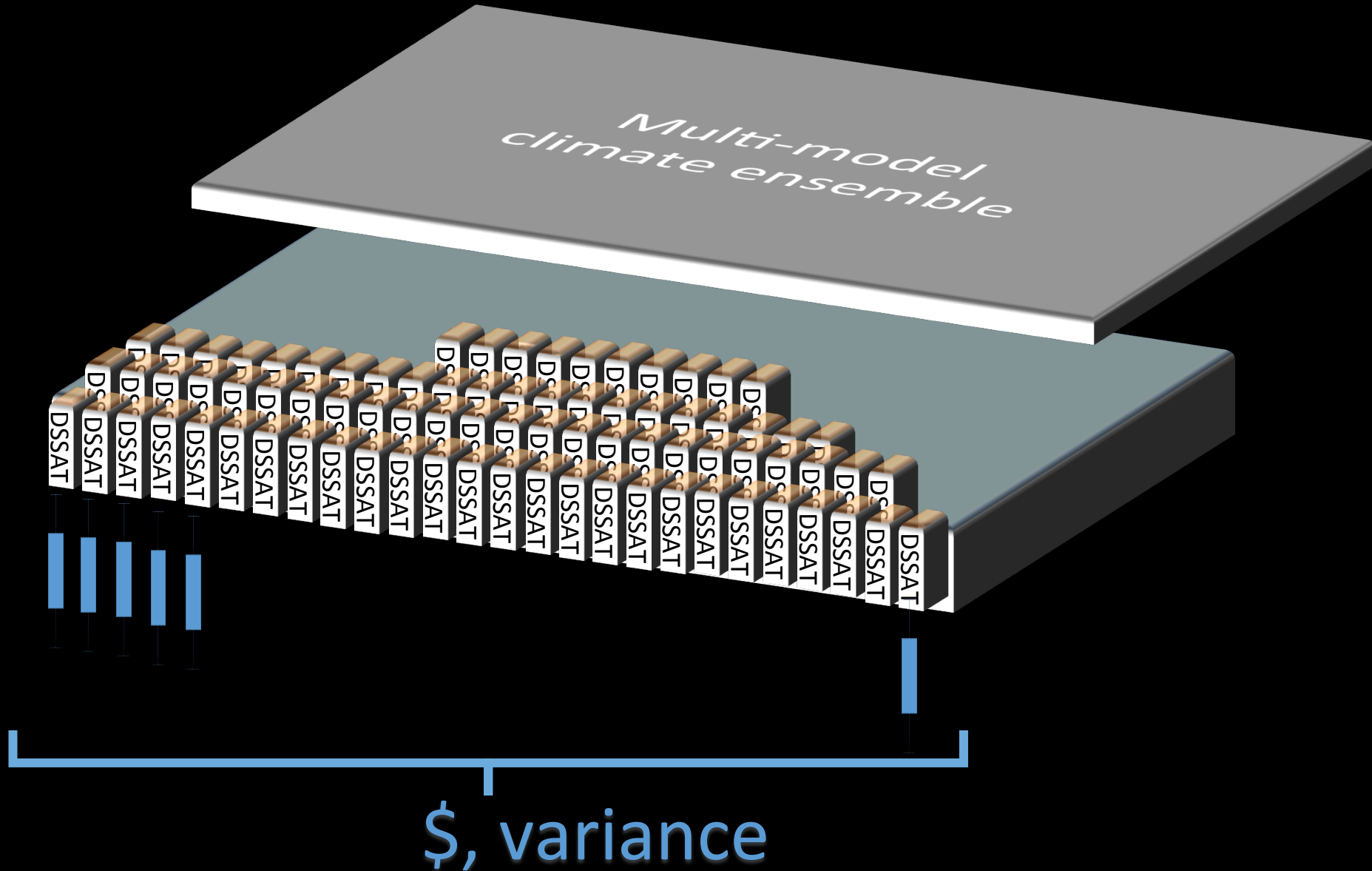
Location-Based crop modelling:

Example: Corn DSSAT cultivar P3573: Location Virden, MB RCP8.5



Atlas – Advanced Products

spatial stochastic crop modeling and cultivar design

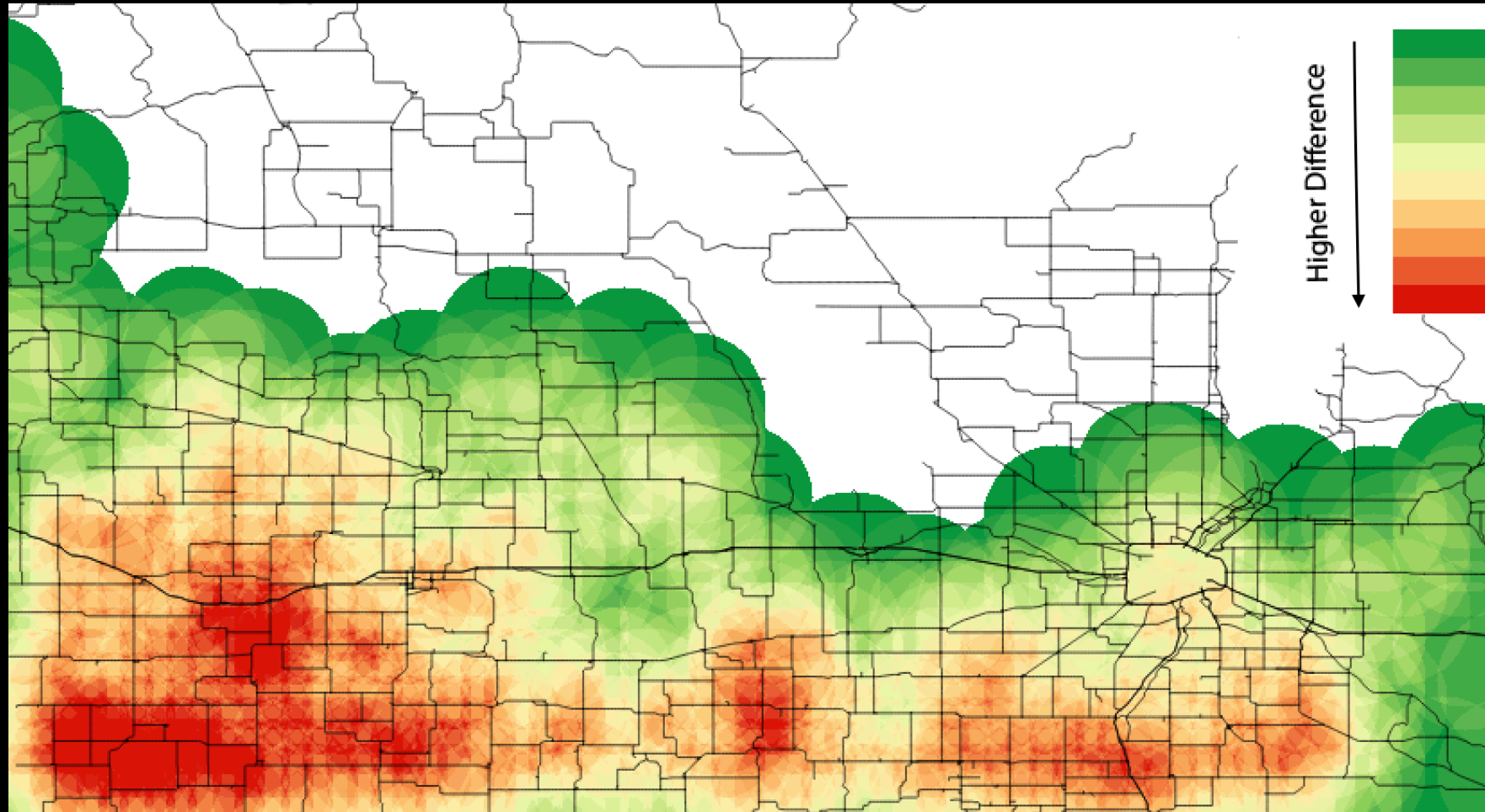


Corn Yield Increase 2065 over present.



