VCMI Voluntary Carbon Markets Integrity Initiative

AUDA-NEPAD AFRICAN UNION DEVELOPMENT AGENCY

AlliedOffsets

CARBON MARKETS / RESEARCH REPORT

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Africa's carbon market opportunity in agriculture

Supply, demand and pathways to scale

A report by AlliedOffsets, commissioned by the Voluntary Carbon Markets Integrity Initiative (VCMI)

Contents

How carbon finance can reach African farms: what the market looks like today, who could pay, and what it would take to scale.

Executive summary 03

1. Introduction 04
Why is it relevant to focus on agrifood systems in Africa?

2. Supply 05
How many carbon credits are generated from which agricultural activities in Africa today?

3. Supply potential 09
What scale is the supply side of the market projected to reach by 2050?

4. Demand 11
Overview and demand source segmentation

5. Forecasting capital flows 17
Projected pricing and revenue curves

6. Conclusion 19
Developments needed for the market to scale

Annex 20
Citation list and taxonomy

Data and time period

Analysis uses AlliedOffsets data for the past 5 years, present-day data and forward-looking forecasts, alongside SBTi, UN Comtrade and NDC data.

Figures for 2026 are year to date. Volumes are in tCO_2e unless stated.

Purpose and scope

This report sizes the opportunity for high-integrity carbon finance to mobilise investment at scale for climate-resilient agriculture in Africa, across carbon markets, Article 6 and emerging compliance mechanisms.

It assesses supply potential across agricultural subsectors, and demand from host and buyer countries, companies with SBTi FLAG targets, insetting and buyer coalitions.

About the partners

This report was produced by AlliedOffsets and commissioned by the Voluntary Carbon Markets Integrity Initiative (VCMI), in partnership with the African Union Development Agency-NEPAD (AUDA-NEPAD). Profiles of all three organisations are on page 22.

Executive summary

Agriculture is the backbone of African economies. It generates over 15% of the continent's gross domestic product (GDP) and employs around 246 million people, yet it remains one of the least financed sectors in climate action: only 3.8% of global mitigation finance reached agrifood systems in 2021–2022. High-integrity carbon markets can help close part of this gap, and the data show the opportunity is growing fast.

Agriculture projects have represented just above 1.5% of global carbon credit supply since 2020, and we expect this share to reach 10% by 2035. Africa is a smaller supplier than Asia or Latin America, but it holds the strongest pipeline. Over 70% of its 168 agricultural projects are still under validation or verification processes, and developers expect them to bring 104 M credits to market by 2030, led by agroforestry and soil carbon. No African agricultural project has yet issued Core Carbon Principles (CCP)-approved credits. However, 10% of the supply expected from 2031 is registered under a CCP-approved methodology, and a further 88% under methodologies still being assessed by the Integrity Council for the Voluntary Carbon Market (ICVCM).

Demand is accelerating. Global retirements of agricultural credits grew from 1.4 M in 2020 to 5.5 M in 2025, and since 2025, retirements of African agricultural credits have overtaken issuances. We model global demand reaching 121 M credits per year by 2040, of which African projects could supply 13.3 M, assuming present geographical market shares are maintained. The Science Based Targets initiative's (SBTi) new Ongoing Emissions Responsibility (OER) framework alone is expected to add over 20 M per year of demand for agricultural removals by 2045. Article 6 offers a nearer-term channel: out of the 99 projects that have received authorization for transfer under Article 6 of the Paris Agreement, 92 are based in African countries. Jurisdictional buyers, such as Switzerland, have paid around USD 38 per tonne for African mitigation outcomes.

Insetting is a largely untapped and unstandardized mitigation opportunity. Companies with SBTi Forest, Land and Agriculture (FLAG) targets could deliver 2.0–12.3 million tonnes of carbon dioxide equivalent ($MtCO_2e$) of reductions and removals per year through insetting in their African supply chains. That is comparable, every single year, to the 8 M credits African agricultural projects have issued to date. Yet this potential remains largely undocumented, with companies disclosing little comparable information about their insetting efforts.

Revenues are still modest, at USD 36.1 M cumulative to date, but average prices for African agricultural credits are forecast to exceed USD 25 by 2040. Whether this capital reaches African farms will depend on three conditions: clear Article 6 authorisation and benefit-sharing rules, traceable supply chains that let companies count insetting, and catalytic finance that turns the pipeline into high-integrity, CCP-approved supply.

