

Frequently Asked Questions About CCX Soil Offsets

⇒ How many farmers have enrolled to sell carbon credits to CCX?

To date, approximately 350,000 acres of conservation tillage and grass plantings have been enrolled in Kansas, Nebraska, Iowa and Missouri.

⇒ What is an Offset Aggregator and what does one do?

An Offset Aggregator is a CCX-registered entity that serves as an administrative and trading representative on behalf of multiple individual participants. Iowa Farm Bureau and the Delta Institute currently serve as Offset Aggregators, and various other organizations are preparing to provide this service.

⇒ What are CCX Soil Offset Projects?

Projects involving soil carbon sequestration resulting from conservation tillage and grass planting activities in designated states, counties and parishes in the Midwest and Mississippi delta regions of the U.S. are eligible to earn CCX CFIs.

⇒ How many CCX CFIs can I earn from my conservation tillage or grass planting project?

CCX CFIs will be earned at a rate of 0.5 metric tons CO₂ per acre per year to land managers who commit to continuous conservation tillage (defined as continuous no-till, strip till or ridge till) for a minimum four year period on the acres specified upon project registration. The U.S. counties and parishes in which conservation tillage representations a CCX-eligible project can be provided upon request.

CCX CFIs are also generated when land managers commit to maintain soil carbon storage realized as a result of grass cover plantings that were undertaken on or after January 1, 1999. The commitment must be maintained for a minimum of four years on the acres specified upon project registration. Under this provision, CCX CFIs will be issued at a rate of 0.75 metric tons CO₂ per acre per year. The U.S. counties and parishes in which these practices may be credited can be provided upon request.

⇒ How long do I have to commit my project to the CCX rules?

Currently the minimum commitment is for four years of continuous no-till or low-till. Project owners will be responsible for replacing any Soil Offsets that are cancelled, should there be instances of project non-performance. Soil carbon reserve accounts are established for the purpose of replacing CCX CFIs from Soil Offset Projects.

⇒ How much money will I receive for my Soil Offsets?

CCX CFIs are sold at market prices on the CCX trading platform. Prices have ranged from \$1 to \$5 per metric ton of CO₂. Total trading volume on CCX as of May, 2006 exceeded nine million metric tons. Up-to-date and historic CCX market data can be found at www.chicagoclimateexchange.com.

The first sale on an exchange of verified CO₂ offsets generated from agricultural soil sequestration took place on CCX in late April, 2005. In conjunction with Earth Day celebrations, Iowa Farm Bureau Federation (IFBF), on behalf of participating Iowa farmers, announced the historic sale of 20,000 tons of CO₂ equivalent to the University of Iowa. IFBF, a CCX Offset Aggregator, manages the registration and sale of Soil Offsets from 83,000 acres of no-till farmland and grassland for Iowa farmers. This event is the first example of agriculture participating in a transparent, monitored and verified greenhouse gas trading program. Dave Miller, director of research and commodity services for IFBF, commented that the CCX carbon credit sequestration program provides incentives to farmers that encourage them to use conservation tillage practices. By participating in the program, farmers can achieve higher soil fertility, increased yields and other outcomes that aid local populations economically, environmentally and socially. Miller said, "We are very pleased to be a part of this historic development of the carbon market. It is very encouraging that voluntary, market-based options are emerging to deal with environmental issues. Iowa's farmers are great stewards of the land and the benefits of this carbon credit exchange, combined with no-till and soil erosion control plans, will safeguard the land and air for generations to come."

Vintage 2003 Price History

