

Overview

The Michigan Conservation and Climate Initiative (MCCI) is a joint project between the Delta Institute, the Michigan Association of Conservation Districts, and the State of Michigan. The project allows farmers and landowners to earn greenhouse gas emissions credits when they use conservation tillage, plant grasses or trees, or capture methane with manure digesters.

Conservation practices store carbon in the soil and plants that would otherwise form carbon dioxide in the atmosphere. Manure digesters produce energy and prevent methane from being released to the atmosphere. Both carbon dioxide and methane are greenhouse gases that contribute to global climate change.

The Chicago Climate Exchange (CCX) —a voluntary, member-based market comprised of large companies, municipalities and institutions—allows greenhouse gas benefits from conservation practices to be quantified, credited and sold. The credits are aggregated, or pooled, from many different producers and landowners and sold to Chicago Climate Exchange members, who have made commitments to reduce their greenhouse gas emissions. Chicago Climate Exchange members must reduce their emissions to meet legally binding targets or mitigate a portion of their emissions through the purchase of offset credits generated by eligible practices. The Delta Institute, a 501©(3) non-profit organization, aggregates and sells these credits on the Chicago Climate Exchange on behalf of the landowner. The revenue from the sale, minus aggregation and trading fees, is returned to the landowner. The Michigan Association of Conservation Districts would serve as an approved verifier, ensuring that enrolled land meets eligibility requirements.

MCCI provides a financial incentive for farmers and landowners to use conservation practices. While the primary purpose of these conservation practices is to sequester carbon dioxide, the conservation practices have secondary benefits, such as wildlife habitat and limiting soil and nutrient run-off to streams and lakes. The Michigan Association of Conservation Districts and the Michigan Department of Agriculture are helping the Delta Institute promote and coordinate this innovative initiative.

Eligible Practices

Conservation Tillage*

- No-till or strip-till
- Conservation practices defined by NRCS handbook on conservation practices
- Must maintain at least 66% residue
- Credited at 0.6 metric tons/acre/year or 0.4 tons/acre/year, depending on location

Grass Plantings*

- Plantings initiated on or after January 1, 1999
- Credited at 1.0 metric tons/acre/year
- Includes wildlife shrub plantings

Tree Plantings*

- Plantings initiated on or after January 1, 1990 on non-forested or degraded forestlands
- Credited, on average, at 1 metric tons/acre/year, depending on species

Methane Digesters

- Operational after 1999 with biogas flow monitoring and/or electrical metering equipment
- Credited at 21 metric tons per year, for every 1 ton of methane destroyed

*Contractual commitment through 2012



Enrollment Process

1. Complete enrollment package, including application, contract, obtain FSA maps and crop certification form (FSA-578). If applicable, provide conservation practices documentation (CCC-509 or AD-1026), CRP/CREP contracts, tree planting documentation and conservation easement or letter of intent. Your local conservation district can assist with the application. Submit enrollment package to the local conservation district office or the Delta Institute.
2. Delta reviews the enrollment package to ensure completeness and countersigns the contract.
3. Depending on size and type of project, the local conservation district may field verify the land. Verification will occur in either spring or fall, depending upon when the landowner submits the application. The conservation district will verify at least 10% of enrolled land.
4. The conservation district will send verification reports to the CCX for review. The CCX will review the reports over a three to four week period and notify the Delta Institute when the credits can be sold.
5. Delta sells the credits on the CCX and returns the landowner's portion of the sale, minus fees. Payment occurs within a month of the sale. Sales occur once per year.

Frequently Asked Questions

Why should I participate?

The MCCI rewards farmers for being good stewards of the land. By practicing conservation tillage or planting grasses and trees, farmers are offsetting industrial air pollution through carbon sequestration, a service for which companies are willing to pay. This market-based approach pays landowners for providing a valuable ecosystem service—all without government intervention.

Can you clarify what types of land are eligible for this program?

Land enrolled in MCCI must be capable of being cropped—that is, the land could be used for a row crop or small grain production. Prior to the conservation practice eligibility dates, the land must have been in either agricultural production or a degraded state.