Introduction

Why is it relevant to focus on agrifood systems in Africa?

Agriculture is at the base of major supply chains, not only for food, but also fibre, cosmetics, textiles and biofuels. While agrifood systems account for only 4% of global GDP, they generate over 15% of African countries' GDP, highlighting the sector's economic significance to the continent.[1] African countries are leading exporters of fruits, nuts, and cocoa, significant trading partners of European countries and, in more recent years, with China. In terms of employment, agrifood systems are Africa's largest employer: around 246 million people work in agriculture, forestry and fishing, about 46% of all employment on the continent.[2]

Agrifood systems account for 32% of global greenhouse gas (GHG) emissions, with roughly half of this being emitted within the farm gate, corresponding to 8.1 billion tonnes of carbon dioxide equivalent (GtCO2e) per year. Africa takes up about 15% of this value.[3] The main sources of GHG emissions in agricultural systems are land use change and livestock production. In 2023, livestock was the single largest emitter within agrifood systems, contributing to more than half of the "farm-gate" emissions, followed by deforestation.[3] According to the Intergovernmental Panel on Climate Change (IPCC), agricultural systems have a mitigation potential of reducing emissions by 4.1 GtCO2e per year, if we consider mitigation measures that are "economical" (under USD 100 per tonne of carbon dioxide equivalent, or tCO2e, reduced or removed). Recommended mitigation activities include soil carbon management, agroforestry, improving rice cultivation and livestock management.[4]

The climate crisis is threatening agrifood systems across the world, with a recent Food and Agriculture Organization of the United Nations (FAO) report finding that over the past 30 years, USD 3.8 trillion worth of crops and livestock production has been lost due to disaster events globally. This corresponds to roughly USD 123 billion of production losses yearly.[5] Global regions are not equally exposed to climate-related risk of disasters such as flooding or prolonged droughts, with different agrifood systems showing varying levels of resilience to climate-related stresses. Agrifood systems in African countries are critically exposed: most local farming is rain-fed, therefore highly dependent on the natural cycle's stability, and run by smallholders with little resources to absorb shocks. Recurrent droughts and extreme weather events have cut harvests of staple crops such as maize and legumes, which are key to the continent's nutrition.[6]

Despite the key relevance that agriculture plays in the context of African countries, investment is lagging behind what is needed to keep these production systems healthy, prosperous and adaptable to new climate scenarios. It is estimated that only 3.8% of global mitigation finance reached agrifood systems in 2021 and 2022.[7] Additionally, in 2025, less than 1% of global climate finance reached smallholder farmers, who are key actors in the African context.[8] Capital is needed to transform agricultural systems into less emission intensive and more resilient production models. Attention to this investment gap has been rising over the past few years, thanks to the work done by several international institutions, with a specific focus on private finance. Alongside the work done by international institutions, work by cross-industry initiatives like VCMI has drawn the attention to carbon markets as a viable tool to channel these investments.

Supply

How many carbon credits are generated from which agricultural activities in Africa today?

Within global carbon markets, agriculture projects have represented on average just above 1.5% of yearly global issuances since 2020. A full taxonomy of the project types considered under "agricultural projects" is given in the Annex 2 - Taxonomy. Yearly volumes have shifted between 2.8 M issued in 2020 and 5.8 M in 2025, with a peak of 13 M in 2022. Carbon projects in the agricultural sector generate credits by reducing or removing carbon emissions through activities such as capturing and destroying methane from livestock manure, adjusting fire and grazing regimes in grasslands, improving agricultural land management to build soil organic carbon, and implementing agroforestry systems.

A total of 168 carbon projects are registered today in Africa, across all agricultural methodologies. Out of this number, 10 are inactive and 121 are still pending (i.e. yet to issue credits, under validation or verification processes), reducing the currently active projects to 37.

