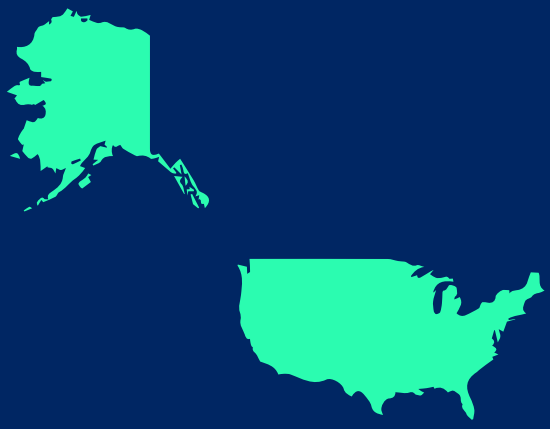
Natural Climate Solutions Alliance

Natural Climate Solutions in Action

Carbon by Indigo

Project/Program Type	Indigo is the only registry-approved, third-party verified large-scale agricultural carbon project. It uses methodologies developed in cooperation with Verra and the Climate Action Reserve.
Description	Indigo provides payments to participating farmers based on the amount of carbon they capture in their fields as a result of adopting regenerative practices like no-till farming and cover cropping. Farmers receive 75 percent of the sales price of each credit generated and sold.
Location	The project works with farmers in 30 US states.
Scale	The project has more than 5 million acres of farmland enrolled.
Number of Credits Issued to Date	22,225
Project Proponent	Indigo



Impacts

Impact To-Date	By adopting regenerative techniques like no-till farming and cover cropping, the farmers in Indigo's program have sequestered carbon in their fields, reduced runoff pollution, and nourished healthier ecosystems.
Projected Longer-Term Impact	Indigo Ag seeks to enable the full potential of high-quality agricultural carbon credits to incentivize adoption of regenerative practices, mitigating climate change through GHG abatement and carbon sequestration, while directly supporting farming communities. Indigo Ag expects to generate millions of credits in the coming years. It has opened business units in India and Brazil and is launching a pilot project in Europe with a similar design to the US program. They aim to maximize the farmer's ability to reduce emissions, abate carbon dioxide, and build carbon content in the soil. This will drive greater resilience to drought, water retention, and access to nutrients; infuse revenue into the agricultural community and improve economic returns for farmers, building their long-term profitability and sustain these operations for the next generation.

How Indigo Ag Is Turning Carbon Into a Cash Crop for Regenerative Farmers In the US

Thirty years ago, Paul and Diane Overby gave up their suit-and-tie careers to take over his parents' farm in North Dakota. "We're farming on land that's been in my family since homesteading days," Paul says. Growing crops like wheat, oats and canola was an opportunity to carry on the family legacy and connect with nature—but climate change was a challenge his ancestors did not anticipate. More rain fell in Paul and Diane's first summer on the farm than was normal for an entire year. "I watched water running off my fields, carrying nutrients and sediment with it," Paul says. The experience got them thinking about "how to manage the soil in this constantly shifting environment."

Paul Overby
Regenerative Farmer
North Dakota

I watched water running off my fields, carrying nutrients and sediment with it.

Paul and Diane learned sustainable techniques like no-till farming and added new crops like field peas into the rotation to improve health of the soil. It took many years, however, to save money for the necessary equipment; and there were additional practices, like cover cropping, they wanted to adopt as well. So Paul was intrigued when he heard a few years ago about a company called Indigo Ag. Healthier soil captured more carbon—and Indigo wanted to ensure regenerative farmers like the Overbys were rewarded by the voluntary carbon market for the service they were doing the planet by sequestering greenhouse gases underground, while also giving them financial and scientific support to adopt new practices.

AJ Kumar
Vice President of Sustainability Sciences
Indigo Ag

We saw real opportunity where people hadn't been focusing so much, which is in the soil.

"We saw real opportunity where people hadn't been focusing so much, which is in the soil," says AJ Kumar, Indigo's vice president of sustainability sciences. Agriculture accounts for more than 10 percent of the United States' greenhouse gas emissions; but with regenerative practices—like no-till, crop rotation, cover cropping and changes in fertilizer use—farm fields can become carbon sinks instead. Better soil not only captures carbon but also produces less runoff pollution and hosts like insects, fungi and bacteria that account for as much as a quarter of earth's biodiversity. The activity of these animals, in turn, adds nutrients to soil and produce healthier crops.