Are Christmas tree farms, nurseries or fruit orchards eligible to earn offset credits? What about pasturelands?

No. At this time, the Chicago Climate Exchange does not credit Christmas tree farms, nurseries or fruit orchards for the conservation benefit that those lands provide. Likewise, the CCX does not accept pasturelands, grazing lands or paddocks.

What are the consequences if I do not continue conservation tillage or grass plantings for the entire contract period?

The contract contains stipulations for non-compliance with conservation tillage or grass planting practices. Non-compliance with the contract would require the project owner to return a quantity of the carbon credits for the project years or pay an amount equal to the cost of the credits. Additionally, the project owner may not be allowed to further participate in the Chicago Climate Exchange.

Can I cancel my contract?

The project owner can cancel the contract through a mutual agreement with the Delta Institute.

How frequently will I be paid?

The Delta Institute sells your credits each year.

Who verifies my land? Will every acre or manure digester enrolled in the program be verified?

For conservation tillage, grass and tree plantings, the verifier will be your local conservation district office. For cropland, conservation district staff will not visit every farm enrolled in the program. Rather, the conservation district will randomly select a percent (not less than 10%) of the farms and acreage enrolled in the program and only conduct a site visit at those locations. For forestry projects, verification is required for projects with carbon stocks greater than 2,000 metric tons.

Every manure digester project enrolled in the program will be verified by a third party verifier. In the first year of the program, a representative of an approved verification company will visit the facility to observe the equipment and review pertinent records. A site visit is not needed in subsequent years; however, the project owner must provide pertinent records to a third party verifier each year.

After I have submitted the enrollment package and supporting documentation, will the Delta Institute notify me when my application is accepted? Will I receive a copy of my enrollment package?

The Delta Institute will notify you upon receipt of your application. If the application is incomplete, Delta will contact you immediately. Delta will return a copy of all pertinent paperwork to you.

Once enrolled, will I need to submit any forms or reports on an ongoing basis?

Yes. You must submit a yearly, one-page report attesting conformance with the contract requirements, verifying the number of enrolled acres, the project type and the project location.

Is there an enrollment fee?

No. There are no initial costs for the landowner.

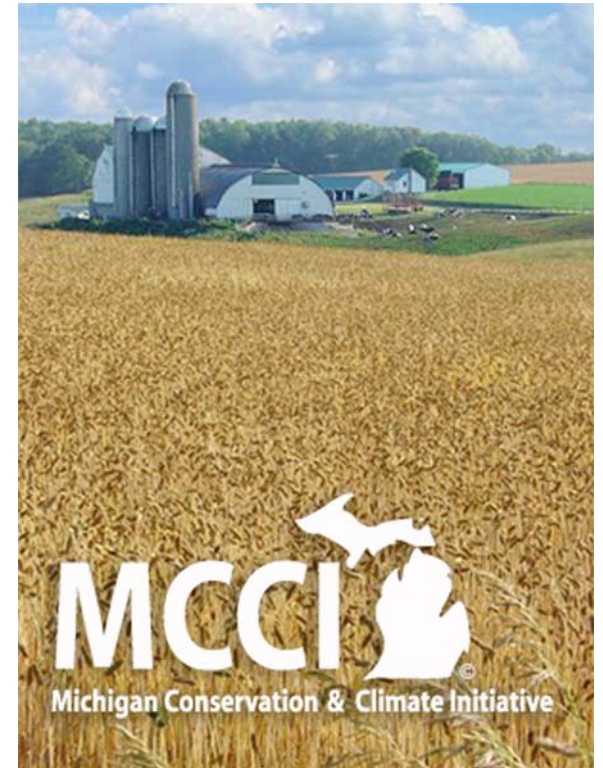


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Michigan Conservation and Climate Initiative



**Creating Revenue,
Promoting Conservation,
and Protecting Climate**

MCCI is a joint partnership between the
Delta Institute
Michigan Assn. of Conservation Districts
Michigan Department of Agriculture

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