



Carbon programs are the tip of the spear

IN THE November issue, we covered several buzzworthy program areas on farms which depend on a robust data lake. With the 2025 Professional Dairy Producers (PDP) Carbon Conference 3.0 on the horizon this month, lets further delve into enteric methane emissions and sustainability programs.

In preparation for the conference, PDP's Cassandra Strupp reached out with a phone call, initially asking what was new with feed additives and methane. A half hour later, we realized we were just scratching the surface. There is so much to discuss that the topic warrants further coverage here leading up to the conference. Sustainability project financial incentives and diversification in income opportunities for dairy producers continue to evolve and drive curiosity out in the field.

Public versus private

In 2024, billions of dollars in new projects were announced by the USDA. The new funding, in many cases, supplied additional financial backing with long-standing USDA programs such as the Regional Conservation Partnership Programs (RCPP). Key partners were awarded grants to pursue these projects, though now with a change in U.S. government federal administration, I'll be paying close attention to how the announced funding moves forward. The financial opportunities for dairies to adopt sustainability practices under this program may be sizable.

Beyond these newly announced projects and funding, there are estab-

lished programs such as the USDA Natural Resources Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP), in which dairies can apply for cost-sharing dollars for conservation projects. In 2025, air quality will be a focal point for EQIP funding. Under the air quality focus area, enteric methane is a resource concern that can be addressed with a feed management plan. Expect that USDA programs such as EQIP and air quality concerns will be talked about more in the months and years to come.

Separately from USDA and federal programs, there are additional carbon market opportunities within the private sector. Many global entities have committed to reducing their carbon emissions in the near future. These commitments aren't going away, and now many consumer packaged goods companies such as milk or yogurt manufacturers are actively working on their Scope 3 emissions with dairy producers. Scope 3 emissions are those within a supply chain that are not directly under the entity's management. These private sector carbon marketing opportunities have been challenging to understand, but they require partnership and a robust data lake to meet program requirements. My gut feeling is that there will be new programs coming online in this space, with additional opportunities for dairies to market their carbon reductions.

Voluntary versus compliance

Currently, much of my focus and what we've covered here relates to

voluntary markets. Dairy producers and carbon credit clients are voluntarily engaging in a business program together, where free market fundamentals are at play.

There is another market, though, where regulations require businesses to report their emissions and possibly even reduce their carbon footprint. This is a compliance market. We need to both understand and explore opportunities here, as some global food and financial businesses are now required to report their Scope 1, 2, and 3 emissions. There are likely compliance market opportunities ahead for dairy producers as well as we find ourselves under the microscope to lessen greenhouse gas emissions within the dairy product supply chain.

Project opportunity areas

Beyond enteric methane emission oriented programs, there are also several key areas on your farm that likely qualify for carbon programs. Manure digester projects, nutrient and soil management plans, water quality oriented projects, or even forestry plans could be opportunities for your farm in addition to the feed and additive projects. For those venturing into manure digester projects, I urge you to understand the contract terms associated with your carbon assets. For those embarking on feed additive or other sustainability programs, make sure to ask about the program's data requirements and ensure you understand who owns the program data.

With all of these areas, I'm sensing

that there's a hunger for knowledge in our industry. So far, I've not found a single source that we can turn to for comprehensive carbon program education. Benton Dairy Group's climate and sustainability lead Emily Hoeing and I were talking about this educational gap and brainstorming where we can direct those interested in learning more. While a single educational resource wasn't coming to mind, in my view, the path to knowledge and experience is multifaceted. I suggest proactively reaching out to dairy sustainability program thought leaders, in addition to reading sustainability program insights in *Hoard's Dairyman*. If you are looking to learn more about specific programs, also try to find a trusted consultant in your network who has some exposure or experience to learn from.

In bringing this article to a close, I'll come back to referencing the PDP Carbon Conference. While I had the pleasure of learning at this conference in years past, I'm now looking forward to contributing to the 2025 program. In addition to following *Hoard's Dairyman* for newsworthy updates, feel free to come find me in person at the Carbon Conference where we can continue the conversation. Our shared goal is to continue helping you position your dairy in the best spot possible. 🐄

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