Interested in selling Greenhouse Gas Credits? Here's how!

Cedric MacLeod-Canadian Pork Council

How much Greenhouse Gas do you produce?

An average 600-sow farrow to finish hog operation located in Lethbridge, AB can be expected to produce roughly 2000 tonnes (CO_2 equivalent) of methane greenhouse gas each year.

January 1, 2006 is going to be a big day for most Canadians. Some will be anxiously planning for the new year, some will be busy making or breaking New Years resolutions. However, for some, the first day of the year will mean something entirely different; it will mark the day that greenhouse gas reduction projects will start generating carbon credits that can be sold to the open market.

It has been a bit of a journey for those working in the greenhouse gas (GHG) field, watching and waiting to see how policy will evolve at the federal level and guessing what opportunities or challenges each Canadian industry will face.

Agriculture has been given an opportunity to participate in the offsets market, something fairly unique to Canada with respect to many other industrialized countries. Of course, the big ticket item for agriculture, to date, has been soil carbon sequestration, or the storing of organic carbon in soils managed under a reduced tillage scenario.

The livestock industry has been largely overlooked for its potential to create offset credits. But given that most livestock sector GHG emissions are from a point source (liquid manure storage, mouth of a cow, barn ventilation fan outlets, etc.) the opportunity does exist to capture or avoid GHGs on the farm.

As with any emerging market, there will likely be some initial confusion as to how the system will operate. Although we don't have all the answers yet, the federal government is working to fit all the pieces of the offset system together, and here is what we know so far:

Carbon credits will be generated on a *project* basis. A project, for example, may include the GHG reductions produced on your farm by adopting one or a number of management practices known to impact GHG emissions.

January 1st, 2000, is the first date to consider if you plan on offering carbon offsets for sale into the market. This date is considered the minimum *baseline year* for GHG reduction projects. Meaning that a practice put into place to reduce GHG emissions had to have been initiated *after* January 1st, 2000 to be eligible to generate credits for sale from the project.

The second date of importance is January 1st, 2006 which represents the start of the eligibility period for generating carbon offsets. So what does this mean? Say you built an anaerobic digester on your farm in 2004, to generate your own heat and electricity and reduce your farm GHG emissions. Technically, you will have been reducing GHG emissions from your project since the point the digester was fired up. However, any GHG emission reductions created between the 2004 start date of the project and January 1, 2006 are not eligible for sale. The project, *itself,* is eligible, since it began after January 2000, however, you won't be able to start actually generating GHG offset credits from the digester project until January 1, 2006.

The dates are important and play a role in how you might be able to work within the carbon market. So what are the other key points? How will the system run? Here is a brief description.

If you've got a project in mind (installed a manure storage cover to trap manure gases) you will have to describe the project in a project design document. The federal government has been sponsoring work on a set of standardized protocols that will help streamline this task. The project design document will then need to be submitted to the program authority (Government of Canada) for review of the project's technical and scientific soundness. Once the project is accepted by the program authority, it will need to be verified. This means that someone will actually visit the farm to make sure that the project design document gives an accurate description of what is really happening on the farm. Once the project activity is validated, the program authority will assign an identification number to the project, and any credits generated will be placed into your own carbon account. At this point, you can offer your credits for sale to any domestic buyer. Those looking to purchase credits will include the federal government's Climate Fund, large power producers, steel foundries or other heavy industries, etc.

Sound complicated? It is, but not to worry, help is available. The Kyoto protocol has created a new market for individuals with carbon and business savvy. The policies that will drive the Canadian carbon market are slowly beginning to take shape, and there are people following the process and preparing to put these policies to use on Canadian farms.

For more information on the emerging carbon credit market and how the farm management practices you have adopted may qualify you for generating new farm revenue, contact your provincial pork association or Cedric MacLeod at 506.455.6088 or macleod@cpc-ccp.com

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