Prairie
Climate Centre

DSSAT cultivar P3573 – S. Manitoba RCP 8.5



Biomass Analytics



REVIEW

BIOENERGY

Cellulosic biofuel contributions to a sustainable energy future: Choices and outcomes

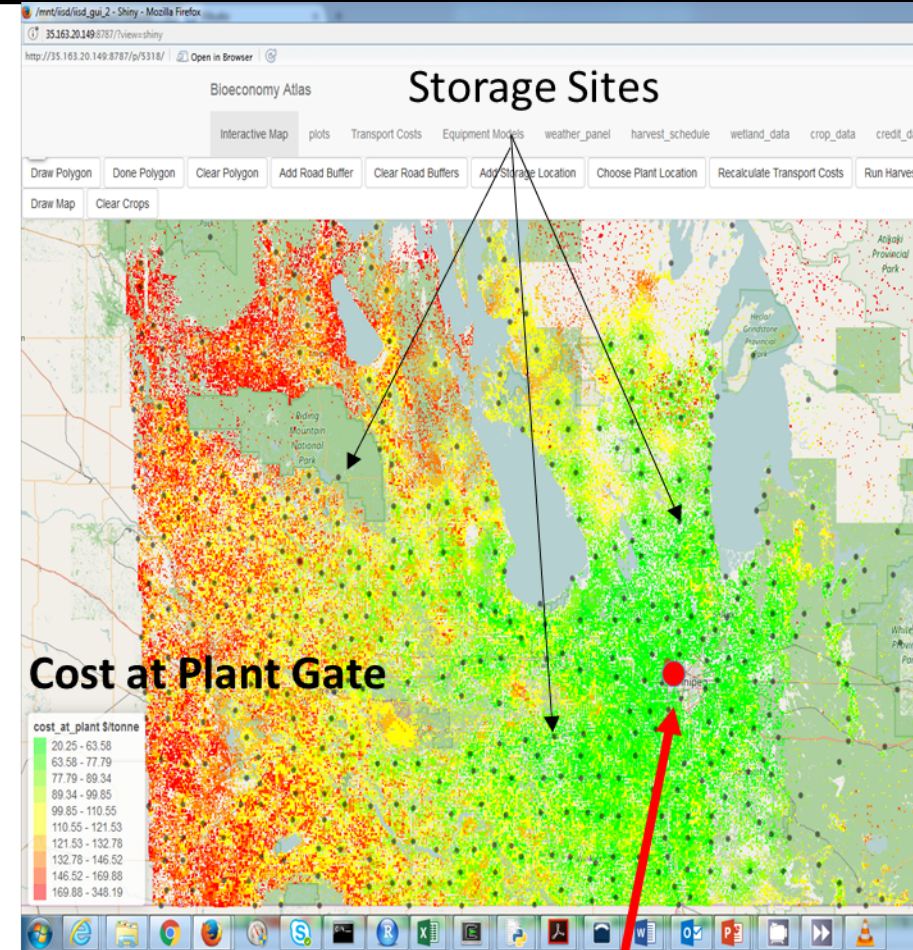
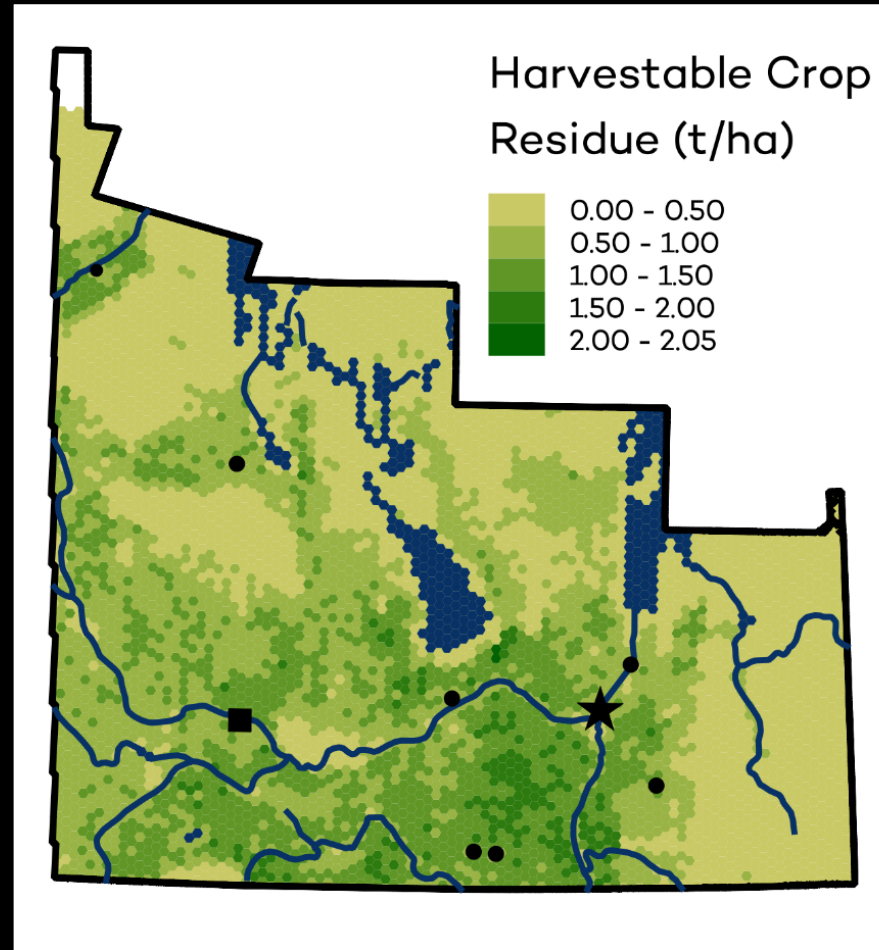
G. Philip Robertson,^{1,2,3*} Stephen K. Hamilton,^{1,3,4} Bradford L. Barham,^{5,6}
Bruce E. Dale,^{3,7} R. Cesar Izaurralde,^{3,8,9} Randall D. Jackson,^{6,10} Douglas A. Landis,^{3,11}
Scott M. Swinton,^{3,12} Kurt D. Thelen,^{2,3} James M. Tiedje^{2,3,13}

Cellulosic crops are projected to provide a large fraction of transportation energy needs by mid-century. However, the anticipated land requirements are substantial, which creates a potential for environmental harm if trade-offs are not sufficiently well understood to create appropriately prescriptive policy. Recent empirical findings show that cellulosic bioenergy concerns related to climate mitigation, biodiversity, reactive nitrogen loss, and crop water use can be addressed with appropriate crop, placement, and management choices. In particular, growing native perennial species on marginal lands not currently farmed provides substantial potential for climate mitigation and other benefits.



The Manitoba Bioeconomy Atlas

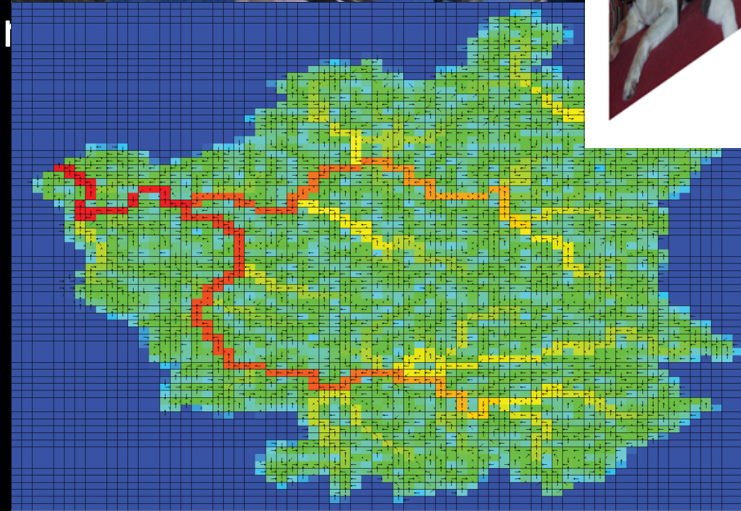
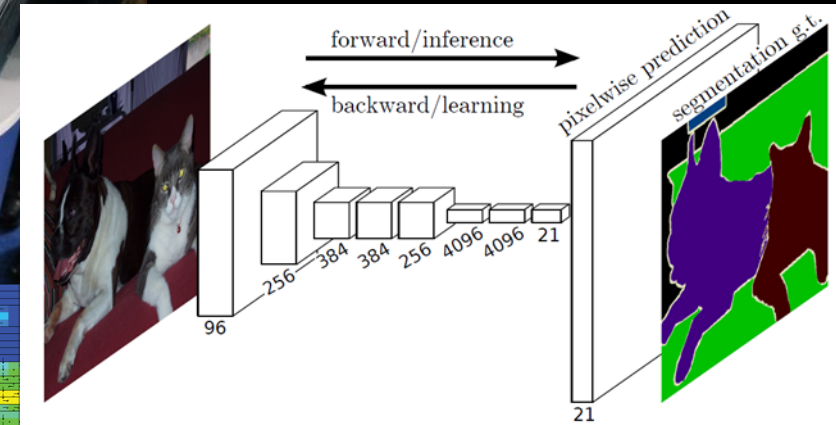
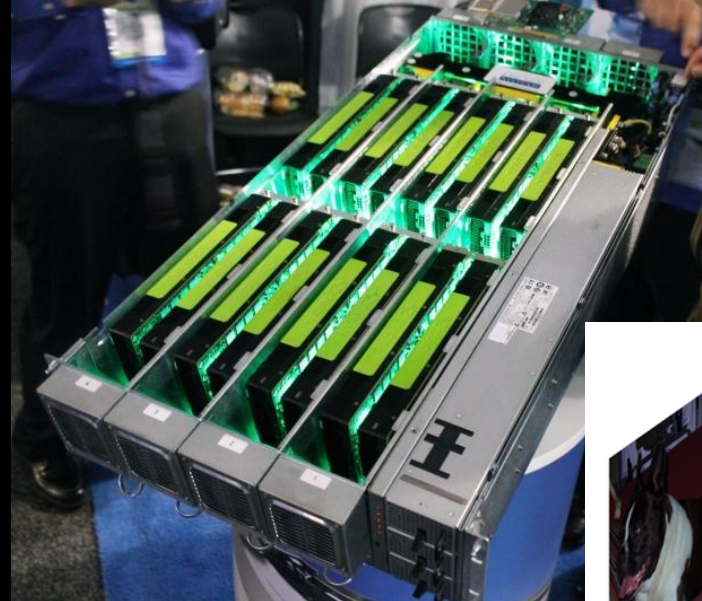
- Map sources of biomass in the province, whether
 - Extensive
 - Intensive
- Simulate harvests costs
 - Cutting
 - Densifying
 - Storage
- Simulate transport costs
 - Field to storage
 - Storage to plant
- Optimize production logistics
- Simulate economic scenarios
 - Carbon credits
 - Changing fuel costs



