

Carbon cowboys

By DUSTIN BLEIZEFFER

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It's a popular crack made at the mention of global warming in Wyoming -- the one about how cows are a major source of greenhouse gas.

It's true. The nation's 100 million cattle emit about 5.5 million metric tons of methane per year, or 20 percent of U.S. methane emissions, according to the Environmental Protection Agency.

"Anytime you're talking about atmospheric conditions and ranching, they don't usually mix very well," said Niobrara County rancher Terry Browder.

Managed correctly, though, farming and ranching is usually a carbon-neutral industry. Some agricultural operations can even provide a "carbon sink," which means managing soil and plants so that they take in more carbon dioxide than they emit.

Storing, or "sequestering," CO₂ is a new market, and one that could prove profitable for agriculture. Some farmers and ranchers in Wyoming figure they might earn a few extra thousand dollars a year by selling their carbon offsets to coal-fired utilities and others who emit greenhouse gases.

Browder, for one, is using more off-creek watering and busily dividing large pastures into smaller ones so he can intensify his existing rotational grazing program -- all practices proven to store more carbon than is emitted. Within the next year, he could be enrolled with a group of farmers and ranchers who sell carbon credits on the Chicago Climate Exchange.

"Everything we do to sequester (carbon) is good for wildlife, good for watersheds -- all down the line," Browder said.

Carbon crop

There are a lot of reasons companies and individuals get involved with the Chicago Climate Exchange, according to Mike Walsh, executive vice president of the exchange.

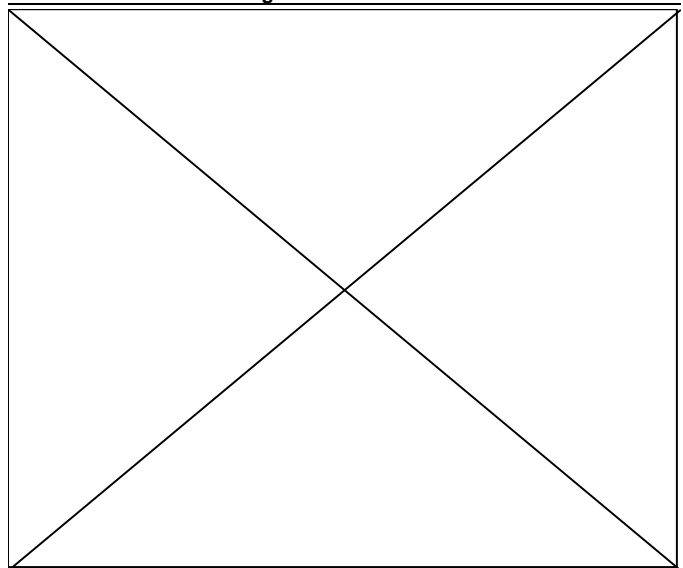
Some CEOs of big corporations figure they could be subject to some measure of liability one day. Walsh said they figure participating in voluntary greenhouse gas reduction programs might provide some protection.

Others join because their children bug them about global warming. Some do it because they're entrepreneurs.

"These are not theories," Walsh recently told a group of Wyoming farmers and ranchers.



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Greenhouse gas regulations are imminent, Walsh said. Rather than wait for governments to implement carbon control policies, a few visionaries launched the Chicago Climate Exchange in 2003. They understood that when industries work together to reduce greenhouse gases, then the actual storage of greenhouse gas becomes a commodity.

Here's how it works: A company voluntarily signs a contract with the Chicago Climate Exchange and commits to a specific carbon emissions reduction. If it doesn't meet the goal, then it must purchase carbon credits from others who have exceeded their goals to make up for the shortfall.

Carbon sequestration is a new frontier. Browder said that in Wyoming the rangeland management practices are good for agriculture and good for the environment. In addition, Wyoming farmers and ranchers will help provide the carbon credits that will help the state's energy industries stay in business under greenhouse gas regulations.

"I hope it helps a lot of people in different areas," Browder said. "We darn sure need help in the agriculture industry. If we can help someone else at the same time, I think it will be worth it."

New range

The Chicago Climate Exchange initiated carbon offset programs for croplands in the Midwest. It only recently rolled out a carbon offset program for rangelands in Montana, eastern Wyoming and parts of Colorado.

It has come at the efforts of the Wyoming Carbon Sequestration Advisory Committee, local conservation districts and U.S. Department of Agriculture offices. Several pilot programs already have demonstrated the measuring, monitoring and verification practices needed to prove that carbon sequestration actually takes place.

Ted Dodge, project broker for the National Carbon Offset Coalition, said it takes a large rangeland to sequester enough carbon to sell credits on the exchange. The coalition is one of several "aggregators" for the forestry and agriculture industries.

"The market is in its infancy," Dodge said. "The issue is not whether there will be cap-and-trade markets, but when."

The coalition is part of the Blue Sky Regional Carbon Sequestration Partnership. It also received funding from the U.S. Department of Energy to aggregate terrestrial offsets -- mostly forests and rangelands.

In just three months, some 200,000 acres in New Mexico and 200,000 acres in Montana were offered up for enrollment. Browder would be among only a handful in Wyoming to participate.

Betting on the future

Skeptics of the idea note the relatively small payoff. The current carbon offset calculated for healthy rangelands in Wyoming is .27 metric tons per year. When carbon credits on the Chicago Climate Exchange are going for \$4 per ton, Browder figures he might earn \$1 per acre.

But many are betting the going rate for carbon credits will rise dramatically, particularly under a cap-and-trade program.

Carbon sequestration, Dodge said, may become bigger than any traditional agriculture commodity.

"We see this as potentially the largest commodity market in the world," he said.

By no means is rangeland and forestry sequestration the "silver bullet" for reducing greenhouse gases, he said. Instead, it's part of a thousand "silver BBs."

"I think this is going to change the way we look at conservation," Dodge said.