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Australian grazing company makes first global carbon credit sale

In a ground-breaking move for the Australian livestock industry, a New England cattle business has sealed a significant sale of carbon credits to one of the world's leading technology companies.

The carbon credits have been verified and sold by the US-based [Regen Network](#), under their [CarbonPlus](#) scheme, as part of the recently-announced carbon offset initiatives by Microsoft.

The soil carbon gains have been made by Ebor-based [Wilmot Cattle Company](#) as a result of enhanced grazing management over the last three years on two of Wilmot's properties in northern NSW. The General Manager of Wilmot Cattle Company, Stuart Austin, said the company had focussed on better grazing management over the last few years in order to increase efficient use of pasture and build resilience to drought.

"Grazing management has become an important focus of this business over the last few years and has resulted in a boost to productivity and to profit, and to ensuring that we are not overgrazing through drought years. The prospect of being paid for carbon sequestration while building a resilient landscape has encouraged this change and will ensure its permanency," he said.

Armidale-based [ImpactAg Partners](#) is advising Wilmot Cattle Company on its soil carbon strategy. ImpactAg's natural capital specialist, Toby Grogan, said the deal demonstrates the win-win outcomes of enhancing farm productivity through increased soil health while creating significant surplus carbon credits for trading with third party emitters. "This is an indication of what is going to be possible in the future for farmers who are focussing on their soil health and particularly on how they can enhance their soil carbon.

"While the market for soil carbon credits is in its infancy, as measurement techniques evolve and become more sophisticated, we believe there will be many more opportunities of this sort for Australian farmers", Mr Grogan said.

Wilmot Cattle Company's tranche of carbon credits is valued at over \$500,000. They are branded *CarbonPlus Grassland Credits*, and Wilmot is the first company in Regen Network's portfolio to sell credits based on soil organic carbon sequestration achieved through rotational grazing.

Each *CarbonPlus Grassland Credit* represents 1 metric tonne of sequestered carbon as soil carbon in these productive grazing enterprises. The "Plus" designation recognises the significant environmental and agronomic co-benefits achieved in addition to the carbon sequestration. Co-benefits include better water retention, enhanced pasture and farm-scale biodiversity, reduced need for expensive inputs such as chemical fertilizers, and the virtual elimination of soil erosion.



Alasdair MacLeod, Chairman of the Macdoch Group, which owns Wilmot Cattle Company and is a shareholder of ImpactAg Partners, said he believed this is a major step forward for the livestock industry.

“Instead of being part of the environmental problem, we believe that well managed livestock can be part of the solution to the challenge of carbon emissions.

“There is a great deal of work still to be done to refine carbon farming techniques and soil carbon measurement methodologies, but here is justification for the emphasis that the Australian Government has put on soil carbon as a major contributor to the country’s decarbonisation strategy.

“Our team is currently working with the Clean Energy Regulator to help develop the regulated market for soil carbon credits in Australia and, as a result of this work, we hope that soil carbon projects will become widely available to Australian farmers in the near future,” Mr MacLeod said.

He added that another of his group’s companies, Maia Technology, worked with Resource Consulting Services to develop the software and training modules used by Wilmot Cattle Company, and that Maia and RCS are developing training modules to help other graziers improve their soil health, including carbon, while building business resilience.

About the participants

[Wilmot Cattle Company](#) is an innovative cattle and natural grass-fed beef business based in the New England district of northern NSW, Australia. The business practices rotational grazing using Maia Grazing for planning and decision support, with a view to optimising stocking rates, pasture performance and soil health. Stuart Austin is recognised as a leading advocate for a more regenerative approach to land management to increase farm profitability and business resilience.

[ImpactAg Partners](#) is a real asset and farming advisory firm with expertise in building and preserving natural capital through regenerative agriculture. ImpactAg works with technical partners, landholders and investors to identify, generate and monetise natural capital in Australian landscapes, increasing investment returns.

[Regen Network](#) is a platform serving to align economics with ecology to drive regenerative land management. Regen Network’s Registry allows land stewards to sell their ecosystem services to buyers globally, functioning to reverse climate change through incentivized carbon removal.

[Maia Technology](#) is an agricultural software business whose major product is MaiaGrazing, a tool to help graziers make better business and grazing management decisions and build drought resilience.

[Macdoch Group](#) is a private investment company with offices in Sydney and London. In Australia, its Macdoch Ag Group is a leading investor and operator of farming businesses, agricultural technology and service companies that support transitions in the industry.



[Resource Consulting Services](#) has over 30 years' experience of helping farmers build better businesses. Its main training course, *Grazing for Profit*, has been delivered to over 7000 farmers helping them to develop more resilient grazing businesses.

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FAQ on Wilmot Cattle Company carbon credits

What form/type of carbon is actually being sold in this deal?

