

# Earning “Carbon Credit” Dollars ...

Bill Midcap

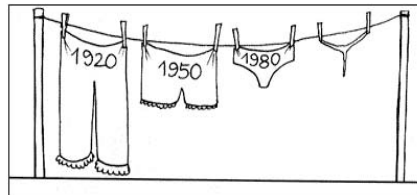
Tony Frank & Tom Lauridson  
Rocky Mountain Farmers Union  
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*Farmers Union*

I'm not going to argue with you about "global warming", but here is some proof ...

**THE PROOF OF GLOBAL WARMING**




**What can agriculture do about Greenhouse Gases?**




## Increase Soil Organic Matter

- \* Improves Soil Structure
- \* Decrease Erosion
- \* Increases Water Infiltration
- \* Increase Water Holding Capacity
- \* Increases Cation Exchange Capacity



Carbon Sequestration is just  
Good Soil Stewardship!



So you would like to sell  
“carbon credits” to the  
Chicago Climate Exchange  
(CCX) ...



CCX is ...

- \* Has member participants that purchase carbon offsets such as:
  - \* IBM
  - \* Ford Motor Company
  - \* University of Oklahoma
  - \* State Government of New Mexico



## “Offsets” available from CCX


- Rangeland
- Grass plantings (CRP)
- Conservation Tillage: No-Till and Strip-Till farmland
- Methane Capture
  
- Private Forestry (Tree plantings)



## Rangeland offsets with CCX

### Enhanced range management with increased vegetative index

- ❖ 0.12-0.27 metric tons per acre
- ❖ ***“degraded range” pays about twice as much per acre***
- ❖ Cell grazing, rotational, intensive grazing practices
- ❖ Grazing plan implemented after 1999




## What's this “previously degraded” baloney?

- \* Can be caused by USDA documented drought prior to 2003
- \* NRCS has a formal definition for “degraded land” caused by grazing practices
- \* It's local, so don't ask me about your place -- ask your NRCS conservationist
- \* “Degraded rangeland” has lots more potential for storing Carbon



## What do you need to qualify?

- \* Ideally, a “528” contract (rotational grazing) will provide enough information for CCX
- \* --- OR ---
- \* Detailed, consistent grazing records that indicate good range management by local standards



## Rangeland contracts:


- \* Contracts over 5000 Acres will be “pre - verified”
- \* You need to send a “narrative” of your practices
- \* Check the National Farmers Union website for example “narratives”
- \* Again, always nice to have a NRCS “528” plan on your rangeland ...



## Grass plantings (CRP)

### Seeding long term grasses

- ❖ 0.4 or 1.0 metric tons per acre
- ❖ Other seeded grasses, CRP, CREP
- ❖ Has to be planted after January 1, 1999
- ❖ All 48 states



## CCX: Conservation Tillage No-Till/Strip-Till

- ❖ 0.6 tons CO<sub>2</sub>e/A on irrigated and 0.2 tons CO<sub>2</sub>e/A dryland
- ❖ Includes annual crops and hayed forages
- ❖ No beginning date



## Risks and Costs of “Credits”:

- \* If you lose your range to fire, etc, you will only lose that year of payment
- \* 20% of payments are held to the end of contract
- \* About 10% of contracts will be verified per year
- \* National Farmers Union charges 10% at each sale of Credits



**How to enroll ...**  
With National Farmers Union,  
there are other “aggregators” out  
there

<http://carboncredit.ndfu.org>



**CARBON CREDIT PROGRAM**

Home • No-Till, Alfalfa and Seeded Grass • Rangeland • Forestry • Methane Log-In

General Info • Brochure • Video • Links

**Welcome to the Farmers Union Carbon Credit Program**

This site provides the information that you need about earning income from various conservation practices on your farm or ranch. Some of these practices you may already be doing, or you may be thinking of making some cropping or land use changes. In either case, the annual sale of carbon credits may bring additional dollars to your operation, and also help our environment.

Select one of the offset types listed below for more information or to enroll your acres.

[No-Till, Alfalfa and Seeded Grass](#)   [Native Rangeland](#)  
[Methane](#)   [Forestry](#)

**Contacts**

 <b>Dale Enerson, Director</b> <a href="mailto:denson@ndfu.org">denson@ndfu.org</a> 701-952-0116	 <b>Liz Mathern</b> <a href="mailto:lmathern@ndfu.org">lmathern@ndfu.org</a> 701-952-2154	 <b>Bev Watkins</b> <a href="mailto:bwatkins@ndfu.org">bwatkins@ndfu.org</a> 701-952-0103
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While the carbon credit program is available through National Farmers Union, North Dakota Farmers Union acts as the fiscal agent actually contracting and selling the carbon offsets on the Chicago Climate Exchange. That is why links from the National Farmers Union and other state Farmers Union organizations all connect to the ndfu.org website, and the contract language refers to the ND Farmers Union. Income earned from aggregating acres in all other states will result in revenue paid to individual state Farmers Union groups and National Farmers Union.