Indigo developed a platform to measure, report and verify the amount of carbon farmers are capturing by adopting regenerative techniques—using new methodologies that Indigo helped design with Verra and the Climate Action Reserve. The company monitors the management on every

22,225 credits in first issuance

working with farmers across **30 US states**

5 million acres of US farmland currently enrolled

100% increase in the price of carbon credits since first enrolment

Follow the progress

single field enrolled in its program, while also conducting soil sampling across the program, to measure the carbon capture and generate credits. Its first verification of a "crop" of carbon credits, completed in 2022, covered over 100,000 acres managed by 175 growers. Today the company has more than 5 million acres of farmland enrolled, operates in 30 U.S. states, and is designing pilot programs in India, Europe, and South America as well.

Paul Overby
Regenerative Farmer
North Dakota

If somebody is just starting out and adding no-till for the first time, their carbon payment is going to be pretty substantial.

Growers receive at least 75 percent of each credit sold, and the value of a credit has doubled since the start of the program. For the Overbys, that's provided enough money to experiment with cover crops. Now, they cultivate plants like kale, radishes and lentils in their fields outside the traditional farming season. "Cover crops are storing carbon in those two months that a normal crop isn't growing," Paul says. The returns will be even greater for farmers who are just beginning the transition to regenerative farming. "If somebody is just starting out and adding no-till for the first time, their carbon payment is going to be pretty substantial," Paul adds. "The first five years of no-till are not easy, and we're going to have to show farmers that there's financial gain in this and help them with the risk."

Regenerative farming provides ecosystem services beyond carbon sequestration. Agriculture is the main source of pollution of US rivers and waterways—but healthier soil needs less chemical fertilizer and holds more water, reducing runoff and erosion on well-managed fields. The elimination of tillage reduces air pollution; and the variety of plants provides habitat for a variety of microbes, insects, birds and rodents. The Overbys' farm, with many different plant types, attracts a variety of pollinating insects and birds that help control the non-beneficial insects. "We're definitely the smallest farmers in the neighborhood and we are able to make our living entirely off our farm," Paul says.

Regenerative farming has the Overbys optimistic that they will be able to keep the family farm running even with the dangers posed by climate change. In the past few years, the weather in North Dakota has become even more unpredictable. "The dynamic has been flipping back and forth between wet and dry," Paul says. Last year, after an extended drought, it poured two inches of rain on a single day while the Overbys were on vacation. "When we came back, I noticed all the low spots in farmers' fields were full of water," Paul says. On their own farm, though, there weren't any puddles. "All two inches of that rain went into my soil and supported my crops."

Diane Overby
Regenerative Farmer
North Dakota

Building soil health is for the betterment of future generations, and the climate impact storing carbon can have.

The improvements have them feeling positive about the future. "Building soil health is for the betterment of future generations," Diane says, "and the climate impact storing carbon can have."

Natural Climate Solutions Alliance

About the NCS Alliance

The NCS Alliance (NCSA) conveys the voice of businesses, NGOs and solution providers on the need to mobilize a high integrity demand for high quality Natural Climate Solutions (NCS). The Alliance focuses on identifying opportunities and barriers to investment in the NCS voluntary carbon market and serves as a forum for knowledge sharing and technical capacity building to ensure natural climate solutions reach their full potential in abating climate change, while also tackling nature loss and socio-economic issues. NCS in Action was established to showcase how NCS are making a real difference in the world today.

For more information visit www.naturalclimatesolutionsalliance.org and follow us on LinkedIn.

Statement of Acknowledgment

The NCS in Action are testimonials designed to highlight the benefits for people and nature associated with NCS projects and programs financed through the voluntary carbon market. The NCS Alliance strongly believes that the voluntary carbon market is necessary for financing NCS projects and programs. It is critical however that it rests on the integrity of the climate benefits, i.e. the ability of credits to truly represent real and verifiable carbon reductions.

The NCS Alliance recognizes the importance of staying up-to-date with the latest science and best practices as carbon-crediting programs evolve. We acknowledge that there have been challenges with certain methodologies and that improvements have not always been made as quickly as necessary. However, we believe that this is a valuable learning-by-doing process and that scaling up NCS is crucial in achieving global 1.5C goals. In support of this, the NCS Alliance will continue to highlight projects and programs in this space while also advocating for consistent improvement in standards and methodologies. For more information about how and when these methodologies are updated see Verra, Plan Vivo, ACR, ART.

NCS in Action is made possible with generous funding support from the We Mean Business Coalition.

Disclaimer

Inclusion of an NCS project or program in the NCS in Action program does not imply a recommendation to purchase, trade or retire credits associated with the project or program.

The NCS Alliance and its members take no responsibility for the purchase, trade or retirement of credits from these projects and programs. Instead, it recommends that individuals, companies and other organisations procuring credits as part of their climate strategies conduct their own independent due diligence to validate the quality and environmental integrity of their purchases.

The NCS Alliance secretariat in no way benefits financially or by other means from the selection.

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