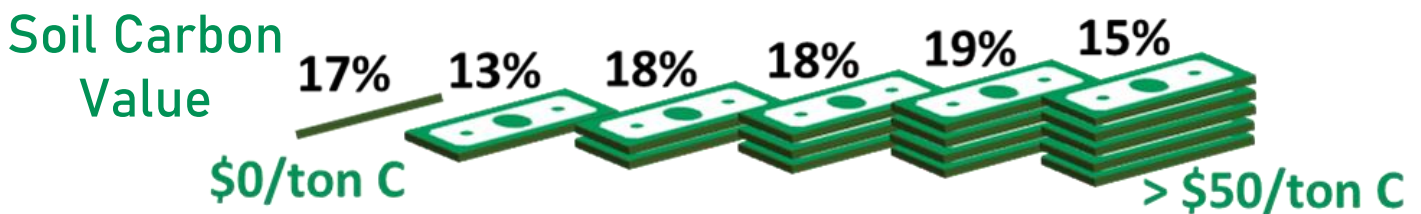


South Dakota Farmers' Perceived Value of Carbon Credits

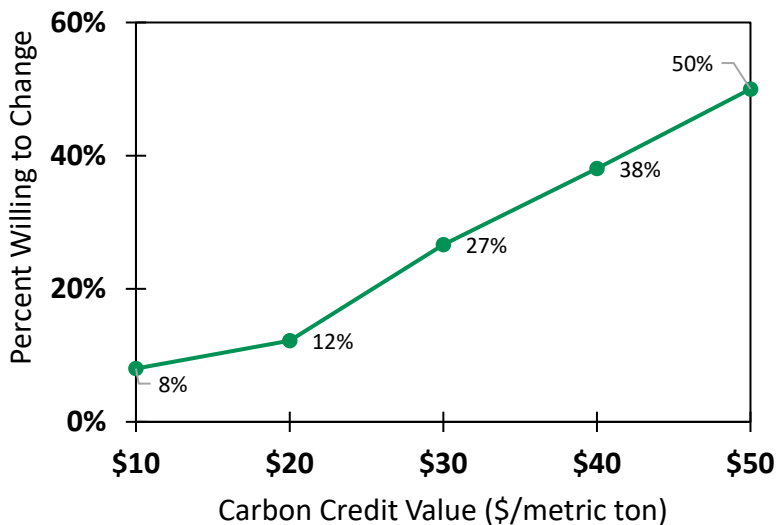

Researchers at South Dakota State University (SDSU) conducted surveys with South Dakota commodity crop producers in the eastern part of the state in both 2018 and 2021. Producers could take the survey online or via mail and were asked questions about their farm, farming practices including usage of soil and water conservation practices, challenges and benefits to using conservation practices, and their attitudes about the environment. Using publicly available addresses from the Farm Service Agency of government program participants, a random sample of 3,000 producers were sent the survey in 2018. 650 were ineligible, and 708 responded to the survey for a response rate of 30%. In 2021, the same producers who took the survey in 2018 were asked to take a follow up survey. 94 were ineligible, and 350 responded for a 59% response rate. In this factsheet we are presenting results based on the responses of participants who answered carbon credit related questions in 2021 survey.

Overall, farmers' *opinion* of what soil carbon credits were worth in 2021 was spread nearly evenly from \$0 to more than \$50 per metric ton of carbon (C).



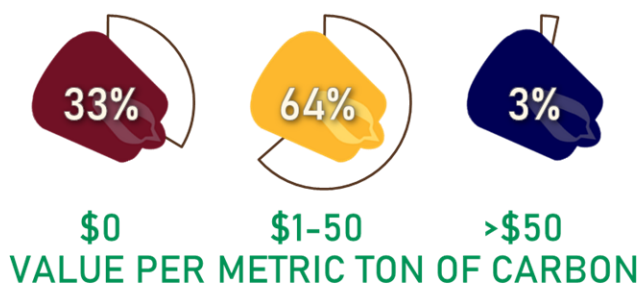
Percent of producers with perceived carbon value from \$0, \$1 - \$10, \$11 - \$20, \$21 - \$30, \$31 - \$50 and >\$50

In 2021, half (50%) of South Dakota producers were *willing to consider changing* their management practices at a carbon credit value of \$50/ton.

