

September 2, 2005

CARBON UPDATE

In March of 2005, UNL Extension in Gage and Saline County wrote a direct letter to area producers. It said "NO-TILL ALERT--- GET PAID FOR YOUR EFFORTS, NO GUARANTEES EXCEPT IF YOU DON'T FILE (MAYBE ENOUGH TO TAKE YOUR WIFE TO SUPPER), MAYBE \$1 PER ACRE, IF YOU DON'T NO-TILL, STOP NOW AND DISCARD." As a result of our publicity about the program, there are 87 contracts in Gage County, 34 contracts in Jefferson County and 60 contracts in Saline County, which is 80 percent of the current carbon contracts in Nebraska. The first checks are expected this fall.

No-tiller's in Nebraska still have an opportunity to get paid for storing carbon in the soil during a pilot project being operated by the Chicago Climate Exchange (CCX). The CCX is a commodity exchange for greenhouse gases and is a private venture being funded by the Joyce Foundation. Iowa Farm Bureau is serving as a regional, bonded, aggregator on your behalf. The deadline for paperwork to Iowa Farm Bureau was April 1, 2005, however if you missed this, a third pool is being considered.

The pilot project to pay no-till farmers is for the crop years 2003, 2004, 2005 and 2006. This is a no-till payment program, therefore, fields must have been in no-till in 2003 and 2004 to qualify. Producers also certified the fields will remain in no-till in 2005 and 2006. Will it be as good as non-starlink, who knows for sure? It is important for you to know this process is happening in our region and it is still not too late to participate. Carbon is being treated as a new commodity.

David Miller at Iowa Farm Bureau is in charge of registering and verifying eligible cropland to the CCX exchange. Typically, the carbon offset contracts have traded for \$1.68 to \$2.14 per metric ton of CO₂ in August 2005. The payment rate for an exchange soil offset on your farm is 0.5 metric tons CO₂ equivalent per acre per year to farmers who commit to continuous conservation tillage in no-till, strip till and ridge plant systems. The program is by field and current contracts are for four years. Enrolled acres may be planted in soybeans no more than two of the four years.

The Iowa Farm Bureau (as the regional aggregator of carbon offsets) is collecting names for a potential Pool 3 project. People interested in having their names added to a mailing list to be directly notified when Iowa Farm Bureau opens up Pool 3, should phone or e-mail David Miller and get on the list now. This is for folks that intend to do continuous no-tillage on cropland in future years. You can e-mail David Miller at damiller@ifbf.org or call 515-225-5431. Tell him you are interested in receiving more information if Pool 3 becomes a reality. For more information go to <http://www.iowafarmbureau.com/special/carbon/default.aspx>

UNL Cooperative Extension is providing you this information because this is a new pilot project program available in our area for the first time with something new. By providing you information, this does not imply an endorsement by us to sign a contract.



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