Plant Location

GPU Acceleration/Machine Learning

- GPU enables scaling to provincial scope
- So far
 - Harvest simulation accelerated
 - From 3 hours to 10 seconds
 - Using Python/Numba
- Future Work
 - Implement DSSAT crop growth models on GPU
 - Use GPU for running stochastic weather models, driven by climate models
 - Hydrology models on GPU

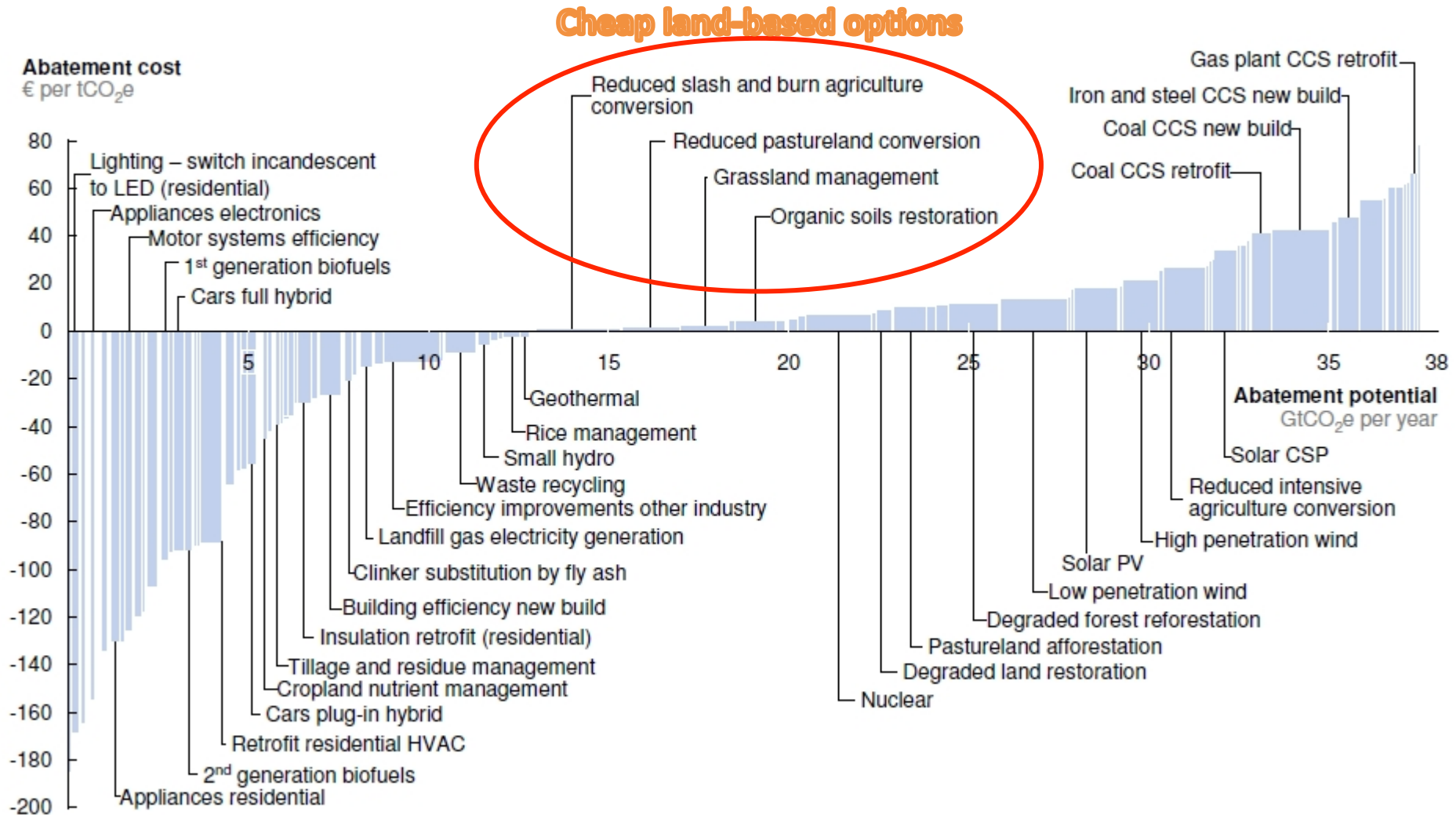


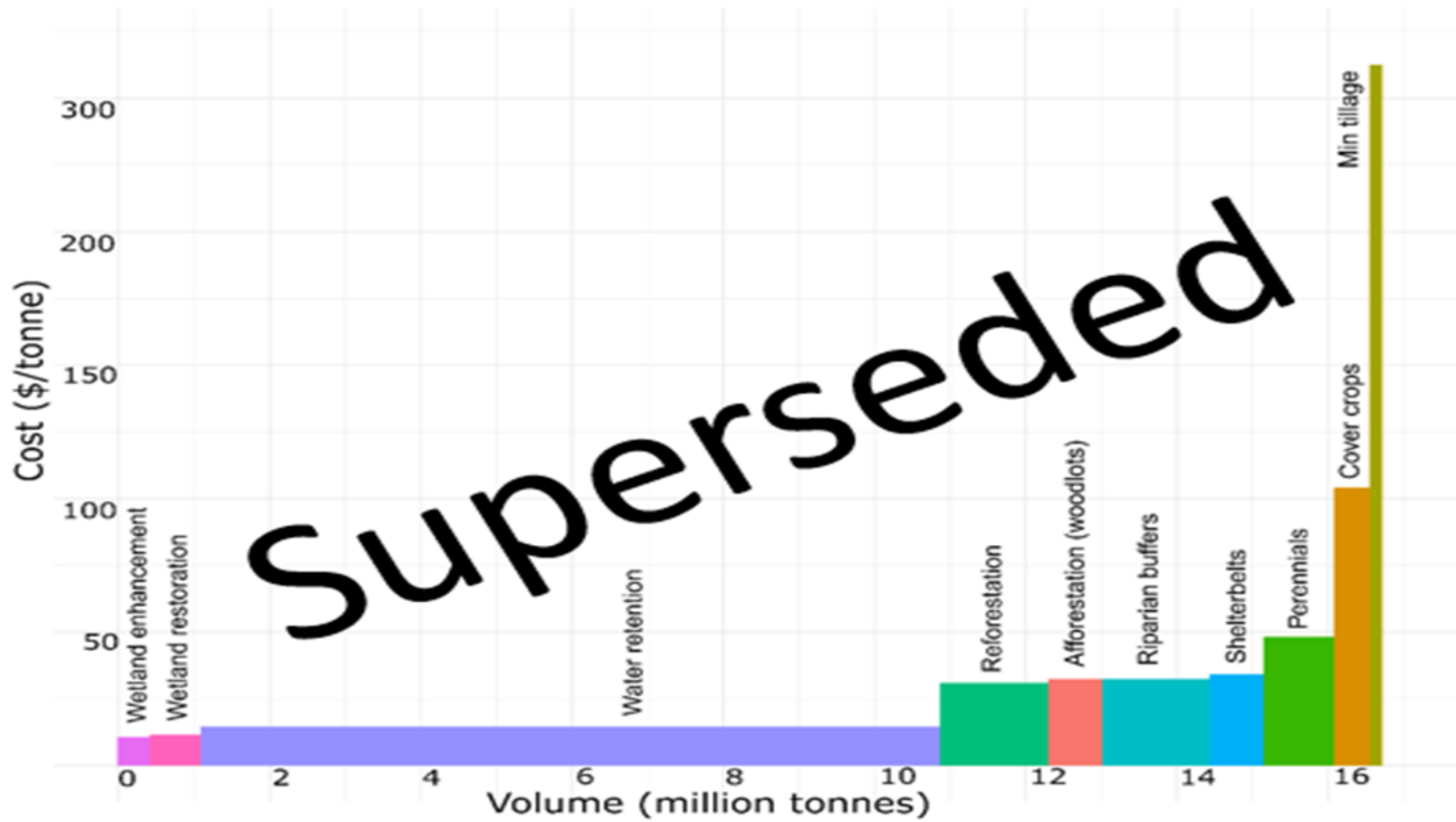
Sink Analytics



McKinsey (2008) study – ghg abatement cost curve

V2.1 Global GHG abatement cost curve beyond BAU – 2030

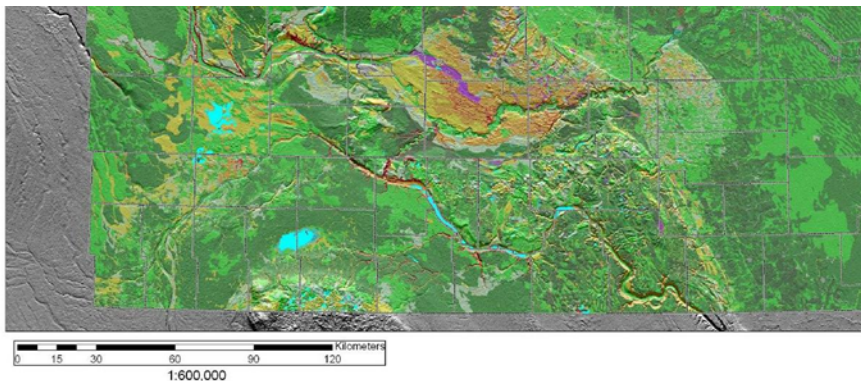




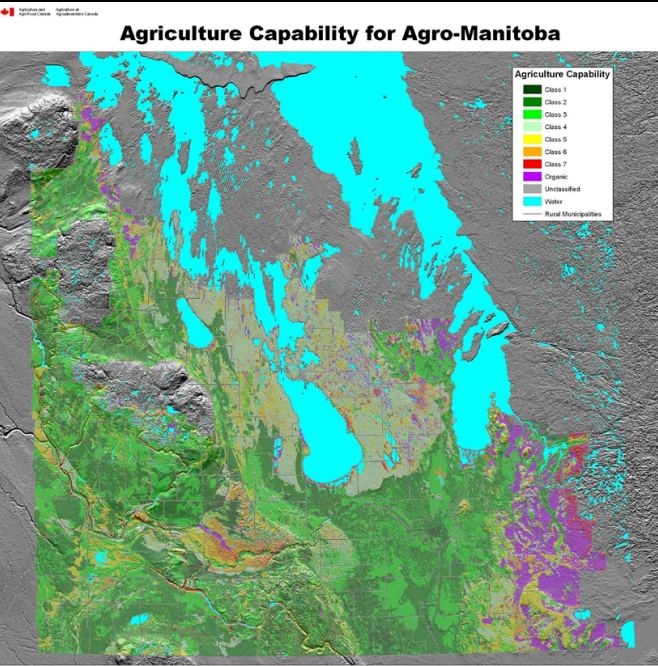
Carbon in Manitoba – Phase 1 Scoping

Carbon Practice	Carbon Cost (\$ per tonne CO ₂ e)	Total Annual Reduction Potential (CO ₂ e)	Annual Cost Of Implementation (\$ per hectare)	Total Annual Cost (millions \$)
Wetland enhancement	\$10.72	429.3 kt	\$15.31	\$1.3
Wetland restoration	\$11.47	668.4 kt	\$51.02	\$4.4
Water retention	\$14.69	9,789.0 kt	\$800.32	\$137.6
Reforestation	\$32.48	1,425.0 kt	\$204.08	\$35.1
Afforestation (Woodlots)	\$34.11	713.0 kt	\$204.08	\$17.5
Riparian buffers	\$15.52	930.0 kt	\$33.61	\$14.4

Cover crops	429,000	5%	1.1	\$3.11	473.0 kt	\$3.42	\$1.5
Minimum tillage	214,673	2.5%	0.4	\$0.37	83 kt		
Zero tillage	214,673	2.5%	1.6	\$0.26	350 kt		