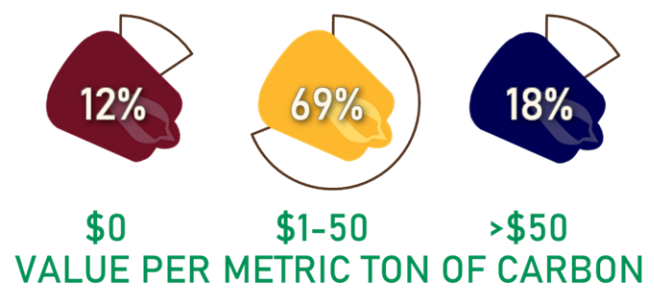



\$50/ton C
Across all farmers surveyed, half (50%) of farmers would be willing to change practices if carbon credits were valued at up to \$50 per metric ton.

In comparison to non-adopters, conservation tillage adopters are more likely to perceive higher carbon credit values. Most farmers believe that soil carbon has market value.

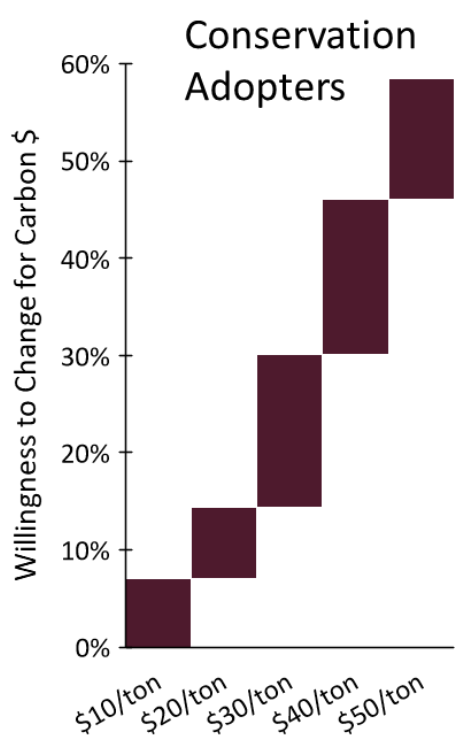
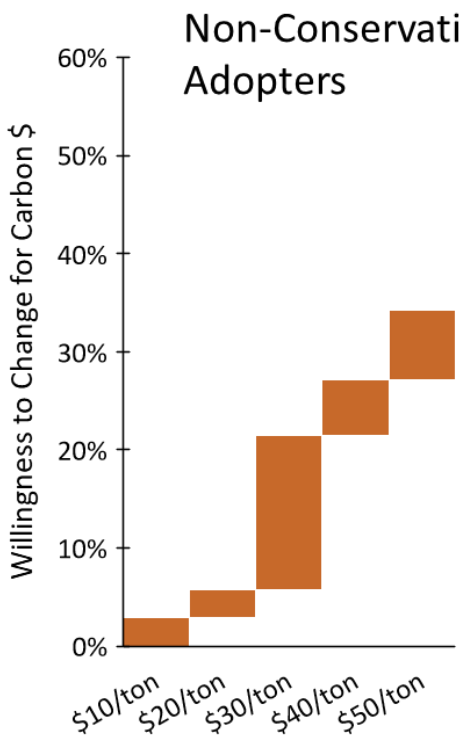


VALUE PER METRIC TON OF CARBON
 Producers who *do not use conservation tillage* in 2021 believe that soil carbon has a *lower* value than those who have adopted conservation tillage. Few (3%) non-conservation tillage farmers believe that soil carbon is worth more than \$50 per metric ton carbon.



VALUE PER METRIC TON OF CARBON
 Producers who *use conservation tillage* in 2021 believe that soil carbon has a *higher* value than those who have not adopted conservation tillage. Some (12%) conservation tillage adopters do not believe that soil carbon has a market value.

In comparison to non-adopters, conservation tillage adopters are more likely to consider changing their farm practices to obtain carbon credits. The higher the value, the greater the number of farmers that are willing to change.



For more information about this survey conducted with South Dakota farmers, please visit SDSU Open Prairie (<https://openprairie.sdstate.edu/sdfarmsurvey>). You may also email Dr. Tong Wang (tong.wang@sdstate.edu), Associate Professor and Advanced Production Specialist at SDSU or Jim Ristau (jimr@sdcorn.org), Director of Sustainability at SD Corn.

