

NewsWatch

Pocket cash from carbon

By ANN TONER

JIM and Jan Miller of Belden enrolled in a carbon sequestration program in 2006. Since they were already no-tilling, they decided they might as well receive a payment for the soil-conserving practice.

They enrolled 300 acres, some of which have been in no-till since 1994. They have other acres, but either cattle graze the stalks and they want to reserve the right to till if it becomes compacted, or they use the land to inject manure from their farrow-to-finish swine operation.

The Millers say they have some additional acres they may enroll in the program in the future.

The carbon they store in the soil in their enrolled acres will be pooled with the carbon credits from other farms and sold on the Chicago Climate Exchange.

At a glance

- Jim and Jan Miller enrolled 300 no-till acres in a carbon credit program.
- The paperwork wasn't difficult to accomplish.
- Now the Millers will get checks for their soil- and carbon-saving.

Buyers of carbon credits are companies dedicated to environmental stewardship and are seeking to mitigate the impact of business activities that add to greenhouse-gas emissions, particularly carbon dioxide. Industrial and human activities are said to be increasing world levels of several gases that may contribute to climate change.

The Millers enrolled in 2006 in the carbon credit program initiated by the Iowa Farm Bureau Federation, an effort that has now spun off into a free-standing business called AgraGate.

Easy being green

The Millers say it wasn't a difficult procedure. They had to fill out a one- or two-page contract and Farm Service Agency Form 578, plus provide aerial maps of the land they were enrolling. The five-year contract requires them to maintain the enrolled acres in no-till for the duration of the contract, and stipulates that the land can't be in soybeans more than three out of the five years.

"I feel it's a good concept if we can do things here in rural America that can help industries stay in the U.S.," says Jim. It's positive public relations for farmers, and it helps both industries



TREASURE IN THE SOIL: Jim Miller enrolled some of his no-till acres in the carbon credit program and receives a check for storing up carbon in the soil.

and the environment, he says.

"Everyone wants to be green," adds Jan.

Farmers aren't exactly raking in a windfall with carbon payments. The Millers' first semiannual carbon check, \$52, was "just enough to take the bookkeeper [Jan] out to dinner," she says.

The Millers raise corn and soybeans, and have a swine operation. Their daughter, Valerie, and her husband, Scott Haselhorst, live in Laurel; son Lucas and his wife, Becky, are beginning farmers nearby; and their youngest, Jason, is a sophomore at Coleridge Community High School.

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Carbon prices hit record high

By ANN TONER

POLITICS appears to be a factor in the rapid run-up in the price of sequestered carbon over the past few months on the Chicago Climate Exchange. The CCX is a commodity exchange for greenhouse gases.

The value of a metric ton of carbon credits reached a record-high \$6.05 in April on the CCX as *Nebraska Farmer* was preparing its May issue. Carbon credits had been trading under \$2 late in 2007.

According to Dale Enerson, carbon credit director for the National Farmers Union carbon credit program, the run-up is due to all three of the presidential candidate front-runners. John McCain, Barack Obama and Hillary Clinton are perceived to favor a "cap and trade" system that would cap U.S. emissions of greenhouse gases. Such a cap would enhance the value of carbon credits to offset emissions. Europe has such a cap in place. The value of carbon on the European Climate Exchange is more than \$35.

No-till cropland, seeded grass, for-

estry acres and even well-managed native rangeland are all eligible for carbon contracts, albeit at different rates, because the plants on those acres are taking carbon from carbon dioxide in the air and storing it in the soil of the undisturbed root zone.

Agricultural operators who want to sell carbon credits must register their land and show proof that it is eligible for the program. Land from various contracts is pooled by the aggregator (the middleman) and offered for sale on the CCX. Every farmer in the pool receives a payment based on their level of participation. For information about the CCX, go to www.chicagoclimatexchange.com.

The two main aggregators of Nebraska carbon credits are AgraGate, a subsidiary of the Iowa Farm Bureau Federation, and the National Farmers Union. Both entities report brisk interest in the program this winter as the price of carbon credits has climbed.

David Krog, chief executive of AgraGate, says there are about 1.6 million acres in the crop and seeded

grass acres credit program. That includes about 600,000 acres enrolled by about 900 Nebraska farmers, more than the acres enrolled by Iowa farmers.

AgraGate has applications for about 500,000 acres in the native rangeland carbon credits since the program began a year ago. About 100,000 acres are in Nebraska. AgraGate can be found at www.agragate.com or by calling 866-633-6758.

Enerson says the National Farmers Union has about 2.7 million acres of no-till and seeded grass acres enrolled in the program in about 30 states. There are about 350,000 Nebraska acres enrolled.

The National Farmers Union also has applications for about 1 million acres of rangeland, of which about 100,000 acres are in Nebraska. Rangeland must have a grazing plan and meet several other criteria to qualify. More information is available at www.carboncredit.ndfu.org or by calling the Nebraska Farmers Union at 402-476-8815.