Table 1

Agricultural carbon projects in Africa, by registry and status

Number of projects

Registry	Pending	Active	Inactive
Verra	80	26	7
Gold Standard Impact Registry	31	1	–
Acorn	–	6	–
Clean Development Mechanism	6	2	3
Plan Vivo	–	2	–
BioCarbon Standard	1	–	–
Global C-Sink	1	–	–
International Carbon Registry	1	–	–
Pending registry	1	–	–

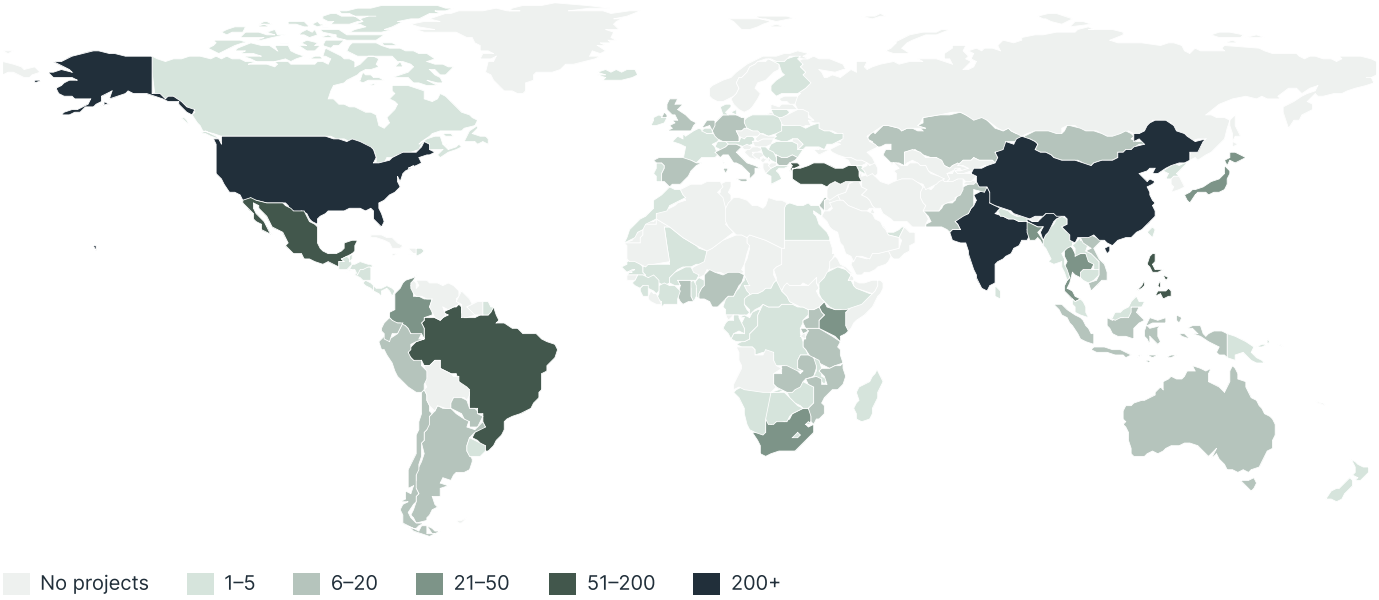
Source: AlliedOffsets (2026).

When comparing these numbers to the other main global south supply regions of Asia and Latin America (LatAm), Africa emerges as a smaller provider, with LatAm and Asia respectively having a total of 253 and 1,255 registered agricultural projects. However, Africa is the only region out of the three where pending projects make up over 70% of the total agricultural projects, indicating a strong pipeline for future years. In Asia, on the contrary, 47% of the total projects are inactive, due to closed crediting periods and expired permits. Finally, the total number of agricultural projects in Asia is disproportionately affected by Chinese projects, which make up over 50% of the Asian total.

Figure 1

Number of agricultural projects, by country

Count of projects

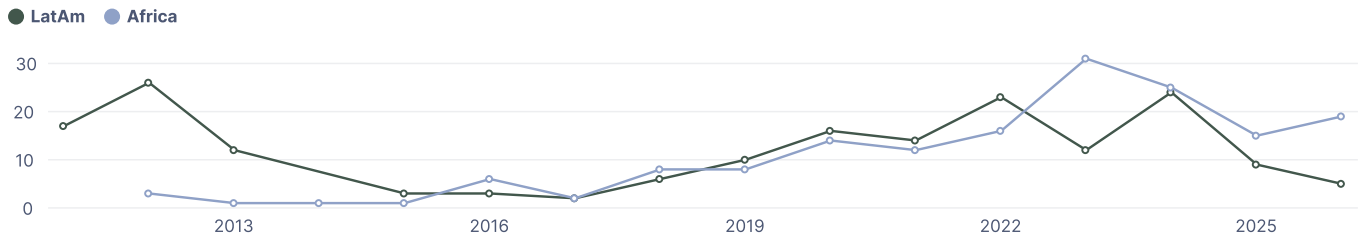


Source: AlliedOffsets (2026).

