

BIOLOGICAL PRACTICES BOAST DOUBLE-WIN WITH HIGHER YIELDS AND CARBON CREDIT POTENTIAL

FOL, By Ashley Walmsley

SELF-declared greenhouse gas accountant, Dr Theunis Smit, freely admits his company produces "shiny reports that nobody ever reads".

The idea of farmers earning an income from carbon credits could be edging away from wordy documents to being a real-world possibility though.

Dr Smit was a guest speaker at the Multikraft Probiotics Australia Field Day at its Biotech Agricultural Centre of Excellence (BACE) in Bundaberg on August 31.

Part of the morning session was dedicated to exploring carbon credit potential and how adopting environmentally friendly farming techniques could naturally place growers in a position to capitalise on the carbon credit trading market.

Dr Smit is the head operations at Carbon Friendly, a greenhouse gas emissions assessor which provides audits and assessments of a farm's carbon footprint.



Dr Theunis Smit, Carbon Friendly, Brisbane says the corporate world and supply chain partners are increasingly asking farmers to prove their sustainability claims. Picture by Ashley Walmsley

In a nutshell, it takes into account farm inputs, puts them alongside the property's carbon holding potential and figures out if the property is carbon positive/neutral, or negative, and by how much.

The company currently assesses about 200 farms per year in Australia, the United States, South America and South Africa.

He said, in general, if farms increased their soil carbon storage by .05 per cent per annum, it would capture 8 tonnes of carbon per hectare, which would make most farms carbon neutral.

Dr Smit said there was a growing call for carbon figures to be put into understandable terms, with few growers taking the time to read shiny documents.

"People throw the word 'sustainability' around; we are saying, well yes, you might be sustainable but have you quantified it?" he said.

"How sustainable is sustainable? Is it you putting up a sign saying you're sustainable or are your practices reflecting that?"

The carbon offset theme dovetailed in with the field day's host, Multikraft, which develops crop and livestock nutrition products using multi-step fermentation, which results in robust and adaptive microbial consortiums.

With a backdrop of the company's slogan, "grow for good", Multikraft chief executive officer, Conor O'Brien, said it was about creating a "friendly system" which sees the land rejuvenated and more productive.



Conor O'Brien, CEO, Multikraft, explains some of the production systems in use at the company's Biotech Agricultural Centre of Excellence in Bundaberg, Qld. Picture by Ashley Walmsley

When followed correctly, this should result in the double win of higher yields but lower climate impact.

An example from a Western Australian avocado farm showed sustainable practices resulted in 9 tonnes of carbon dioxide equivalent (CO₂e) per hectare being sequestered.

This resulted in the farm being declared carbon neutral and having the potential to generate \$270/ha of additional income from carbon trading.

Investors keen on carbon

DRIVING the opportunity for farmers is the increasing pressure on major corporations to offset their emissions.

Tom Godfrey and Aidan Hall of carbon trading company, Viridios Capital, also spoke at the field day, providing an insight into the link between the paddock and the big end of town which is hungry to purchase carbon credits.

Mr Godfrey said Viridios Capital was a "carbon market ecosystem enabler", with several branches.

It invests in carbon markets around the world, while also trading credits within the Voluntary Carbon Market (VCM).

Another branch is Viridios AI which provides carbon credit data and pricing on about 17,000 carbon credits around the world. It has offices in London, Brisbane and Sydney.



Tom Godfrey and Aidan Hall, Viridios Capital, are involved in trading carbon credits with particular connections to agricultural systems. Picture by Ashley Walmsley

Mr Hall said realities were really starting to hit home with major businesses being pushed, through both regulation and public pressure, to account for their emissions.

He said as emissions keep increasing, they are getting harder and harder to abate as the technology is not keeping up or evolving fast enough, so the solution is offsetting.

"The technology isn't there yet. Therefore in the carbon markets, particularly with nature-based solutions, its removal projects (preferred) over avoidance; they are really becoming of value," he said.

And that's where carbon sequestering farms could find a foothold.

"Structurally the market is short of supply," Mr Hall said.

Dr Smit said Australia has some of the best farmers and most robust farming systems.

"What we've seen through the work is that these farms are substantial sinks of carbon and they sequester vast amounts of carbon, even more so compared to most other things, even solar or wind farms or all these other commodities out there," he said.

Genuineness is critical

TRANSPARENCY is becoming a point of evaluation for investors, according to the Viridios team.

"They want to see the science justified. They want to see it shown clearly; third party auditing, credible names looking at it, and assuring the value of the removal of the carbon," Mr Hall said.

Apart from the financial bottom line, the bigger picture is the preservation of natural assets, something investors also take into account.

Mr Hall said it was vital a carbon market re-invests into those communities close to agricultural areas.

"It's creating a financial vehicle to protect the world's forests and give back," Mr Hall said.

"It's important because if you lose that, the integrity of your governance is gone."

Dr Smit echoed these thoughts saying the level of detail required for an investment decision was increasing.

"The simple reason is that these guys are willing to invest money in this, but before they even touch you or any new farmer they are going to say, is this really what you are doing or is this just another way of getting a couple of hundred dollars out of me?" he said.

"They are really focussed on what that impact is on the environment."

Wary of greenwashing

BEING business people, it seems farmers are acutely aware when something doesn't add up in terms of false environmental claims.

A parliamentary inquiry is currently underway into greenwashing, with a report due on June 28, next year. At the time of writing, 125 submissions had been received.

The Australian Competition and Consumer Commission (ACCC) has completed more than 140 investigations into misleading claims by companies spruiking their environmental responsibility, according to Client Earth.

Social media and the internet has created a heightened layer of scrutiny, which can either work for or against a producer.

"They are realising that if I go and tell a lie to anybody, more so than ever before, I am almost directly in contact with my consumer," he said.

A simple Google Earth search can quickly determine if a farm's statements on its vegetation preservation management can be backed-up, Dr Smit said.

"Reputational risk for most of the growers is so high at the moment they are completely aware of what greenwashing is," Dr Smit said.

At the fresh food supply chain level, the major supermarkets Coles, Woolworths and Aldi are all doing "a heap of due diligence" according to Dr Smit.

"If someone says this is a carbon neutral avocado or a zero-impact avocado, those guys are saying, well where's the proof? Show me," he said.