



## Emissions Reduction Fund:

### Forestation method (and opportunities to participate)

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#### Overview:

This method streamlines the earlier method released for use under the Carbon Farming Initiative in mid-2012. The method sets out the detailed rules that landholders must follow to mitigate their emissions by planting trees.

Farm forestry plantations are usually established on unproductive or marginally productive agricultural land. They may be established on cleared lands (reforestation) or they may be privately-owned native forests.

Reforestation may be established by planting or direct seeding in blocks or belts. Block planting involves large contiguous areas, with pasture and livestock grazing among the trees. Belt planting includes alley farming, timber belts and shelterbelts, with agricultural production continuing in bays between the belts.

Farm forestry is now approved as a carbon sequestration method titled 'Measurement based methods for new farm forestry plantations'. Using this method, farmers can now obtain and sell Emission Reduction Fund (ERF) carbon credits known as Australian Carbon Credit Units (ACCUs).

Subject to conditions – including that the new forests were established on land that was cleared (ie. not forest) at the beginning of 1990 – eligible farm forestry projects would also generate [Kyoto ACCUs](#) (carbon credits that can be traded in the international compliance market established under the Kyoto Protocol). There is a permanence requirement of 25 years for these methods.

#### Benefits and opportunities:

Over the 25 years required for a reforestation project in the ERF, a farm forestry project can deliver carbon revenue in the early stages, then returns from the sale of wood and timber products once harvest commences. Potential benefits of farm forestry include diversification of income sources, sustained cash flow

and environmental benefits such as salinity mitigation, erosion control and increased biodiversity. Using results from the [FarmGas Calculator](#) (mixed species environmental plantings) in the Lower Namoi Valley, an area of approximately 1,100ha is required to reach minimum project bid size of 2,000t of CO<sub>2</sub>e abatement per annum.

#### Risks:

- Seedling mortality – unless the project is irrigated, climatic risk factors will ultimately determine plant-stand population, sequestration levels and harvestable timber.
- Proximity to mills and other processing centres is important because transport costs can be prohibitive
- Price volatility, especially for carbon credits.
- The sequestration permanency requirement (i.e. the requirement to deliver on carbon sequestration up to 100 years).

#### Resources:

- The full methodology is available at: [www.environment.gov.au/climate-change/emissions-reduction-fund/methods/reforestation](http://www.environment.gov.au/climate-change/emissions-reduction-fund/methods/reforestation)
- URS Forestry (2008), Market Opportunities for Farm Forestry in Australia, RIRDC Publication No. 08/105 <https://rirdc.infoservices.com.au/downloads/08-105>
- Kondinin Group (2015), The business case for carbon farming: improving your farm's sustainability. <http://carbonfarminginitiative.farmingahead.com.au/p/resources.html>
- Australian Farm Institute FarmGas Scenario Tool: <http://calculator.farminstitute.org.au/farmgas>