Regen Network has acted as an agent in the sourcing, from Wilmot Cattle Company, and on-selling of verified *CarbonPlus Grassland Credits*. Each credit represents 1 metric tonne of sequestered carbon as soil carbon produced through regenerative grazing activities on Wilmot's northern NSW properties. Verified carbon credits can be used to offset carbon emissions in other parts of the economy, in either voluntary or compliance markets.

How can farming and grazing help solve our carbon emissions challenge?

Enlightened grazing management has a high potential to deliver significant net carbon credits for both the voluntary and compliance carbon market sectors. For example, it has been estimated that, at face value, a 0.8 % per annum increase in soil organic carbon stocks would effectively offset Australia's total annual greenhouse gas emissions¹. In the farming and grazing context alone, it's estimated that the widespread adoption of carbon-friendly practices could potentially sequester between 125 Mt and 374 Mt of CO_{2e} per year², representing between 23% and 70% of Australia's current total annual national greenhouse gas emissions³.

How are the carbon credits measured and audited?

Soil carbon levels are assessed using a combination of infield measurement and remote sensing. The methodology used to estimate net carbon sequestration has relied upon and referenced a number of international standards, such as Gold Standard. Net sequestration is calculated by estimating soil carbon sequestration as well as on farm emission sources to determine a net positive effect. The methodology and credit issuance has been reviewed by a recognised auditor and been subject to substantial due-diligence by the buyer.

As stipulated by all regulated and recognized carbon markets, Regen Network requires Wilmot Cattle Company to commit to maintaining its current management practices for a

¹ Sanderman, J, Farquharson, R and Baldock, J. 2010. *Soil Carbon Sequestration Potential: A review for Australian agriculture*. CSIRO Report for Department of Climate Change and Energy Efficiency, Australian Government.

² Garnaut, R. 2011. *Garnaut Climate Change Review – Update Paper four: Transforming rural land use*. Table 1.

³ Commonwealth of Australia. *Quarterly Updates of Australia's National Greenhouse Gas Inventory*, Canberra.



period of 25 years after each issuance of credits. This requirement will extend to any subsequent land owner or manager during this 25-year permanence period.

Regen Network acknowledges that as innovation continues to drive improvements in soil sampling technologies, practices used to calculate soil organic carbon will continuously improve and evolve.

What has Wilmot Cattle Company done to sequester net carbon?

Wilmot Cattle Company is focussing its management on rotational grazing management of stock. This maintains and grows biodiverse groundcover, boosting pasture productivity whilst avoiding overgrazing through drought years.

Under guidance from ImpactAg Partners, Wilmot has been measuring soil organic carbon levels on its grazing land since 2011. Following a transition to regenerative agriculture practices several years ago the soil carbon levels started to increase and have been steadily increasing ever since. While the degree of annual increases fluctuates between climatically wet and dry years, Wilmot has been able to maintain or improve the soil carbon levels over time, including through recent period of drought and bushfire.

As well as improved soil carbon *per se*, the grazing management has brought significant environmental and agronomic co-benefits including better water retention, enhanced pasture and farm-scale biodiversity, reduced need for expensive inputs such as chemical fertilizers, and the virtual elimination of soil erosion.

Wilmot's grazing management approach has been aided by the companies Maia Technology and Resource Consulting Services who have developed the software and training modules Wilmot uses to improve its properties' soil health, including carbon, while building business resilience.

How much carbon and money has been transacted under the carbon credit sale?

Wilmot's two grazing properties – at Ebor and at Walcha in northern NSW – have contracted more than 40,000 credits to date. While the specific details of the deal are confidential, we can advise that the monetary value of the credits is on par with the current contract price of Australian Carbon Credit Units (ACCUs) that are typically purchased by the Australian Government under its Emissions Reduction Fund process.

Does Wilmot also participate in the Australian Government's carbon scheme?

Wilmot recognises that, while soil carbon can be a major contributor to Australia's decarbonisation strategy, the techniques for soil carbon measurement and management are still developing and refining.

The Australian Government's official soil carbon sequestration methodology prescribes how official carbon credits (ACCUs) are created via soil organic matter management. It covers a range of eligible farming systems including cropping, grazing and horticultural production systems and includes a soil sampling strategy to reduce uncertainty of soil carbon estimates.



Wilmot is encouraged by the emphasis that the Australian Government has put on refining its soil organic carbon methodology as part of its suite of Emissions Reduction Fund methodologies. The Company is working with the Government's Clean Energy Regulator to help develop the regulated market for soil carbon credits in Australia. As a result of this work Wilmot expects that soil carbon projects will become widely available to Australian farmers in the near future, and that Wilmot will continue to participate in the Australian scheme.

Do these credits help Australia's commitments under the Paris Agreement?

These carbon credits, although verified under accepted voluntary market mechanisms, do not count towards Australia's Paris Agreement commitments because they are being sold in the US as part of a private bilateral deal. As and when Wilmot Cattle Company participates in the Australian Government's scheme to generate ACCUs under its Soil Carbon methodology, such credits will help Australia meet its Paris Agreement commitments.