

Farming carbon credits

They can fight climate change, boost farm income

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The Government of India has taken a momentous initiative towards addressing climate change, of evolving a carbon market that prices greenhouse gas or carbon emissions. Additionally, it has launched a Green Credit Scheme to promote and support sustainable practices, including those in agriculture. While the exact details are yet to emerge, it remains uncertain whether carbon credits from agriculture will be tradable in the Indian carbon market. However, sustainable agricultural practices hold a central role in the Green Credit Scheme.

The idea of carbon credits from agriculture presents an ideal solution to combat climate change while enhancing farmers' income. Carbon credits are generated when farmers adopt sustainable agricultural practices, such as no-till farming, balanced feed for livestock, direct seeding of rice (DSR) and balanced use of fertilizers, and integrated nutrient management, among others.

ADDITIONAL INCOME

These practices effectively reduce or remove carbon from the atmosphere. Carbon (Agtech) start-ups sell these credits to corporations from developed countries and share 55-75 per cent of the revenue generated with farmers. The additional income from sales of carbon credits acts as an incentive for farmers to adopt climate mitigation measures. Currently, there are over 40 carbon credit projects from agriculture in India.

Recent industry reports and media critics have portrayed carbon credits as failing and ineffective, labelling these as mere greenwashing.

While no policy is foolproof, it is crucial to recognise that implementation challenges, rather than inherent flaws, often hinder the success of such initiatives. To make carbon credits in agriculture work effectively, there is a need to follow a research-based approach. Rather than dismissing the concept entirely, it is important to identify the challenges and provide viable solutions to these. Identify and showcase use cases and scale the best practices. Develop scalable technological solutions for measurement, reporting, and verification (MRV). By doing so, it is possible to demonstrate that carbon credits contribute to



SCHEME. Requires refinement

climate change mitigation, while addressing issues of livelihoods, food security, and employment.

To gain a better understanding of the ground realities, let us consider the status of agricultural carbon credit projects in India. A survey by CIMMYT, a non-profit research-for-development organisation, focused on non-profit agricultural research and training, examined seven such projects in Madhya Pradesh and Haryana. The findings indicate several implementation shortcomings such as lack of training in sustainable agriculture practices, no contact from companies after enrolment, non-receipt of promised payment for carbon credits, and lack of awareness about the contract terms. This has resulted in discontinuing the adoption of sustainable agricultural practices.

While these challenges are significant, they are not insurmountable. One of the primary issues from farmers' perspective is the non-receipt of payment for carbon credits. This can be addressed by providing upfront payments to farmers until the carbon credits are sold. Additionally, companies can establish partnerships with NGOs or research institutes to facilitate the process and enhance farmers' engagement through dedicated teams, regular communication channels, and provision of inputs and support as promised.

Carbon credits in agriculture have the potential to address the dual challenges of climate change mitigation and farmers' livelihood improvement.

It is important to recognise that this ongoing process requires continuous refinement and optimisation from precise measurement and accurate monitoring to efficient implementation, each step must be taken with diligence and a commitment to sustainable development.

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