Afforestation (Woodlots)	86,000	1%	8.3	\$32.48	713.0 kt	\$204.08	\$17.5
Reforestation	172,000	2%	8.3	\$30.99	1,425.0 kt	\$204.08	\$35.1
Totals	2,147,346.00	25%			16,998.7 kt		



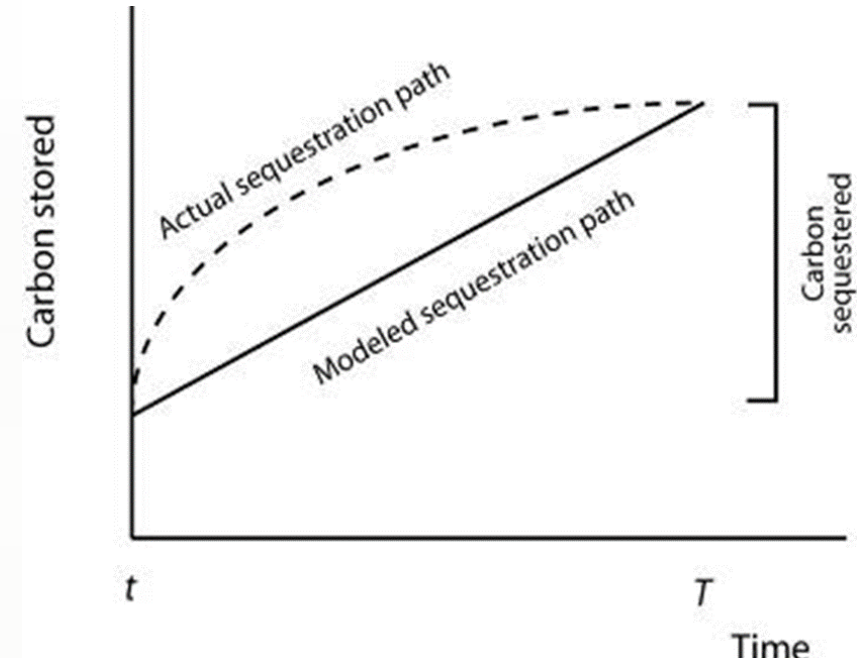
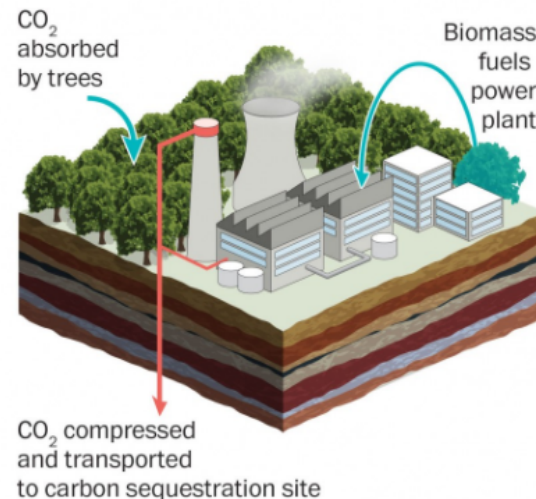
Modern Geospatial Decision Support for biomass, sinks, and negative emissions technology



Bioenergy combined with carbon capture and storage (BECCS)

Trees or other forms of biomass are burned in power plants and replanted. Power plants capture, compress and send carbon dioxide to sequestration sites, where it is buried or used for enhanced oil recovery.

- ⊕ Both technologies already exist
- ⊖ Carbon sequestration technology has not been widely adopted yet.
- ⊖ Requires a very large amount of land to have a significant effect on CO₂ levels.



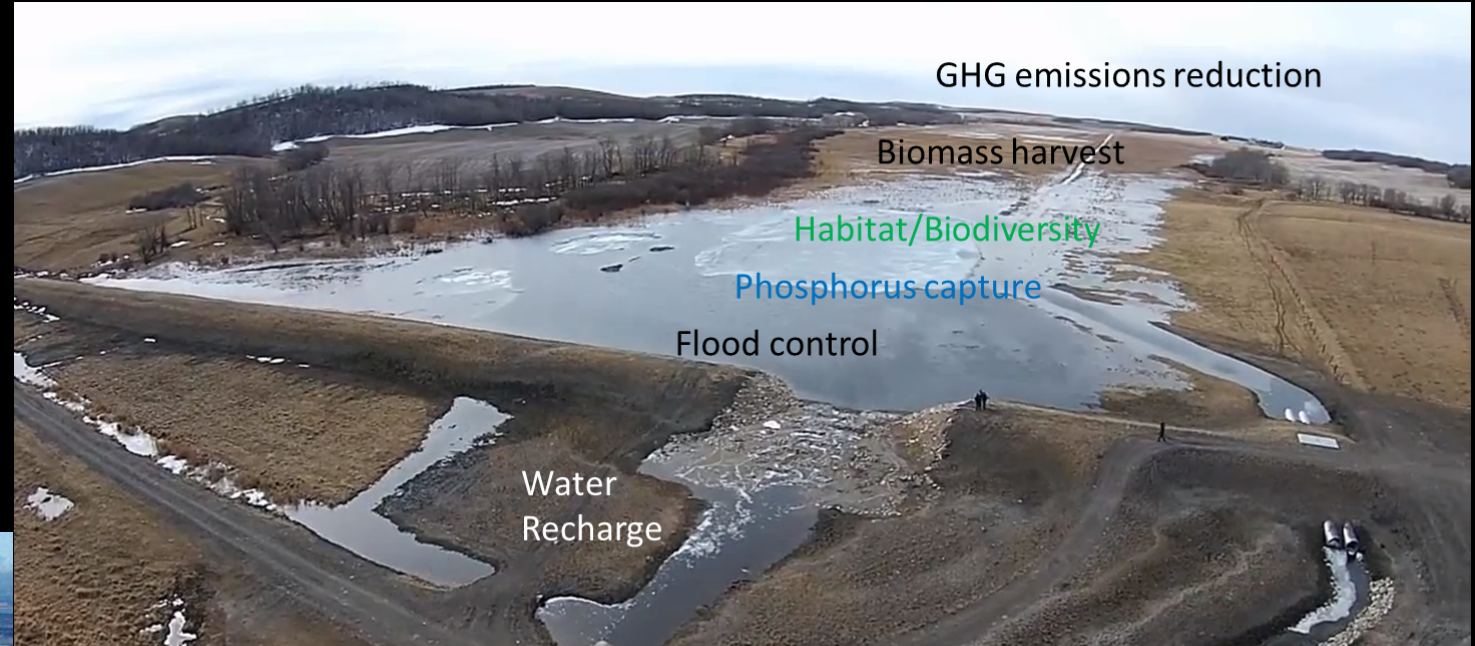
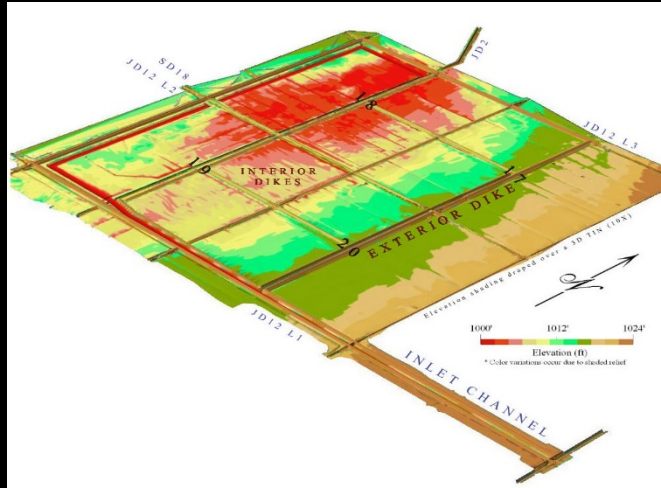
Natural Infrastructure System Design and System Resilience

“With astute science, engineering, planning, and investment, we could develop of network of upstream water control structures—large and small, natural and constructed—together with properly designed channels, reservoirs, wetlands, and wooded areas to manage waterflows in a smarter, more effective way, countering the debilitating cycles of uncontrolled floods and droughts,” said Goodale.

