

# PROFILE: CARBON TRADING FOR SMALL LANDOWNERS IN THE SOUTHEAST

## Federation of Southern Cooperatives/Land Assistance Fund

The Federation of Southern Cooperatives/ Land Assistance Fund (FSC/LAF) was founded in 1967 to ensure that African-American and other historically-underserved communities of the Southern “Black Belt” have support and resources to own and make full use of their land, natural resources, and other business opportunities. FSC/LAF’s community-based forestry program assists low-wealth, mostly African-American, forest landowners by helping improve forest management practices; working with state agencies to address discriminatory governmental practices that often hinder access to technical and financial resources; and, providing on-the-ground technical assistance.

FSC/LAF’s community-based forestry program is developing a carbon trading project that will be available to forest landowners who: are members of the FSC/LAF; own forestland in Alabama, Georgia, Mississippi, or South Carolina; and are enrolled in USDA’s Conservation Reserve Program (CRP). FSC/LAF is currently working on marketing and recruitment for the program, seeking to enroll 10,000 acres by the fall of 2008.

### Carbon Trading Program

Through carbon trading, FSC/LAF seeks to provide assistance to low-wealth forest landowners hoping to help those landowners improve the management of their forests, increase their property values, and enhance their income through carbon credit revenue. The program will also provide an opportunity for FSC/LAF to do outreach and education with forest landowners about climate change and the role individual landowners can play in addressing it.

As an Offset Aggregator for the carbon trading project, FSC/LAF will serve as the link between individual forest

landowners and the Chicago Carbon Exchange (CCX), the market through which the carbon credits will be sold. FSC/LAF will receive 10% from each carbon sale, enough revenue to administer the carbon trading program and eventually to support other aspects of their community-based forestry program. This revenue is critical in the Southeast, a region that, despite tremendous needs, has a very small philanthropic base and little infrastructure for community-based forestry.

### Adaptations to Carbon Trading Program Eligibility

FSC/LAF’s carbon trading program leverages maximum eligibility flexibility to ensure that low-wealth landowners have access to participation. For example, most carbon trading programs require that forest landowners own a minimum of fifty acres to participate. However, because FSC/LAF works with landowners with significantly smaller landholdings, the minimum acreage for the FSC/LAF carbon trading program will be five acres. This downward shift in acreage may require that FSC/LAF conduct more transactions (to develop more landowner contracts) to achieve their 10,000 acres. It will make the program accessible to a broader base of participants. Because FSC/LAF members are eligible for a USDA CRP contract which includes management and stewardship plans, carbon trading program requirements for these plans are alleviated. FSC/LAF is currently working with CCX to determine if proof of FSC/LAF membership can be used in lieu of even a CRP contract because very small landowners often do not even have CRP contracts.