

Green light given to rubber plantations to sell carbon credits

The Rubber Authority of Thailand (RAOT) is planning to develop registered carbon-neutral rubber plantations to support the government's policy of leading Thailand towards carbon neutrality by 2050 and becoming a leader in ASEAN in reducing carbon dioxide emissions and achieving net zero by 2065, its governor Nakorn Takwiraphat, has announced.



He added that the Thailand Greenhouse Gas Management Organisation (TGO) has confirmed that rubber trees are perennial plants capable of sequestering carbon and can thus be utilized in carbon credit trading processes.

As a rule of thumb, trees must belong to the group of 58 fast-growing perennial species identified by the Royal Forest Department to qualify for carbon credit trading. Rubber trees can also participate because they offer high economic returns, have long cutting cycles, have characteristics similar to perennial plants, and have a significant wood volume, making them suitable for carbon sequestration. This allows rubber plantation farmers to engage in carbon credit trading and enhance their income.

To promote and support the development of registered rubber plantations, RAOT signed a Memorandum of Understanding (MOU) with TGO on March 13 to develop a carbon credit management project. This initiative aims to allow rubber tree owners within plantation areas to participate in carbon credit trading, generating additional income beyond rubber product sales alone. This effort will help improve the quality of life for rubber farmers and boost their social and environmental responsibilities.

The RAOT has implemented a carbon credit management project and registered it with TGO to create carbon-neutral rubber plantations in Chanthaburi, Rayong, and Surat Thani. The project involves over 2,299 rubber farmers with a total area of more than 50,000 rai. It is estimated that in the first seven years of the project, it will accumulate over 1.3 million tons of carbon dioxide equivalent (tCO₂e), valued at over 390 million baht. Each farmer with a one-rai rubber plantation can sequester approximately 4 tons of carbon credits, generating additional income averaging 1,200 baht per rai from carbon credit sales, in addition to rubber product sales.

Under the MOU, there will be an exchange of various relevant information, including the use of highly accurate technologies to assess carbon sequestration in rubber plantations for maximum efficiency and benefits, such as LiDAR technology, unmanned aerial vehicles (UAVs), and satellites.

Additionally, guidelines and activities will be specified to improve rubber plantation management, such as extending the lifespan of rubber trees through high-tapping methods, using ethylene gas to accelerate latex flow, and low-frequency tapping systems, which can extend the tapping cycle by another 5-10 years and increase carbon sequestration.

This will accompany the reduction of fertiliser use based on soil analysis, reducing costs and increasing income for farmers, especially in the current context of fluctuating rubber prices.

The RAOT also outlined strategies to identify private sector businesses that want to purchase carbon credits, as well as collaborate with the Bank for Agriculture and Agricultural Cooperatives BAAC and the Federation of Thai Industries to develop a future carbon credit trading platform that meets international standards.

The price for buying and selling carbon credits in rubber plantations is typically lower than in forest plantations that grow non-harvested perennial plants. Carbon credits trade at prices ranging from 100 to 3,000 baht per tCO₂e.

However, this is currently voluntary trading and therefore not officially regulated. With a legally enforced programme that would include taxing greenhouse gases before crossing borders or as a condition for import, the price of carbon credits would likely increase significantly, leading to higher income for rubber plantation farmers and ensuring the sustainability of their livelihoods.

"Once RAOT has led the carbon credit management project in the three provinces with prototype rubber plantations, we will expand it to other rubber plantations in areas ready for implementation. The goal is to develop carbon-neutral rubber plantations covering 10 million rai by 2030. And by 2050, all rubber plantations registered with the RAOT, totalling approximately 20 million rai, will become carbon-neutral," the governor said.

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