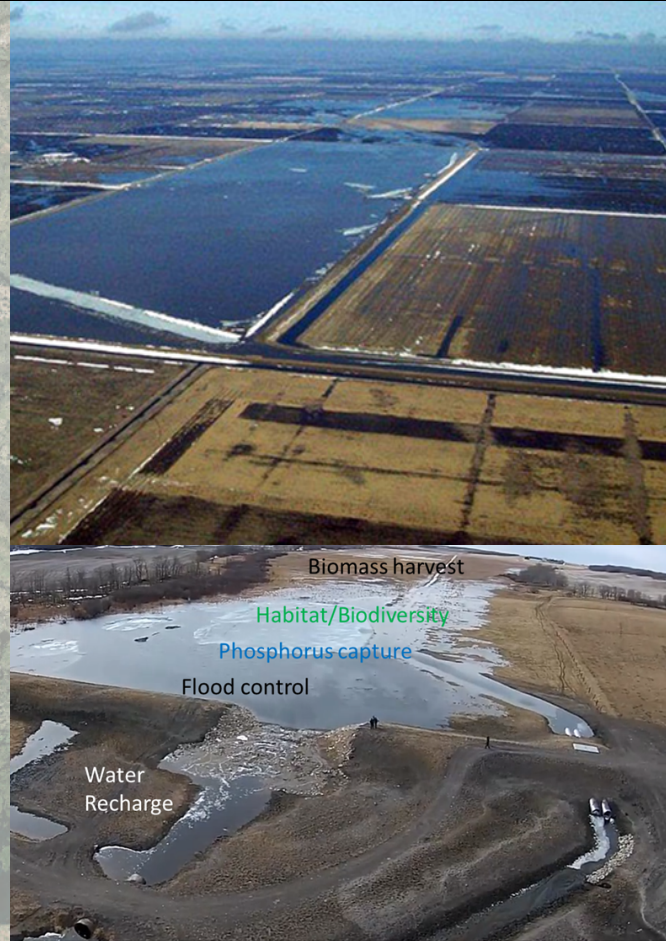
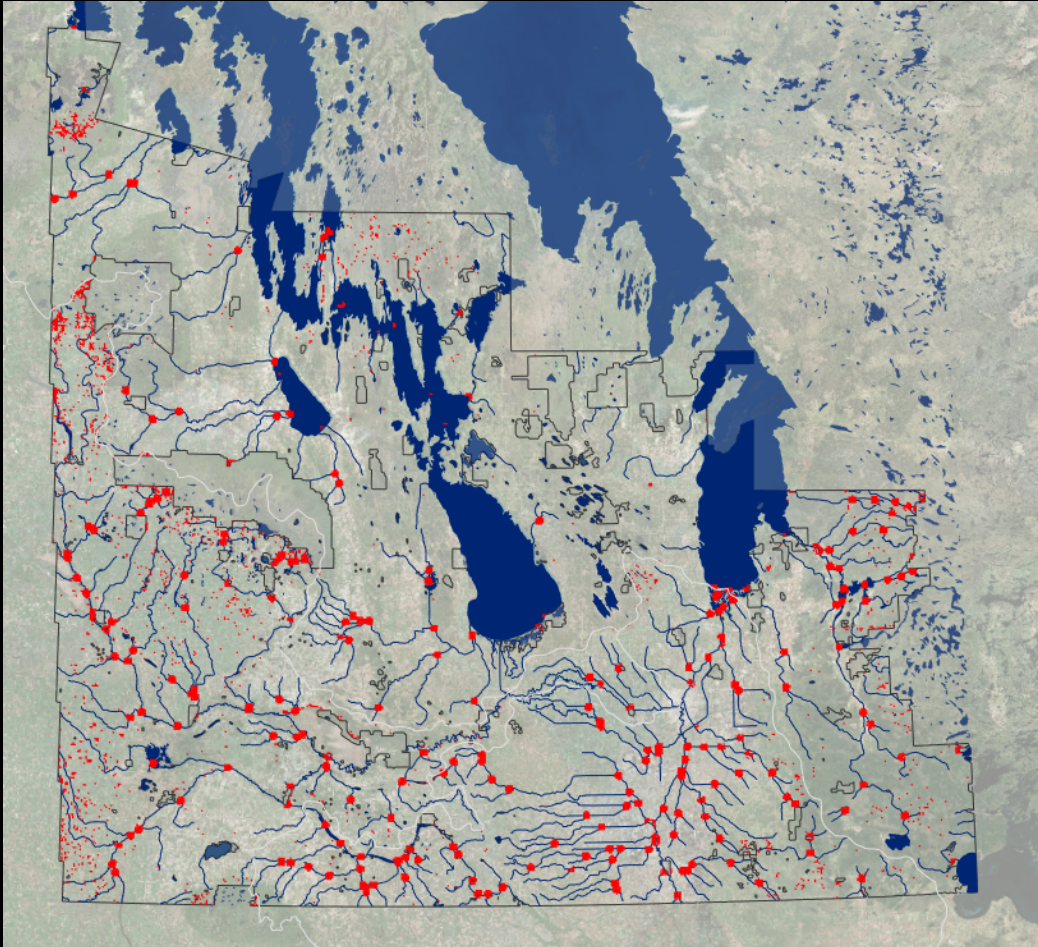
[Minister Goodale’s full statement is here.](#)

Solutions: Re-mosaicking with multifunctional storage (MFS)

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Climate Centre



At scale for flooding and water quality



Key parameters:

- *Retention area*
= 4750 km²
= 1840 sections
= 3.4% of ag land base
- *Storage Volume @ 1m depth*
= 4.75 Gm³
= 3.85 M ac-ft
= 80.6% of 2011 flood
- *Biomass / Phosphorus @ 8t/ha*
= 3.8 Mt biomass
= 3.8 kt phosphorus
(100% of Lk Winnipeg policy target)

Cost

@ \$1000/acre-foot + \$400/acre
+ 50% contingency

= **\$6.3 Billion**

Co-Benefit Stack

Irrigation @ 10% of storage @
\$500 acre-ft

= **\$192 Million/year**

Biomass Production @ \$30/t

= **\$114 M/year**

GHG emissions reduction

Fuel Switch @ \$30/t CO₂e

= **\$114 M/year**

Sequestration @ \$30/t CO₂e

@ 10t/ha

= **\$142 M/year**

Water Quality @ \$50/kg P

= **\$190 Million/year**

Flood Risk Reduction [omitted]

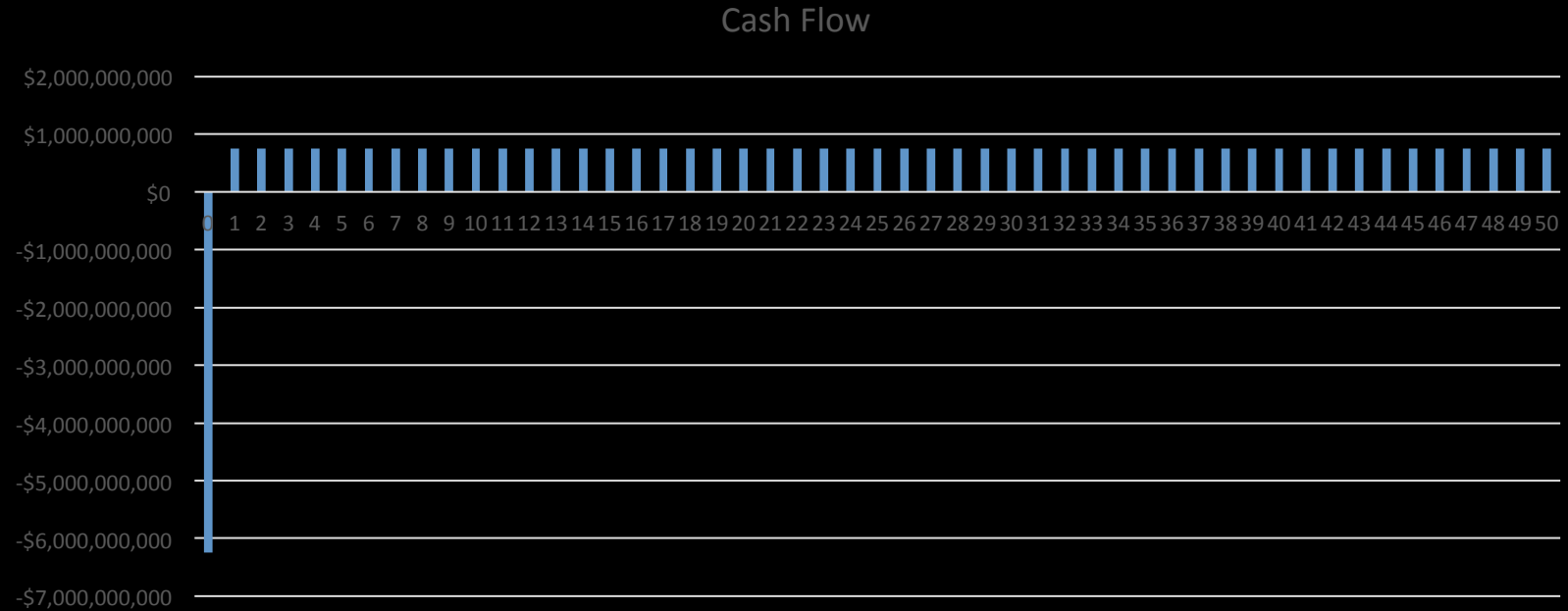
Drought Resiliency [omitted]

