

Voluntary Carbon Markets

Income opportunities for climate smart forestry practices.

Through Voluntary Carbon Markets, landowners can be paid for managing their land in ways that increase the lands carbon storage ability while still achieving stewardship and management objectives.

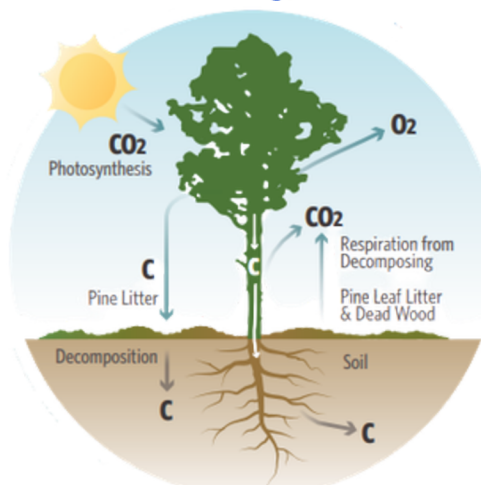
Brief Explanation of the Voluntary Carbon Market

The Voluntary Carbon Markets (VCM) exists because there is a societal demand for sustainability. Companies looking to prove their climate-friendly commitment to consumers can offset their production emissions by buying carbon credits. These credits are generated by landowners whose growing forests naturally absorb carbon, and are sold to companies through project developers.

Three players in the market:

- Producer of carbon credits – landowner by way of managing their forests.
- Project developer – organization that monitors the project, verifies management strategies and facilitates the exchanging of carbon credits.
- Buyer of carbon credit - companies that want to purchase credits to meet sustainability standards.

Carbon is Stored through the Carbon Cycle



Land Management Projects Accepted by VCM Programs

- Afforestation/Reforestation: converting fields or agriculture land into forest land.
- Avoided Conversion: maintaining forestland that is at significant risk of being converted from forest.
- Improved Forest Management: conducting management activities that maintain or increase current carbon storage potential, such as increased rotation age, thinning, competition control.
- Deferred Harvest: delaying the harvest of a fully mature stand past typical harvest age.



Requirements for Valid Carbon Offset Projects

- Baseline – The amount of carbon that is naturally stored by a unit of land under its current or historical management practices, also known as “business-as-usual” management.
- Additionality- The extra carbon stored as a result of new management practices, measured above the established baseline or “business-as-usual” measurement.
- Permanence- The time frame that carbon removed through a project is expected to remain stored before it is released back into the atmosphere.
- Non-leakage – Measures that ensure producers aren’t shifting emissions from one part of their land to another. For example, a landowner cannot earn carbon credits for planting trees on one part of a property while clearing existing forest elsewhere.

What Landowners Need to Know

- Different carbon programs offer different payment structures, management strategies, and contract lengths. Landowners should compare options and choose the program that best fits their goals.
- Carbon program agreements are tied to the property, not the owner. If the property is sold, the new owner must comply with program requirements. Early withdrawal may result in penalties, such as having to return payments.
- Payment amounts and schedules vary by project developer and may be fixed or follow a revenue-sharing model.
- Landowners typically retain the right to outdoor recreation on their property.
- Consider how a carbon project fits with your long-term management objectives. Carbon projects can support conservation and stewardship objectives, as well as passive forest management strategies.
- When enrolling, it is important to have legal representation to look over contracts and clauses.

Potential Project Developers Available in South Carolina

Family Forest Carbon Program

- 20-year contract term
- Landowners with 30+ acres are eligible
- Pays ~\$12 per acre per year
- Requires a 10-year Timber Management Plan with harvesting restrictions
- Improved Forest Management projects

Fields and Forests Program

- 30-year contract term
- Pays \$30 per acre per year
- A subset of the Family Forest Carbon Program
- Afforestation of agricultural fields
- Coordinates and pays for loblolly seedlings, site prep, and planting

Landyield

- 40-year contract term
- Landowners with 40+ acres are eligible
- Payments are based on sale and value of carbon credits generated by your land
- Quarterly reporting by the landowner is required to participate
- Requires a 20-year harvest deferral

Forest Carbon Works, a Chestnut Carbon Company

- 25-year contract term that can be increased in 5-year increments for 50 total years
- Landowners with 500+ acres are eligible
- Payments via a revenue-sharing model that fluctuates based on the value of carbon credits
- Improved Forest Management projects

GreenTrees

- 40-year contract with options to extend another 40 years
- Payments are either per acre or 50/50 share of the carbon sales
- Hardwood planting project by interplanting target species with “pioneer” species to sequester more carbon.