

University of Nebraska at Kearney

OpenSPACES@UNK: Scholarship, Preservation, and Creative Endeavors

Mountain Plains Business Conference

Oct 15th, 9:15 AM - 10:30 AM

The Role of Carbon Credit on Farmers' Adoption of Climate-Smart Practices in the U.S. Midwest

Stephen Cheye

South Dakota State University, stephen.cheye@jacks.sdstate.edu

Wang Tong

South Dakota State University, tong.wang@sdstate.edu

Follow this and additional works at: <https://openspaces.unk.edu/mpbc>



Part of the [Education Economics Commons](#)

Chey, Stephen and Tong, Wang, "The Role of Carbon Credit on Farmers' Adoption of Climate-Smart Practices in the U.S. Midwest" (2022). *Mountain Plains Business Conference*. 2.
<https://openspaces.unk.edu/mpbc/2022/economics/2>

This Abstract is brought to you for free and open access by OpenSPACES@UNK: Scholarship, Preservation, and Creative Endeavors. It has been accepted for inclusion in Mountain Plains Business Conference by an authorized administrator of OpenSPACES@UNK: Scholarship, Preservation, and Creative Endeavors. For more information, please contact weissell@unk.edu.

The Role of Carbon Credit on Farmers' Adoption of Climate-Smart Practices in the U.S.

Midwest

Stephen Cheye

Ness School of Management and Economics

South Dakota State University

Stephen.Cheye@jacks.sdstate.edu

(605) 691- 2997

Tong Wang

Ness School of Management and Economics

South Dakota State University

Tong.Wang@sdstate.edu

(605) 651- 6147

Economics Track

The Role of Carbon Credit on Farmers' Adoption of Climate-Smart Practices in the U.S.

Midwest

The study aimed to ascertain the carbon credit value farmers are willing to accept to adopt climate-smart practices and the drivers of their decision. Based on a 2021 survey in the Midwest, we obtained 1,119 eligible responses out of 6,000. We found that at \$20/ton, 3.9% of farmers would switch to climate-smart practices, while 50% would switch at \$70/ton. The probit results indicate that farmers who experience weather extremes are more likely to accept carbon credits. Other significant positive drivers include younger age of farmer and higher educational level. To diffuse climate-smart practices adoption, climate change awareness should be advanced.