Habitat [omitted]

Co-Benefit Stack Total =

\$753 M/year

Blunt Force Investment Analysis – 50 years



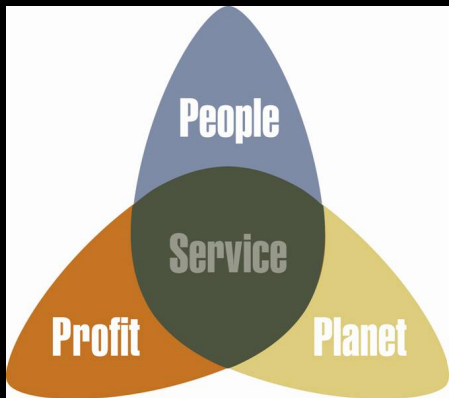
IRR = 12.2%

NPV @ 3% = \$12.75B

net Benefit-Cost Ratio = 2.04

The Manitoba Ecosystem Bank Prairie Climate Centre

...will be a public-private partnership that develops MFS and sells the following services:



<u>who</u>	<u>what</u>	<u>why</u>
municipality	water supply infrastructure protection water quality credits	potable water demand flood risk reduction aquatic ecosystem protection
energy co	biomass	renewable heat and energy
farmer	water supply biomass	irrigation renewable heat and energy
city	water quality credits water storage	ecosystem protection flood risk reduction
province	habitat water storage water supply co2 credits	terrestrial ecosystem protection flood risk reduction (crop insurance) drought risk reduction (crop insurance) climate mitigation
federal	water storage	disaster risk reduction
foundations	concept	profitable sustainable development
conservation orgs	habitat	biodiversity terrestrial ecosystem protection
research orgs	system design logic system management logic	valuable IP valuable IP
bond markets	infrastructure package	systematic climate risk reduction economic development

Pilot Project and Investment Concept Validation

Prairie
Climate Centre

Journal of Environmental Management 203 (2017) 500–509

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Appl Water Sci
DOI 10.1007/s13201-017-0592-7



Research article

Surface wat

Pamela Berry ^a,

^a School of Environment a
^b International Institute fo

ORIGINAL ARTICLE

An econo
water ret



sustainability

Pamela Berry¹

Article

An Economic Assessme
Multi-Purpose Surface
Systems under Future C

Pamela Berry ^{1,*}, Fuad Yassin ¹, Kenneth E



sustainability



Article

Financing High Performance Climate Adaptation in
Agriculture: Climate Bonds for Multi-Functional
Water Harvesting Infrastructure on the
Canadian Prairies

Anita Lazurko ¹ and Henry David Venema ^{2,*}

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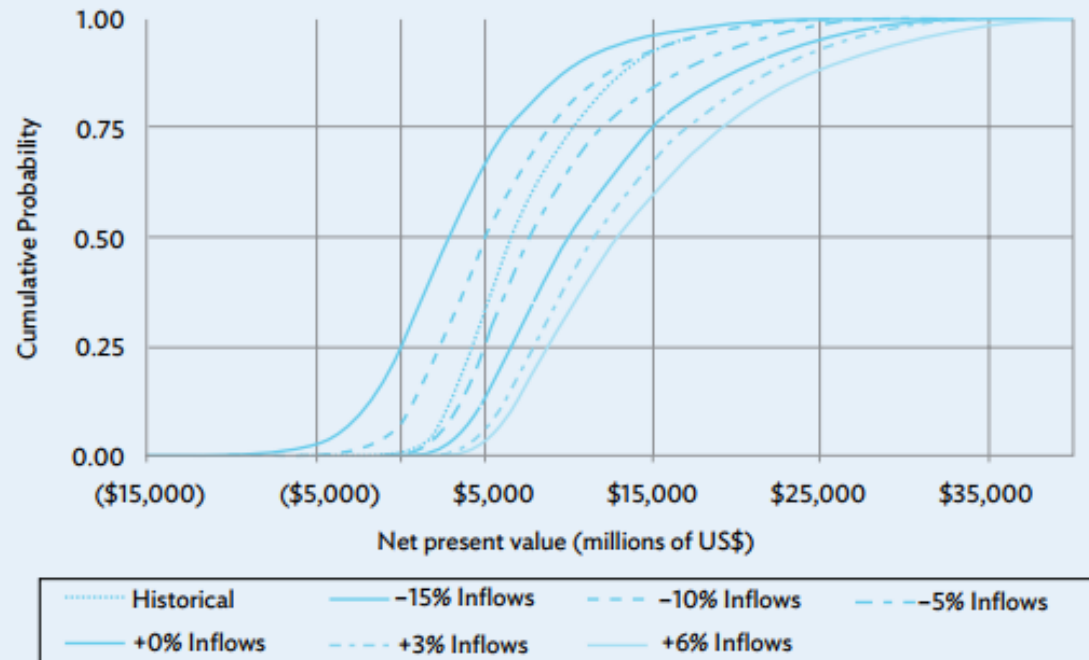
* Correspondence: hvenema@iisd.ca

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Modern Benefit-Cost Analysis

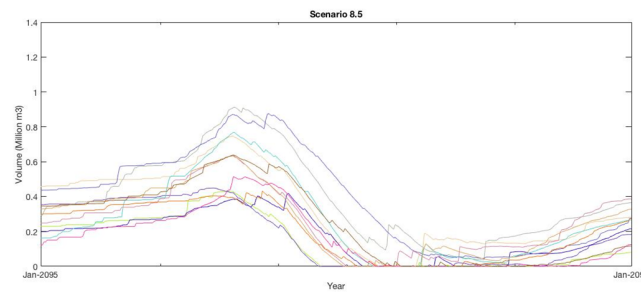
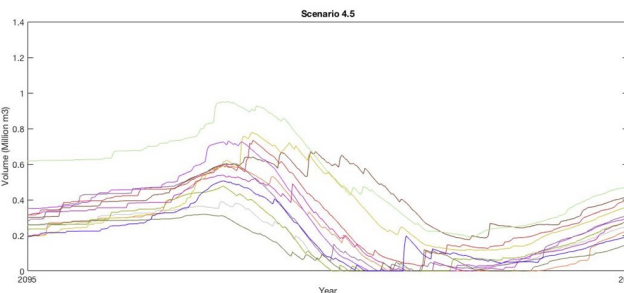
INTACT CENTRE  Prairie
Climate Centre

2017



Key concepts

- *LiDAR for project identification*
- *Explicit use of Climate Change Projection Data to develop synthetic hydrology*
- *Explicit valuation of ecosystem service co-benefits*
- *Probabilistic interpretation of investment performance using ensemble climate data*



Finance and Investment



Design + Finance

LEVERAGING
As
Infra

re•fo•cus

rē'fōkəs/


1. Draw (attention or resources) to something new or different
2. Focus on resilience

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Climate resilient infrastructure

