

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE & FARMERS' WELFARE
DEPARTMENT OF AGRICULTURE & FARMERS' WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 312
TO BE ANSWERED ON THE 21st JULY, 2026

INCOME GENERATION BY FARMERS THROUGH CARBON CREDIT

312. SHRI UMMEDA RAM BENIWAL:

Will the Minister of AGRICULTURE AND FARMERS' WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) Whether any policy, framework or scheme exists to facilitate participation of farmers in carbon credit and carbon trading mechanisms and if so, the details thereof;
- (b) Whether any assessment has been conducted regarding the potential for income generation by farmers through carbon credit mechanisms and if so, the details thereof;
- (c) Whether any pilot projects or programmes relating to carbon credit generation in the agriculture sector are being implemented in the country and if so, the details thereof; and
- (d) the steps taken by the Government to facilitate participation of small and marginal farmers in carbon credit initiatives?

ANSWER

MINISTER OF STATE OF AGRICULTURE AND FARMERS WELFARE
कृषि एवं किसान कल्याण राज्य मंत्री (SHRI RAM NATH THAKUR)

(a) & (b) The Government has notified the Carbon Credit Trading Scheme (CCTS), 2023, under the Energy Conservation Act, 2001, which provides the overarching framework for the development of the domestic carbon market. As reported by the Bureau of Energy Efficiency, Ministry of Power, under the Offset Mechanism of the Carbon Credit Trading Scheme (CCTS), two methodologies have been approved for the agriculture sector, namely: (i) Methane Recovery from Livestock and Manure Management at Households and Small Farms; and (ii) Emission Reduction through Improved Management Practices in Rice Cultivation. These methodologies, along with the 'Detailed Procedure for Offset Mechanism', provide a framework for participation in the generation of carbon credits. The detailed procedure and approved methodologies are available on the Indian Carbon Market Portal (<https://indiancarbonmarket.gov.in/offset-mechanism/MzI=>). However, no such assessment has been conducted so far regarding the potential for income generation by farmers through carbon credit mechanisms.

(c) & (d) The Department of Agriculture & Farmers Welfare (DA&FW) is supporting 11 pilot projects on the Voluntary Carbon Market (VCM) for carbon credit generation in the agriculture sector through seven Indian Council of Agricultural Research (ICAR) institutes and four State Agricultural Universities (SAUs). These projects aim to facilitate technical support and capacity building of the participating institutions, including the development of methodologies for carbon credit generation from various regenerative agriculture practices.

Government has published the draft Detailed Procedure for Programme of Activities (PoA) under the Offset Mechanism of the Carbon Credit Trading Scheme (CCTS). The PoA framework is to facilitate the participation of small and marginal farmers by enabling Farmer Producer Organizations (FPOs), Non-Governmental Organizations (NGOs) and project developers to aggregate multiple small-scale farm-level activities under a common framework for carbon credit generation based on approved methodologies.
