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Carbon Markets

K-State Research & Extension Specialist in Environmental Quality, Dr. Peter Tomlinson recently gave a presentation on carbon market considerations for ag producers. In it, he shared that the current supply of carbon credits is less than a tenth of the annual U.S. emissions. He also shared how agriculture might be positioned to help meet the potential need for emissions offsets. Sounds like a great opportunity, right? As with anything, make sure you read the fine print.

There are a lot of moving pieces when it comes to carbon market programs. The buyers are typically corporations, energy companies, etc... looking for an opportunity to offset their emissions. Ag producers are on the other end and while they have a 'commodity' – in this case carbon – to provide, sales (likely) won't be direct. Instead, the marketplace between the two is coordinated by intermediaries who take care of those details. Complexity increased.

Within that system there are factors that can cloud things further. What are payments based on? Will my practices be validated and how? Sampling processes for validation can be time consuming (and expensive) and complicated, not to mention variable. What if sampling shows I provided *less* carbon than initially predicted? Will payments be affected? There's also the question of whether payment will be provided for practices *already* implemented or whether new practices will have to be initiated. The questions can be many.

Maybe participation in a carbon market isn't for you, but if it's something you've considered, it's a good idea to do some research before going too far. Two University of Minnesota Extension specialists have developed a number of questions a producer should ask as they are evaluating programs. Dr. Tomlinson shared them in his presentation and they are available upon request if you are interested. Another resource is from Iowa State entitled *How to Grow and Sell Carbon Credits in US Agriculture* available online at:

<https://www.researchgate.net/publication/353523269> [How to Grow and Sell Carbon Credits in US Agriculture](#). If you are looking at what different programs might be offered, the Illinois Sustainable Ag Partnership keeps up a pretty good list at: <https://ilsustainableag.org/programs/ecomarkets/>.

The market is constantly changing and there are lots of bugs to be worked out. Having a good background can help you make a decision when the time is right.