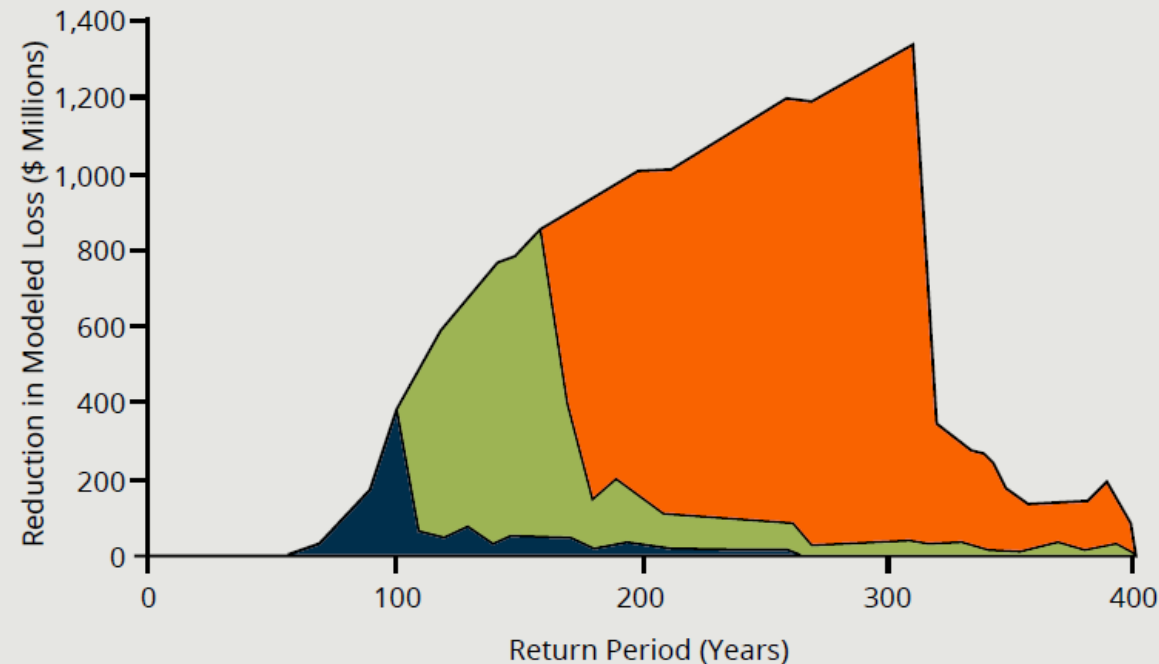
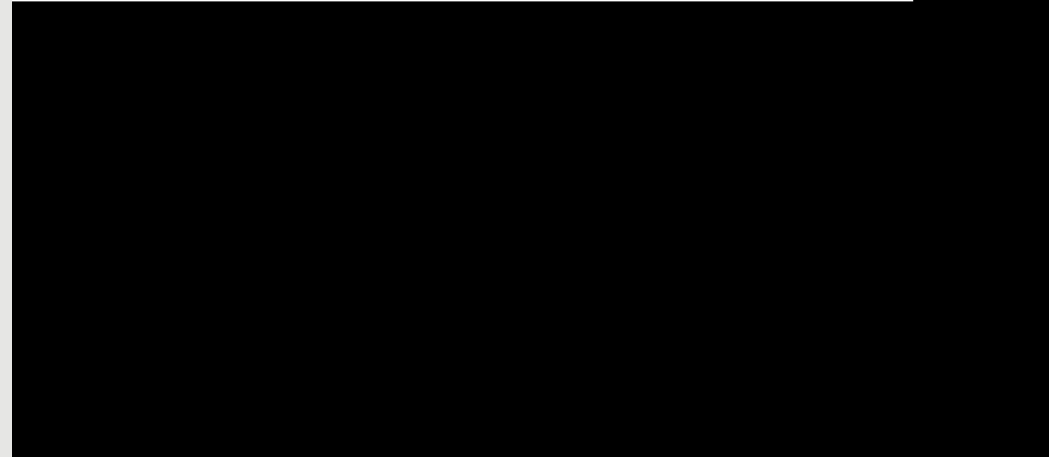
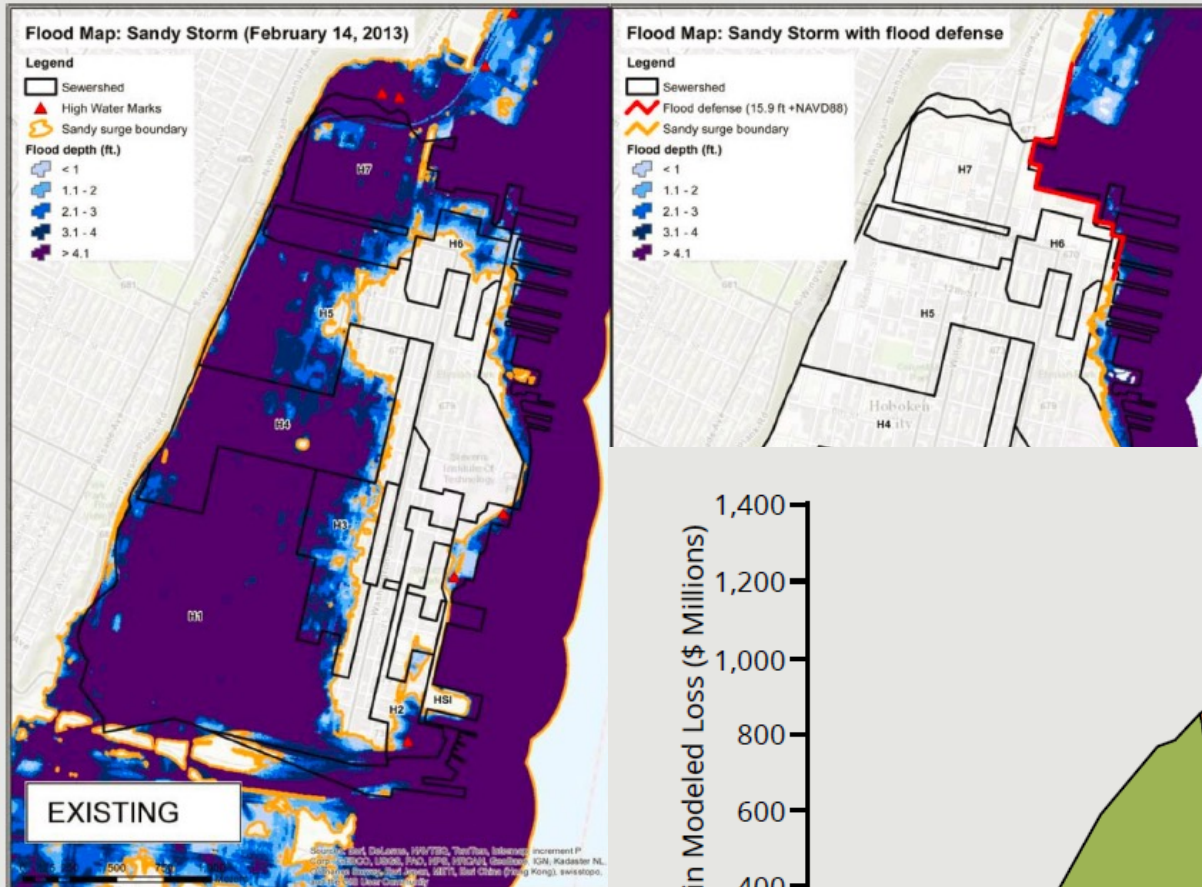
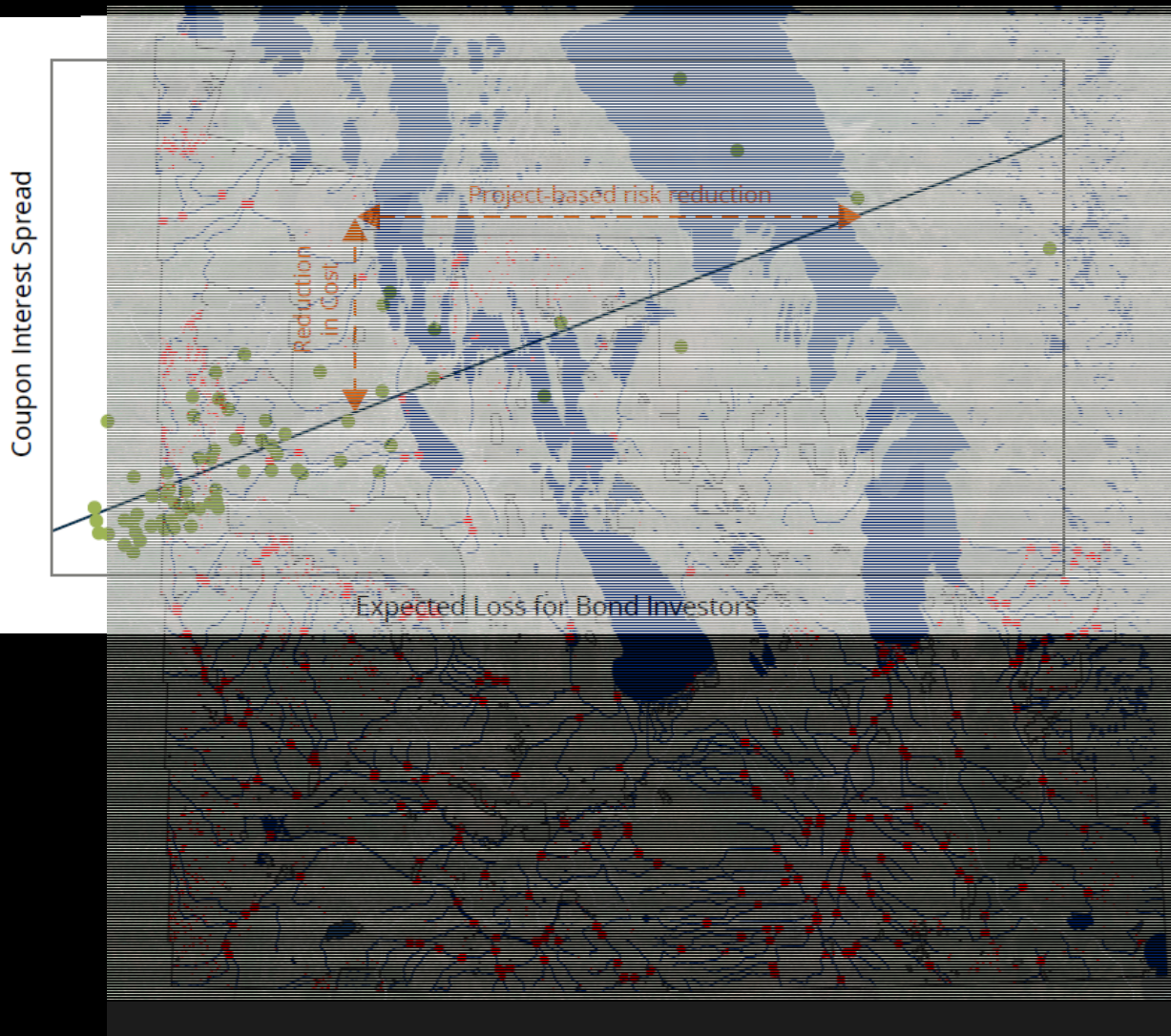


Figure 4. Reduction in modeled losses for alternate levels of protection (RMS, 2015).

