



Emerging Issues and Forests Part II

In last week's discussion of emerging issues and opportunities for forestland owners, the potential impact of a bioenergy facility that procures woody biomass was discussed. This week I will introduce you to another possible opportunity for forestland owners. This is the potential opportunity to sell carbon credits for managed forestland to globally recognized markets such as the Chicago Climate Exchange (CCX). The CCX was founded in 2003 to facilitate carbon offset credit trading. Net emitters of CO₂, such as power plants, wanting to offset their greenhouse gas emission can voluntarily join the CCX by signing a legally binding document which requires them to reduce their greenhouse gas emission by 6% over a fixed period of time. Three percent of this reduction must come from the emitter changing their facility processes, while the other 3% may be achieved by buying carbon credits from net carbon sequesters. This is usually landowners with growing vegetation, since vegetation contains large amounts of carbon and continues to add carbon as it grows.

At this time, eligible carbon offset practices include no-till cropland, grassland, and trees planted since 1990 on formerly non-forested sites. Recently, managed natural forests have been accepted by the CCX as a practice eligible for carbon credits. It is anticipated that managed forestland will become a major player in carbon trading markets. It is widely believed by forest scientists that an actively managed forest is healthier, growing faster and sequesters more carbon than an unmanaged forest. Therefore, advocates of carbon credits for forests continue to stress that only forests which are actively managed in a scientific and sustainable way (that can be verified through third-party auditing) should be eligible to participate in the carbon market. If the United States follows suit with the European countries and establishes a national cap on

carbon emissions, Missouri's forestland owners could greatly profit by participation in this market.

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