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FEATURED

## Stock exchange touts new type of company to control land

By DON JENKINS Capital Press

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A combine harvests perennial ryegrass. The New York Stock Exchange proposes a new kind of company that would lease public and private land for 'ecological services.' Farming would be prohibited.

Capital Press File

The New York Stock Exchange is seeking permission to list a new type of company that leases public and private lands for "ecological services" while prohibiting mining, logging, drilling and farming.

The NYSE and Intrinsic Exchange Group, a private firm that developed the idea of "natural asset companies," has submitted [the proposal](#) to the Securities and Exchange Commission,

which regulates financial markets.

The companies would attract investors eager to “express a sustainability thesis,” according to the NYSE proposal, which identifies species extinction, water pollution and the affects of farming as “threats to life on earth.”

“Agriculture is contributing to the loss of habitat and soil degradation,” the proposal reads.

The SEC says it expects to decide by Jan. 2 whether to allow natural asset companies to be listed on the stock exchange. The proposal has drawn support from financial institutions and environmental groups.

“Ending the overconsumption of and underinvestment in nature requires bringing natural resources into the financial mainstream,” according to NYSE’s proposal.

Several Western states are wary. The governors of Idaho, Montana, Nevada and Wyoming told the SEC in a letter recently that the proposal seemed a “back-door approach” to regulating land use.

So far, Utah has taken the lead in drawing attention to the proposal. Utah state Treasurer Marlo Oaks said Nov. 22 natural asset companies would damage rural communities and economies, but probably have no trouble attracting investors.

Foreign countries could tie up U.S. resources, and businesses could claim carbon offsets or burnish their social and environmental credentials by investing in noneconomic ecosystem services, he said.

“There are a lot of potential motivations,” Oaks said. “Who controls the land and resources controls the people.”

The NYSE owns a minority interest in Intrinsic, which has an agreement with NYSE to develop natural asset companies and would share in the revenue from listing and trading the companies.

The NYSE credits Intrinsic with developing an “an accounting framework” to measure the performance of ecosystem services such as carbon sequestration, biodiversity, clean water and climate stability.

Companies would be required to value ecosystems using Intrinsic’s proprietary reporting framework, according to the proposal to the SEC. Companies would lease land for at least 10 years, maybe in perpetuity.

NYSE and Intrinsic feature agriculture in their proposal to the SEC. Natural asset companies would be allowed to produce “regenerative food crops,” but would be delisted for “perpetuating industrial agriculture.”

Mining, “unsustainable logging” and “traditional fossil fuel development” also would be grounds for being booted from the stock exchange, according to the proposal to the SEC.

To questions about how the exchange defines “industrial agriculture,” how ecosystem services would increase in value and whether the exchange really views agriculture as a threat to life on earth, a NYSE spokeswoman responded with a statement.

“The idea behind a natural asset company — which has not yet been approved for listing — is a voluntary, free-market decision by a private landowner to monetize their assets. A NAC does not encumber or supersede existing agricultural rights to those lands,” she said in an email.

Natural asset companies also could lease public lands, according to the proposal to the SEC, which does not mention “agricultural rights.” The spokeswoman said she had no further comment.

According to Intrinsic’s [website](#), “industrial agriculture” hurts wildlife, erodes topsoil, consumes and pollutes water, and reduces the “nutrient value of our food, leading to a host of negative health outcomes.”

Farmers are paid to grow crops, but not for clean air, water, soil, “healthy food” and a

stable climate, yet these “essential goods and services” are “perhaps even more valuable” than producing food, according to Intrinsic.

Intrinsic did not respond to a request to comment. Intrinsic’s investors include the NYSE, The Rockefeller Foundation and the Inter-American Development Bank, according to its website.

Oaks said he believes the proposal intentionally leaves the definition of “industrial agriculture” vague. “They don’t seem to have a clue about farming and agriculture,” he said.

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