Over the past 15 years, agricultural projects have expanded at a similar pace in Africa and LatAm, with around five to fifteen new projects registered each year. On the opposite side, project registration rates have dropped significantly in Asia since 2020, from a peak of 253 new projects to only 17 new projects in 2026.

Figure 2

Registration of new agricultural projects over the past 15 years

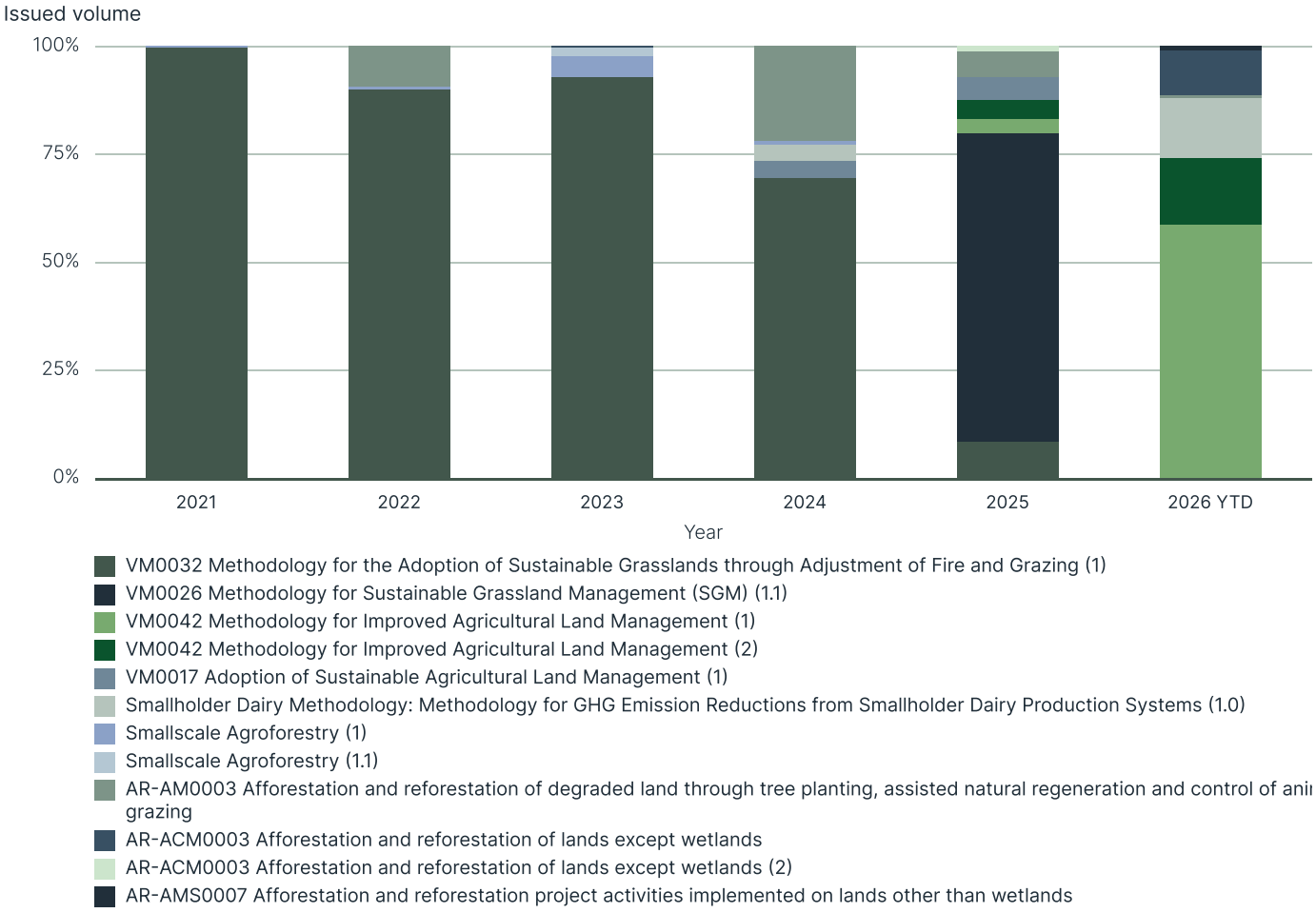


Since 2021, agricultural projects based in Africa have issued 1.3 M credits per year, on average, corresponding to 2% of the total issuances from the continent. In terms of supply mix, the largest share of African agriculture projects has been issued under Verra's VM0032 Methodology for the Adoption of Sustainable Grasslands through Adjustment of Fire and Grazing, up until 2024. In 2021, 2022 and 2023, 90% or more of the agriculture credits issued in Africa were under this methodology. 2025 and 2026 saw a larger diversification of supply, with each year's top methodology – VM0026 (Methodology for Sustainable Grassland Management) and VM0042 (Methodology for Improved Agricultural Land Management) – corresponding respectively to 71% of the issuances in 2025 and 59% in 2026 year-to-date. To date, no African agricultural project has issued credits with the Core Carbon Principles (CCP) label, a high-integrity quality label certified by the Integrity Council for the Voluntary Carbon Market (ICVCM), indicating compliance with rigorous global environmental and social standards.

Figure 3

Annual issuances of agricultural credits from African countries, by project methodology

Issued volume, share of annual total



Source: AlliedOffsets (2026). 2026 is year to date.

Examples of agricultural carbon projects in Africa

1. Grassland Restoration and Stewardship in South Africa (GRASS)

Project country: South Africa
Project methodology: VM0042 Methodology for Improved Agricultural Land Management (Version 1)
Project status: Active
Estimated offer price, vintage 2023: USD 31.13

The Grassland Restoration and Stewardship in South Africa (GRASS) grouped project is designed to unlock, upscale and incentivize the adoption of improved agricultural land management and ecosystem restoration in the grassy biomes of South Africa. The Herding for Health (H4H) model is to be employed under this project. The model includes farmer and herder empowerment through smallholder livestock value chain development to build resilience to climate change. Furthermore, the model supports rangeland restoration and greenhouse gas (GHG) sinks while reducing GHG emissions by sequestering carbon into the soil and reducing methane emissions from livestock enteric fermentation.

