Emissions Reduction Fund method: Reducing greenhouse gas emissions from fertiliser in irrigated cotton

The Emissions Reduction Fund creates a positive incentive for Australian businesses to adopt smarter practices to cut the amount of greenhouse gases they create. Participants can earn carbon credits by setting up a project under an approved Emissions Reduction Fund method, which sets out the rules for the activity.

This fact sheet outlines the method for reducing emissions from synthetic nitrogen fertiliser in irrigated cotton crops.

Who could benefit?

Cotton growers can benefit by reducing emissions from synthetic nitrogen fertiliser per tonne of cotton produced. Improving fertiliser use efficiency benefits the environment, can improve productivity and can also reduce growers’ costs.

How does it work?

Under this method, participants can earn carbon credits by reducing emissions associated with the use of synthetic nitrogen fertiliser.

Emissions reductions can be achieved by increasing fertiliser use efficiency (tonnes of yield per tonne of nitrogen fertiliser applied). This is achieved either by maintaining or increasing yield while reducing the amount of fertiliser used, or by increasing yield without using proportionately more fertiliser. Project owners can do this by undertaking at least one new management action, which could include activities to increase yield or to modify the rate, timing, method or efficiency of fertiliser application.

Under the method, the amount of emissions per tonne of lint cotton produced before the project is used to estimate the emissions that would have occurred during the project if there were no new management actions. Potential emissions from the project are then calculated and subtracted from the baseline to determine the reduction in emissions.
Specific requirements

Eligibility
To be eligible, projects must include at least one new management action to reduce emissions by improving nitrogen fertiliser use efficiency. The new management action must be different from management practices undertaken in the past and must be consistent with industry best practice standards.

Monitoring, reporting and auditing
Participants using this method must make annual maps of the cotton area and record synthetic fertiliser application, cotton crop yield and green manure area before and during the project. Records could include documents collected for tax purposes (such as cotton gin receipts) and information recorded in field books.

Participants must use the Irrigated Cotton Calculator to calculate emissions reductions, and must provide calculator inputs and outputs to the Clean Energy Regulator with each offsets report. The calculator is available on the Department of the Environment website.

It’s important to keep project records because you will need to submit regular reports on your project, including reporting on your emissions reductions.

Projects must also be audited by a registered greenhouse and energy (NGER) auditor under the National Greenhouse and Energy Reporting Scheme. A list of registered auditors is available on the Clean Energy Regulator website.

More information
Visit ComLaw to read the determination. The determination is available at comlaw.gov.au/Details/F2015L00584.

Contact the Clean Energy Regulator at cleanenergyregulator.gov.au if you would like to submit a project application.

Visit our website at environment.gov.au/emissions-reduction-fund for more information or to subscribe to regular updates.

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