Figure 2. Hoboken flood map with and without

Catastrophe Bond to Resilience Bond



CAT BOND MODEL

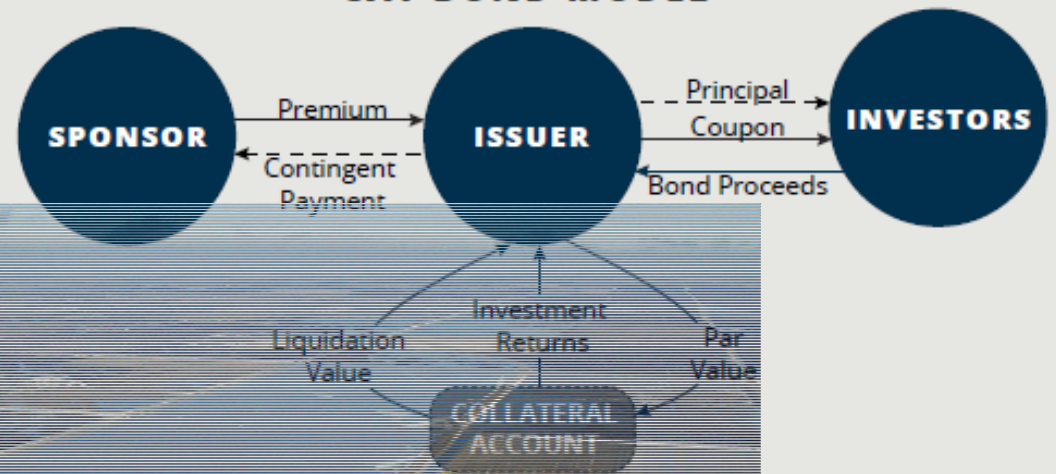
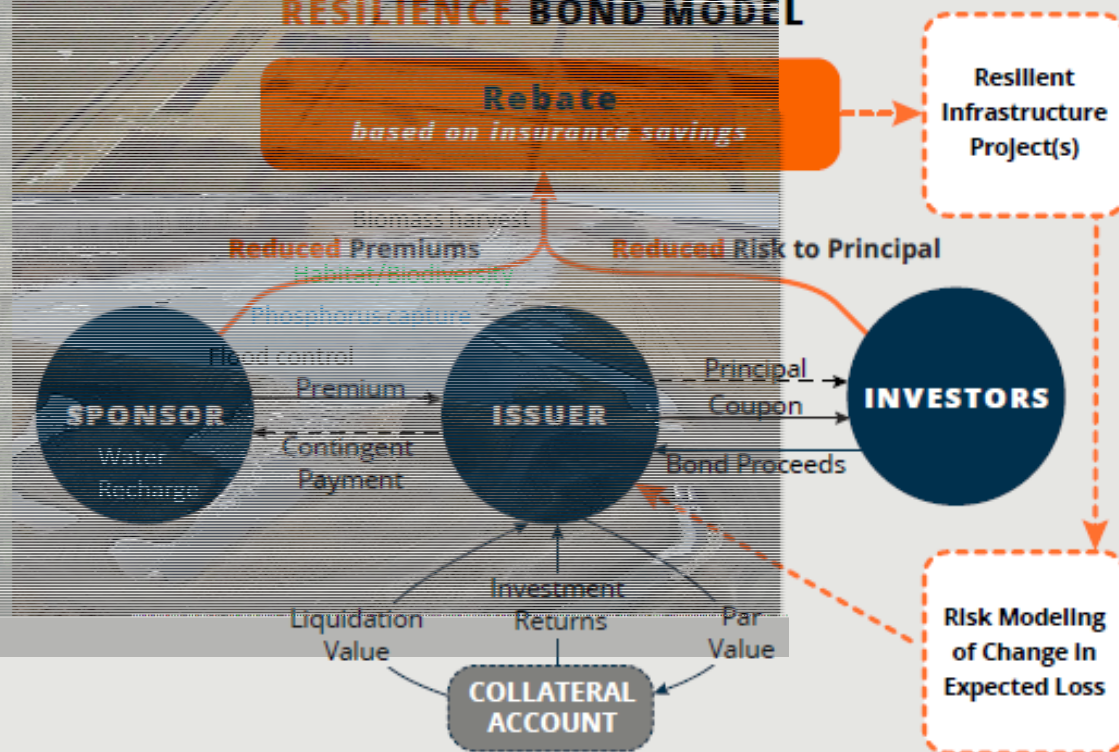


Figure 14. Generalized catastrophe bond structure.

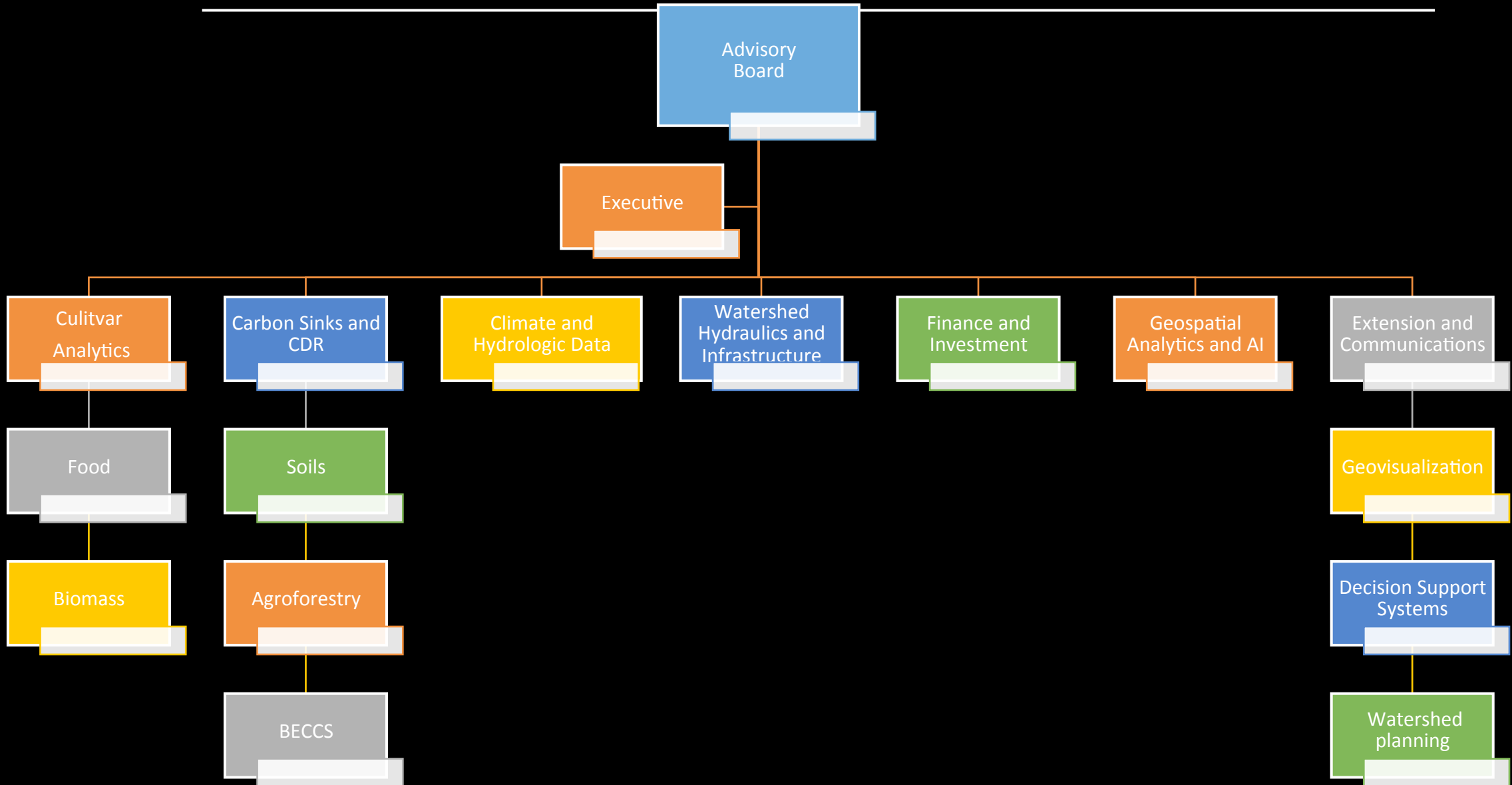
RESILIENCE BOND MODEL



**Modern
Agroclimate
Research Centre
(under
construction)**



Basic functions – beta version



Thank you!

[www.climateatlas.](http://www.climateatlas.ca)

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