2. Acorn - Kaderes Smallholder Agroforestry in Tanzania

Project country: Tanzania
Project methodology: VM0047 Afforestation, Reforestation, and Revegetation (Version 1)
Project status: Pending

The project's mission is to empower communities to contribute to sustainable land use and environmental conservation by focusing on scaling their agroforestry systems. It aims to mobilize support and transition small-scale coffee farmers from monoculture to agroforestry by providing training, access to planting materials, and other services where possible. This transformation is expected to result in long-term carbon storage increases due to planting diverse tree species such as fruit and shade trees such as avocado (*Persea americana*), *Moringa oleifera*, mango (*Mangifera indica*), *Markhamia lutea* and *Maesopsis eminii* that sequester carbon. Additionally, the shade trees provide protection to crops and increase resilience against climate change. The project is expected to positively impact local livelihoods by increasing food security and nutritional intake through the benefits of these fruit-bearing trees. Additionally, these species offer farmers a diversified income from fruit products. The income from carbon credits also acts as a financial buffer in times of economic hardship.

Supply Potential

What scale is the supply side of the market projected to reach by 2050?

Rapid growth in issuances is expected for agriculture projects in Africa in both the short and long run. According to yearly projections reported by project developers as part of their documentation, and adjusted for real market trends, African agricultural projects are expected to issue a cumulative 104 M credits up to 2030, with an average of 22 M issuances per year between 2027 and 2030. This would be roughly a 20x increase on current issuance volumes, which suggests that projections reported by project developers may be somewhat optimistic. However, the projections are useful to gauge the direction and the proportions of the credits expected to come to market. The largest share of the new expected credits is projected to be from agroforestry projects, followed by soil carbon projects. Both agroforestry and soil carbon methodologies are still at a nascent stage in Africa, with over 72% of the projects in these two categories at a pending stage.

