

Australian Soil Carbon Accreditation Scheme

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Abstract

Australia has the highest per capita rate of greenhouse gas emissions in the world.

Appropriately managed farmlands could effectively 'mop up' most of the excess carbon being emitted to the atmosphere, converting a potential hazard into an extremely productive opportunity. Under the Australian Soil Carbon Accreditation Scheme (ASCAS), Soil Credits will be paid annually and retrospectively, at one hundredth the 100-year rate (\$25/tonne carbon dioxide equivalent), for carbon sequestered in Defined Sequestration Areas (DSAs). This is similar to being paid 'on delivery' for livestock or grain, with the bonus that the carbon remains in soil, conferring ongoing production and NRM benefits.

The ASCAS model is based on financial reward from the private sector, creating a collaborative and progressive market based instrument to help address a wide range of environmental issues. Increased levels of biological activity in soil bring many rewards in addition to Soil Credits.

The Australian Soil Carbon Accreditation Scheme is a first in the Southern Hemisphere, placing Australia among the world leaders in soil carbon trading development.

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Introduction

Despite beliefs to the contrary, SOIL IS A RENEWABLE RESOURCE. 'Growing new soil' is very much like 'growing a tree'. Both processes require carbon dioxide, water and light to fuel the production of photosynthetic materials. In trees, some of the carbon sequestered from the atmosphere combines with other elements to form new wood. In the upper horizons of soil, some of the carbon sequestered from the atmosphere via green plants combines with weathered mineral particles to form new topsoil. Animals and microbes are an essential part of this equation.

The processes that build new topsoil require that more carbon be stored in soil than is lost to the atmosphere. Organically rich topsoils were present in many parts of Australia at the time of European settlement, particularly in the grasslands and grassy woodlands which once covered vast tracts of the continent. Even in arid areas, groundcover and soils originally contained more organic matter than is often assumed and certainly far more than they do today.

The carbon cycle

All living things are part of the carbon cycle. Carbon is continually turned over during the natural progression through birth, growth, death, decomposition and re-birth. It is always in a state of flux, moving between plants, animals, soils, microbial biomass, the atmosphere, rivers and oceans. Some of the carbon atoms in our bodies at this moment would have been constituents of the plants, animals and soils present on earth many millions of years ago. People are around 18% carbon, wood around 50% and the organic matter component of soils is around 58% carbon.

In a healthy ecosystem, vibrant, living soils are a dynamic part of the carbon cycle. The carbon compounds added to soil as exudates from active plant roots and the decomposition of plant and animal residues, fuel the biological processes that improve soil structure, which in turn increases oxygen and moisture retention and creates better conditions for more life.

When people think 'carbon' they usually think 'trees', but in reality 75% of carbon in the terrestrial biosphere is in the soil. Healthy grasslands may contain over 100 times more carbon in the soil than on it, making a well managed perennial 'grass ley' the quickest and most effective way to restore degraded land.

What is a carbon sink?

When carbon dioxide is removed from the atmosphere and stored in the biosphere as either organic or inorganic carbon it is said to be **sequestered**. Places where carbon is stored are called **carbon sinks**.

The world's soils hold around twice as much carbon as the atmosphere and three times as much carbon as the vegetation. Soil therefore represents the largest carbon sink over which we have control. Groundcover management is the prime determinant of whether agricultural soils act as a source (net loss) or a sink (net gain) for atmospheric carbon. Organic carbon (such as humus) has many benefits in soils, making effective carbon management the key factor for productive farms, revitalised catchments and a greener planet.

In Australia, comparatively little research has been directed towards carbon sequestration in soils, the component of our biosphere from which most carbon has been lost and the component with the greatest potential for storage.

Carbon credits

Carbon dioxide is one of the greenhouse gases contributing to global warming and climate change. 'Carbon credits' are a financial reward for activities that reduce the levels of carbon dioxide accumulating in the atmosphere. There are a large number of different carbon trading schemes in the world, some of which date back to as early as 1995. A carbon trade can simply be an agreement between two parties. For the term 'carbon credits' to be used, the emission reduction or biosequestration to which the credits apply must be subject to verification by an accredited certificate provider.

