

Carbon market opportunities

What Questions Should I Ask?

Understanding what you are required to do to maintain your payments is key. Each company has a slightly different set of requirements and conditions so ask these important questions:

- What management changes does the company pay for?
- How do they measure carbon stored? Will they collect the initial and follow-up soil samples or do you? What is their fee to collect the samples?
- Understand the payments and the costs. Do they pay by acre or by carbon credit? What is the payment schedule? Some companies use holdbacks or a percent taken off of the top to cover their role in the process. What are their fees? Are they in line with other companies?
- Can you stack carbon market payments with cost-share payments from local or federal governments?
- What is the contract length, terms, and exit clauses? If you rent the farmland, is your landowner required to consent? If your rental contract ends, the landlord may assume responsibility for the contract.
- What management data and verification are you required to provide? Most programs will require annual documentation of practices in a web-based portal. Some may be able to incorporate data collected by other software. Make sure you're prepared to provide data at an appropriate level of detail, on the timeline required by the contract.
- What happens if you are not able to implement the new practice due to the weather? Due to other circumstances? What happens if soil carbon doesn't increase even when you do implement the new practices?
- Does the company sell other services or products? Are any of these services/products required to be purchased in order to participate?
- Are any other ecosystem services brokered by the company, such as water quality credits?

Whether or not carbon credits will help your bottom line will vary farm by farm and maybe field by field. Carbon credit payments are unlikely to entirely cover the cost of a new practice. They may simply reduce the risk of trying something new. However, there is no debate that building carbon in your soil has a long list of benefits for you and the next generation of farmers.

Two resources comparing different company policies:

[American Farmland Trust Ecosystem Market Information](#)
[Agweb Comparison of Nine Ecosystem Service Markets](#)

Information provided by Minnesota Crop News from the University of Minnesota Extension.