

Green

Iowa Farmer Finds Fortune in Selling Carbon Credits to Shopify

By [Justina Vasquez](#)

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- ▶ Nori marketplace links buyers and sellers of carbon credits
 - ▶ Trade with Canadian tech firm may yield \$290,000 for farmer
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Kelly Garrett is selling credits earned from removing carbon off his Iowa farm to Shopify. *Source: XtremeAg.Farm*

Iowa's Kelly Garrett is the first one in five generations of toiling the family farm to cash in on what plants and soil do naturally -- trap carbon dioxide from the air.

The crop-and-cattle farmer is selling credits from removing 5,000 metric tons of carbon dioxide off his Crawford County farm yearly to e-commerce company [Shopify Inc.](#) through a carbon-credit marketplace run by Seattle-based [Nori LLC](#).

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Garrett expects a check for up to \$290,000 from selling credits he earned between 2014 and 2019 through a Locus Agricultural Solutions program that guides farmers through the process and offers access to soil nutrients that increase carbon absorption.

Adding these nutrients to his fields alongside practices that avoid tilling soil, which releases carbon into the atmosphere, and using manure from his cows for fertilizer, help Garrett build credits he can sell.

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“I’m doing these practices because they’re good for my soil -- they’re good for my yields, which is good for my pocketbook,” Garrett, 45, said in an interview. “It’s

just the way that we need to farm to do a better job.”

The sale exemplifies the agriculture industry’s efforts to lessen environmental impacts and shows how goals to offset carbon emissions can produce profitable business for farmers who are being pressured to feed the world’s increasingly hungry population in more sustainable ways.

“There’s a huge need in farming to restore the quality and health of soil,” Alexandra Guerra, Nori’s director of corporate development, said in an interview. “We have to be able to feed the growing global population while also restoring land and the climate, so this is a win-win-win solution.”

Shopify’s carbon-credit purchase gives the Canadian technology firm a way to offset its own emissions. Supporting Nori is “a natural fit” for the company, which dedicates \$5 million a year to promising technologies and projects fighting climate change, said Stacy Kauk of Shopify’s sustainability fund.

“We are helping them to scale and commercialize their technologies, raising awareness and increasing accessibility to carbon-reduction efforts,” Kauk said in an email.

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Agriculture, forestry and land use account for about a quarter of the global market for voluntary carbon offsets, yet only a sliver of credits are issued from those industries, according to a BloombergNEF report . The market had an annual capacity of 359 million tons of carbon-dioxide equivalents through March. That’s creating opportunities for larger companies.

Bayer AG’s crop-science division is trying methods such as no-till farming and using diverse crops that protect soil on half a million acres of farmland in the U.S. and Brazil, with plans to begin testing in Europe next year. The goal is to create a “business model” around both increased farm productivity and climate change

mitigation, Bayer Crop Science President Liam Condon said in an Oct. 13 webinar.

Truterra, a unit of farmer-owned cooperative Land O'Lakes Inc., announced a partnership with Nori earlier in October. The farm-technology company agreed to provide data that growers enter about their fields to Nori, which could then calculate the potential value of applicable carbon credits at no extra cost to users.

Smoke and mirrors

Many existing carbon-credit plans attempting to come to market now were developed years ago when requirements were more relaxed, BloombergNEF analyst Kyle Harrison said in an interview. That can lead to problems like overestimating the amount of carbon removal, ultimately devaluing credits.

“The issue as a buyer, when you enter this market, is there’s just so much smoke and mirrors that you have to sift through,” Harrison said.

As corporations expand the market, policy development is a big part of their decision-making. Investment incentives have to come from both private and local public sectors and “can’t just be punitive,” Land O’Lakes Chief Executive Officer Beth Ford said in an October panel with the Milken Institute, a nonpartisan think tank.

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A bipartisan group of senators introduced a bill in June to establish a certification program under the U.S. Department of Agriculture to motivate farmers and foresters to participate in carbon credit markets.

Farmers like Garrett tend to view government-backed “green” initiatives as having too many strings attached. The lowan said he’d rather see government funds redirected to encouraging carbon-intensive industries like airlines and manufacturing to build a market farmers could sell into.

“That would give more money to farmers, which then would lower the subsidies and would be good for the earth and good for the environment,” he said. “That to me is a no-brainer.”