One credit, as designated by an emission trading, emission reduction, renewable energy or abatement certificate, represents one tonne of carbon dioxide equivalent. Carbon credits for sequestration are a type of offset trade and the carbon storage may be leased or sold. Simply stated, the entity emitting the carbon buys registered certificates and the entity sequestering carbon sells them (ie receives money for carbon storage). A 'trade' occurs when carbon credits are secured and then surrendered or acquitted through an accredited carbon broker, carbon exchange or carbon registry.

The first government legislated carbon trade in Australia, valued at over one million dollars, was registered in March 2005, between Forests NSW and Energy Australia. The 'carbon credits' were for carbon sequestered in hardwood timber plantations in northern NSW. Trading in carbon is a multi-million dollar industry in Europe and the United States. Forecasters have suggested that carbon trading is poised to become the world's largest commodity market, generating financial innovation in hedge funds, futures and derivatives. The volume of trade under the European Union's Emission Trading Scheme (EU-ETS) exceeded all expectations in the early part of 2005, leading to the launch of the European Climate Exchange (ECX), the world's first carbon futures market. Carbon emissions are a global problem and credits for both emission reduction and carbon sequestration are an important part of the global solution.

Carbon credits for regenerative land management help to cash flow the multiple natural resource management and environmental benefits that accompany increased levels of carbon in soils. In North America, soil carbon has been traded through the Chicago Climate Exchange since April 2005.

Managing the carbon cycle

Around 50-80% of the carbon has been lost from the topsoil in many farmed soils, often as a direct result of the loss of the soil itself. Even today, most farming businesses continue to lose soil carbon - their most valuable asset. As a result, landholders have to invest a great deal of time and effort in forcing 'dead' soils to be productive.

Carbon equilibrium levels in soil are determined by carbon inputs and outputs, which in turn are influenced by temperature, rainfall and management. In general terms, soil carbon accumulation is positively correlated with rainfall and negatively correlated with temperature. That is, more carbon can be stored in soil in cold, moist environments than in hot, dry ones. Landholders cannot alter rainfall or ambient temperature regimes, but they can markedly improve water infiltration rates, soil moisture retention, the buffering of soil temperatures and carbon inputs and outputs, through changes in groundcover management.

Carbon cannot be sequestered in soils if we continue with the same forms of land management that caused the carbon losses in the first place. People cannot function without a skin. Soil cannot function without cover.

The importance of groundcover

Groundcover includes plants, plant litter and crop stubbles. Living plants provide the most important form of groundcover for carbon sequestration. Green plants are the conduit between the atmosphere and the soil and provide the 'way in' for soil carbon.

Carbon dioxide drawn from the atmosphere through the process of photosynthesis in green leaves is converted to glucose which in turn is transformed to a large variety of carbon compounds within the plant, many of which are exuded into soil from actively growing roots. This is why it is important to have a large volume of fibrous roots in soil at all times of the year – even in cropping enterprises.

Soils under healthy perennial pasture may contain up to 350 tonnes of carbon per hectare and sustain high levels of microbial activity. These conditions provide an excellent base for an annual crop, provided the perennial root biomass remains

Regenerative land management

There is little organic carbon left to lose from the surface horizons of many farmed soils. A widespread misconception in the Australian scientific community is that the carbon lost from our deeply weathered and fragile soils cannot be put back.

The good news is - it CAN!! Putting the carbon back will require changing farming and grazing methods so that new topsoil is actively formed, rather than being passively lost, as currently happens.

Managing groundcover for increased soil carbon leads to improved soil structure, lower bulk density, greater porosity, higher infiltration rates, more effective use of rainfall, enhanced water quality, higher cation exchange capacity, greater sequestration of nitrogen and sulphur, enhanced availability of phosphorus and trace elements, reduced costs, reduced inputs, improved biodiversity and increased productivity.

These positive outcomes are all linked to what could be the core business of EVERY farm business – the sequestration of atmospheric carbon. There is no doubt that significantly more carbon can be stored in our soils than they currently hold.

