Co-Chair Report
Matthew Warnken

Members of the Soil Carbon Industry Group are already aware of soil carbon's potential as a climate solution. However, while we are in the middle of a debate on the potential yield of carbon credits from agriculture activity, it is important to remember that recarbonising soil to the levels before European arrival would see around 150 gigatonnes of carbon returned to the Australian landscape.[1] This is around 25 times Australia's annual emissions from all sources. Managing the stock of soil carbon in the landscape also enables a step change in agricultural productivity and sustainability. Our industry is on the cusp of unlocking a wave of innovation and productivity gains in crops, pastures and technology. All while materially drawing down atmospheric CO_2.

This past financial year saw Australia set a net zero target just in time for Glasgow (COP26 - The 26th Conference of Parties to the UN Convention on Climate Change – 31 October – 13 November 2021). Having attended Glasgow, it was clear to me that Agriculture was the next global sectoral target for decarbonisation. Australia's leadership position in soil carbon stands out as Australia is still the only jurisdiction where soils count toward our Paris targets. Innovations from our industry are urgently needed across the world. Australia's new 43 per cent greenhouse gas target by 2030 under the Labor Federal Government will help power these gains.

The 2021/2022 year was the second full year of operation of the Soil Carbon Industry Group (SCIG) LLC. The highlight for the year was the release of the Carbon Credits (Carbon Farming Initiative—Estimation of Soil Organic Carbon Sequestration using Measurement and Models) Methodology Determination 2021 under the Emissions Reduction Fund. The Clean Energy Regulator spearheaded a well-managed co-design process. SCIG contributed practical detail to development of the new method through detailed member consultation and through investment with the Carbon Markets Institute in the Soil Carbon Taskforce. The 2018 soil carbon method was already rated the best soil carbon method in the world.[2] The new 2021 method is stronger still.

During the year a soil carbon project was registered as the 1000th project participating in the ERF.[3] Soil carbon is the fastest growing project category under the ERF. Over half the projects registered this year and last year are soil carbon projects. Confidence is building as industry members operationalise the new method. The race is now on for the first credits issued under the 2021 method.

Looking to the future, support for an industry body is crucial to mainstreaming soil as a nature based solution for climate. Soil carbon needs a united industry voice in policy development, in directing research and generally sharing common challenges. Member voices are stronger when we support one another.

The ongoing rationale for SCIG remains strong, especially with potential challenges such as The Chubb Review (Australian Government Independent review of Australian Carbon Credit Units.

[1] Sanderman, J., Farquharson, R., & Baldock, J. (2009). Soil carbon sequestration potential: a review for Australian agriculture. *CSIRO Land and Water, National Research Flagships report prepared for the Department of Climate Change and Energy Efficiency.*
2 See https://carbonplan.org/blog/soil-protocols-added
[3] See https://www.cleanenergyregulator.gov.au/ERF/Pages/News%20and%20updates/News-Item.aspx?ListId=19b4efbb-6f5d-4637-94c4-121c1f96fcfe&ItemId=956

The Chubb Review presents an opportunity to renew Australia's carbon-crediting framework and ensure that it is fit for purpose in supporting Australia's urgent transition to net zero and negative emissions. SCIG's submission highlighted co-benefits of soil carbon in biodiversity, productivity and drought resilience in addition to the large abatement opportunity. The prime importance of the farming community is also relevant to this debate, in particular giving farmers confidence to participate in ERF projects without fear of attack from minority fringe groups with an anti-offsets agenda.

SCIG will continue to articulate the value proposition of soil carbon as a climate solution. A big thankyou to members and directors for their individual contributions to SCIG and I look forward to setting strategic priorities for SCIG growth for the next financial year.

Matthew Warnken
Co-Chair Soil Carbon Industry Group
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