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Agricultural Carbon Credit Programs

Matthew Gammans, Assistant Professor in Ag Policy

Carbon credit programs provide farmers with payments in exchange for adopting (and providing documentation of) practices that store soil carbon or reduce emissions. These credits are typically sold to large corporations (e.g., Google, Microsoft, FedEx) looking to “offset” their emissions and/or demonstrate a commitment to sustainability to their customers and investors. Farmers are often required to submit soil tests, provide receipts and documentation and work with third-party verifiers.

What's Involved?

- **Contract:** Outlines practices to be changed
- **Documentation:** Demonstrates that practices were changed
- **Scientific model:** Converts changed practices in carbon reductions.
- **Soil Testing:** Sometimes used to “ground-truth” model results
- **Price:** What will the market pay for these carbon reductions?
- **Payment:** Compensation to the farm

	Example Program #1	Example Program #2	Example Program #3	Example Program #4
Current price (can vary substantially)	\$45/ton(\$6 to \$24/acre for cover crops)	\$6/acre for reduced-till/no-till/strip-till and \$6 for cover crops	\$30/ton (per acre payments depend on soil testing)	Minimum guarantee of \$20/ton
Eligible practices	Cover crops, no-/reduced-till, N management	Cover crops, no-/reduced-till, N management	Strip/no-till and/or cover crops on corn, soy, wheat	Cover crops, no-/reduced-till, pasture/range grazing
Contract length	5-year renewable	5-year renewable + 10-yr retention	1-yr contract + 5-yr reporting	10-year contract
Already adopted a practice?	Not eligible	Practice must be adopted after August 15, 2019	Practice must be adopted before 2021 with documentation showing practice continuity	Not eligible
Available in North Dakota?	Yes	Yes	Yes	Yes

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