Building new topsoil

New topsoil is formed when the level of soil carbon is increased. In pastoral regions, some form of rest-rotation grazing regime will be required, aimed primarily at improving the quantity and vigour of groundcover and associated root biomass. In mixed farming and croplands, innovative techniques such as Pasture Cropping optimise year-round groundcover.

Measuring soil carbon

ASCAS sampling protocols will follow the National Carbon Accounting System (McKenzie *et al.* 2000). Soil samples will be collected using a hydraulically operated coring tube. Eight soil strata (0-5, 5-10, 10-20, 20-30, 30-50, 50-70, 70-90, 90-110cm) will be analysed for bulk density (BD) and total soil carbon concentration (%). Total soil carbon includes organic carbon, inorganic carbon and silica occluded carbon (phytoliths).

Soil carbon content is usually expressed as either a concentration (%) or a stock (t/ha). Unless the depth of measurement and soil bulk density parameters are known, it is not possible to accurately convert from one unit of measurement to the other.

Total soil carbon stocks (tC/Ha) will be determined by multiplying the carbon concentration (%) by the bulk density (BD) for each depth. Tonnes of carbon dioxide equivalent per hectare (tCO₂-e/ha) will be calculated by multiplying the carbon stock by 3.67.

Soil bulk density (g/cm³) is the dry weight (g) of one cubic centimetre (cm³) of soil. It is generally in the range 1.0 to 1.8 g/cm³. Bulk density varies for different soils and different soil depths. Generally, soils of low bulk density are well structured and have 'more space than stuff'. The lower the bulk density the more room for air and water and the better the conditions for soil life and nutrient cycling. Bulk density generally increases with soil depth. The higher the bulk density the more compact the soil. For the purposes of illustration, an average bulk density of 1.4 g/cm³ was assumed for the calculations in Table 1.

CO₂ equivalent. Every tonne of carbon lost from soil adds 3.67 tonnes of carbon dioxide (CO₂) to the atmosphere. Conversely, every 1 t/ha increase in soil carbon represents 3.67 tonnes of carbon dioxide sequestered from the atmosphere and removed from the greenhouse gas equation.

Another way of expressing this relationship is that every 2.7 tonnes of carbon sequestered in soil represents 10 tonnes of carbon dioxide removed from the atmosphere.

Australian Soil Credits

Current contracts for trading carbon sequestered in timber are based on the '100 year rule' that is, the carbon pool for which carbon credit payments are received has to be maintained for 100 years. This involves a high degree of risk.

Under the Australian Soil Carbon Accreditation Scheme, Soil Credits will be paid annually and retrospectively, at one hundredth the 100-year rate, for carbon sequestered in Defined Sequestration Areas (DSAs). This is similar to being paid 'on delivery' for livestock or grain, eliminating risk.

Table 1 shows what this might look like in terms of dollars per hectare per year, for a soil carbon increase of 0.15% (in absolute terms) every year for three years in the 0-110cm soil profile. This level of increase in soil carbon is readily achievable by landholders practicing regenerative cropping and grazing practices.

Table 1: Increase in total soil carbon stocks in tonnes per hectare (tC/ha), tonnes of carbon dioxide equivalent sequestered per hectare (tCO₂-e/ha) and value in dollars per hectare (\$/ha) [at one hundredth the 100 year rate of \$25/tonne CO₂-e], for estimated total soil carbon net increases of 0.15%pa, 0-110 cm, BD 1.4g/cm³, over a three year period.

| Year | % increase | tC/ha | tCO ₂ -e/ha | \$/ha |
|--------------|-------------|-------------|------------------------|---------------|
| 1 | 0.15 | 23.1 | 84.78 | 21.19 |
| 2 | 0.30 | 46.2 | 169.55 | 42.39 |
| 3 | 0.45 | 69.3 | 254.33 | 63.58 |
| TOTAL | 0.45 | 69.3 | 254.33 | 127.16 |

Annual retrospective per hectare payments (final column Table1) increase in line with progressive increases in soil carbon from the measured baseline. The figure of \$127.16 is a three-year total.

The upper limit to soil carbon accumulation will vary according to environmental parameters. In many situations soils should be able to sequester around five times their current level.

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