

Farming linked with global carbon credit market in Uttar Pradesh

Agroforestry or tree-based farming is a nature-based activity to nurture carbon-neutral growth

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In 2014, India Became The First Country To Adopt An Agroforestry Policy To Promote Employment, Productivity And Environmental Conservation.\

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The Uttar Pradesh government has launched an agroforestry project to link farming with the global carbon credit market and generate additional rural income.

The agroforestry carbon finance project is estimated to generate 4.5 million carbon credits. With the value of each carbon credit calculated at \$6, the income under the current project will be to the tune of Rs 230 crore.

Carbon markets are trading models wherein carbon credits are sold and bought. It allows investors and companies to simultaneously trade carbon credits and carbon offsets. This mitigates the environmental crisis, while creating new market opportunities. Each tradable carbon credit equals a tonne of carbon dioxide or other greenhouse gases reduced or sequestered. The global carbon credit market was valued at \$760 billion in 2021 and is projected to touch \$2.68 trillion by 2028.

Interestingly, India is a significant exporter of carbon credits. It issued 278 million credits in the voluntary carbon markets between 2010 and 2022, accounting for 17 per cent of global supply, according to analysis by S&P Global.

Meanwhile, the Yogi Adityanath government has joined hands with The Energy and Resource Institute (TERI) to launch 6 agroforestry-based carbon finance projects in 29 districts of Meerut, Moradabad, Saharanpur, and Lucknow divisions.

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A senior environment, forest, and climate change department official said carbon finance works on the 'polluter pays principle' with the polluting industries buying carbon credits. "The project will promote wood lots as farm forestry, and increase tree cover outside forest area," he said.

Agroforestry or tree-based farming is a nature-based activity to nurture carbon-neutral growth. The carbon credit earned from agroforestry is sold at a price determined according to the social impact of the particular project.

As such, farmers have a proven template to secure carbon credits through agroforestry and earn extra money by selling them. Since, agroforestry is a nature based solution for climate amenable farming, such plantations are abundant sources of raw material for wood and paper industries.

In 2014, India became the first country to adopt an agroforestry policy to promote employment, productivity and environmental conservation.

Against the total geographical area of about 24 million hectares (MH), the UP green cover stands at 9.23 per cent or nearly 2.22 MH. Now, the state is targeting to increase its green cover from 9.23 per cent to 15 percent by 2026-27 by expanding forest/green area by an additional 1.40 MH by planting 1.75 billion trees and promoting agroforestry by farmers.