**CARBON CREDIT PROGRAM**

Home • No-Till, Alfalfa and Seeded Grass • Rangeland • Forestry • Methane • Log-In

Payment Calculator • Tillage Guidelines • Sample Contract

Management Practice	Acres	Seq. Rate/Acre	Metric Tons/yr
Please Select a State: <input type="text" value="Ohio"/>			
Please Select a County: <input type="text" value="Carroll"/>			
No Till Cropping	<input type="text" value="0500"/>	.60	300.0
Seeding Long Term Grass	<input type="text" value="0160"/>	1.00	160.0
Enhanced Rangeland Vegetation	<input type="text" value="0"/>	0.00	.0
<b>Total Farm Tons Annually</b>			<b>460.0</b>
Price per Ton		01/07/2008	<input type="text" value="1.9"/>
<b>Total Annual Gross Payment</b>			<b>874.00</b>
Less Aggregator 10% commission			87.40
Less CCX Offset Registration Fees (0.30 per ton)			92.00
<b>Annual Net Contract</b>			<b>694.60</b>
Annual Net Times 80% To Farmer (5 annual Payments)			555.68
Final Payment at Contract End			694.60
<b>Total 3 year Contract Income</b>			<b>3473.00</b>

**Disclaimer**  
The above listed projected payments are estimates only using the current price of stored carbon on the Chicago Climate Exchange. Actual producer payments may be more or less depending on future prices at the time the credits are sold. Verification costs may further reduce actual producer payments.

carboncredit.html

### No-Till, Alfalfa and Seeded Grass

Not all agricultural land is eligible for carbon credit. Generally speaking, no-till credits may be paid to operators who commit to using conservation tillage practices for the entire term of a five-year contract. Hayland and alfalfa should also be enrolled as "no-till". Seeded grass stands may earn credits provided the acres have an FSA cropping history and the grasses were seeded after JANUARY 1, 1999.

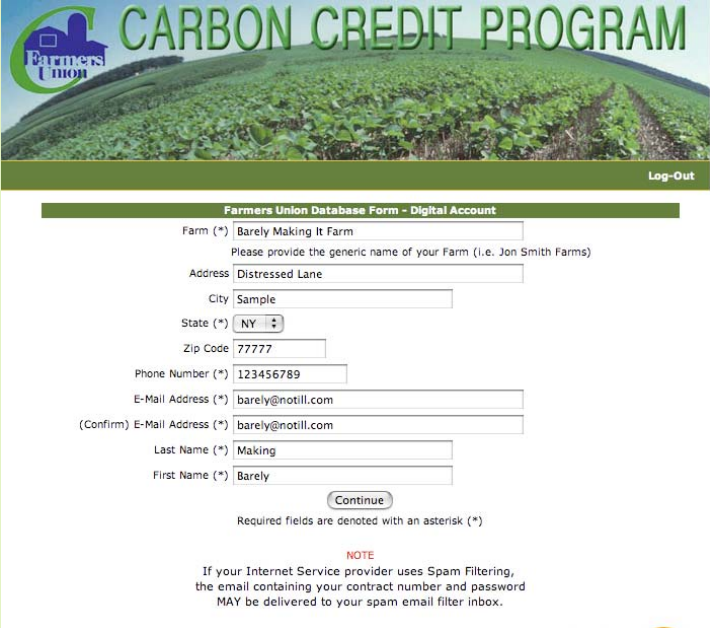
#### Do I Qualify?

Take a few minutes to follow through the Questions below and study the [FSA 578 tutorial](#). Please remember carbon sequestration is not for everyone. Producers may have some acres that qualify for each type of offset, and many acres that do not qualify at all. Also, you need **NOT** enroll your entire farm.

1. Are your acres FSA Cropland? For help see [FSA Report of Acreage](#). - Yes
2. Is this land in continuous conservation tillage or "no-till"? - Yes
3. Is my county eligible?  
 State:

County:

**Congratulations, your acreage is eligible for our no-till/seeded grass offset program. Please setup your Farmers Union database account and enroll your acreage as "no-till"**



**Farmers Union Database Form - Digital Account**

Farm (\*) Barely Making It Farm  
Please provide the generic name of your Farm (i.e. Jon Smith Farms)

Address Distressed Lane

City Sample

State (\*) NY

Zip Code 77777

Phone Number (\*) 123456789

E-Mail Address (\*) barely@notill.com

(Confirm) E-Mail Address (\*) barely@notill.com

Last Name (\*) Making

First Name (\*) Barely

[Continue](#)

Required fields are denoted with an asterisk (\*)

**NOTE**  
If your Internet Service provider uses Spam Filtering, the email containing your contract number and password MAY be delivered to your spam email filter inbox.

Completing your enrollment....

- Download, print and sign carbon contract and certification report
- Gather FSA 528 forms for all contract years and one set of maps\* for the enrolled land
- Send by regular mail to NFU Carbon Credit Program
- We will e-mail you that we received your complete paperwork, and notify you as we proceed to verify, register, and market your offsets

**\* FARMERS UNION CAN NOW ENROLL WITH "POINT AND CLICK" MAPS ON THE WEBSITE!**

## NFU Carbon Program - Current Statistics

- No-till and seeded grass enrollments as of now is 2,500,000 acres in 25 states
- Applications received for 1,000,000+ acres of managed rangeland practice in 8 states
- Applications received for about 8000 acres of forestry offsets in 9 states
- Program has earned about \$8 million from the first tow year pools to NDFU and NFU no-till and seeded grass pools
- Verification has shown producers complying at very high rates with contract requirements (over 99% in early pools of no-till and seeded grass acres)

Time for me to STOP!





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