Figure 4

Projected issuances to 2030 from agricultural projects in Africa, by sub-sector

Sum of projected issuance (million credits)



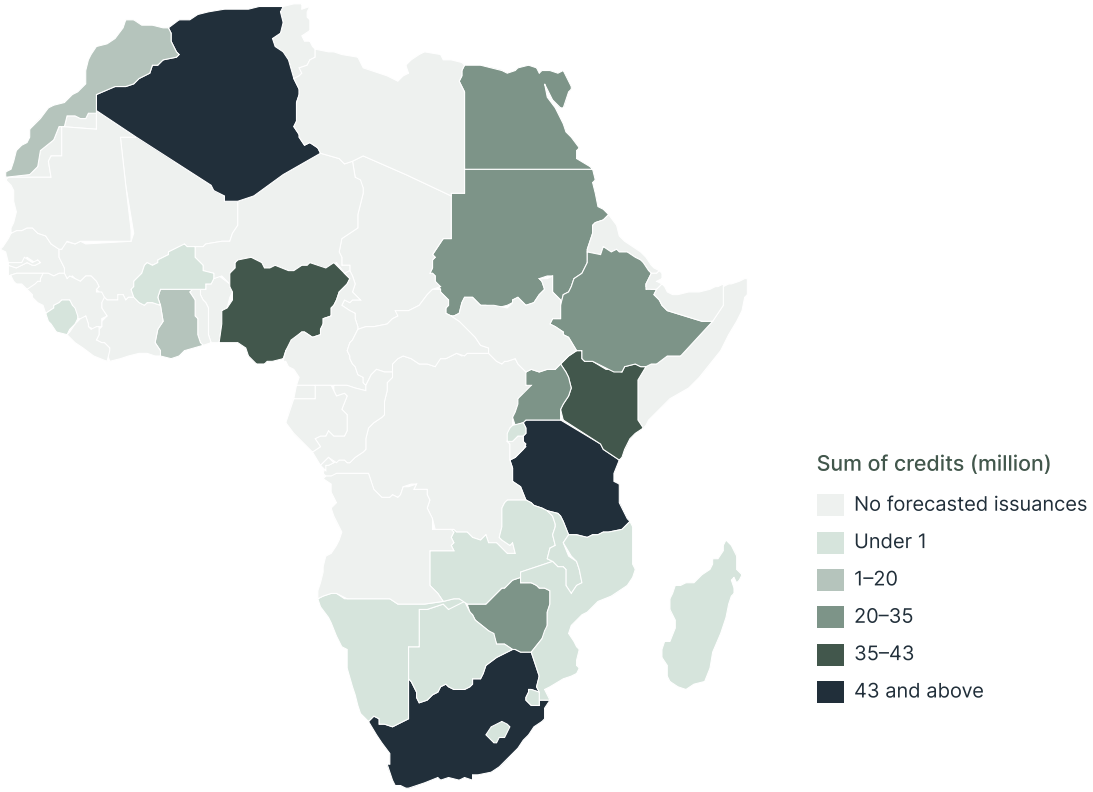
Source: AlliedOffsets (2026) supply projections.

When looking at longer term projections obtained through modelling, issuances from agriculture carbon projects are expected to take up 10% of the global projected issuances in 2035, highlighting the growth that this sector is expected to follow over the next 10 years. Focusing on Africa specifically, the countries which are best poised to generate the most supply from agricultural projects are South Africa, Kenya, Tanzania, Nigeria and Algeria. These five countries are forecasted to cover 45% of the volumes generated by African agriculture projects between today and 2050. Today, these countries mainly host projects active in soil carbon credit generation and grassland grazing and fire management.

Figure 5

Forecasted agricultural issuances to 2050, by country

Sum of credits (million)



Source: AlliedOffsets (2026) forecast, medium scenario.

10% of the agricultural projects that will issue new credits in Africa from 2031 are registered under a CCP-approved methodology. This means that the supply of CCP credits from the continent will grow by over 55 M by 2050. These issuances are mostly expected from agroforestry projects registered under Verra's VM0047 Afforestation, Reforestation, and Revegetation methodology, which is currently CCP-approved. An additional 88% of the projects that will issue from next year onwards are registered under methodologies that are still being evaluated by the ICVCM, and none have been rejected to date, indicating that the supply of CCP credits from agricultural projects in the region might be higher than current projections.

Demand - Overview and demand source segmentation

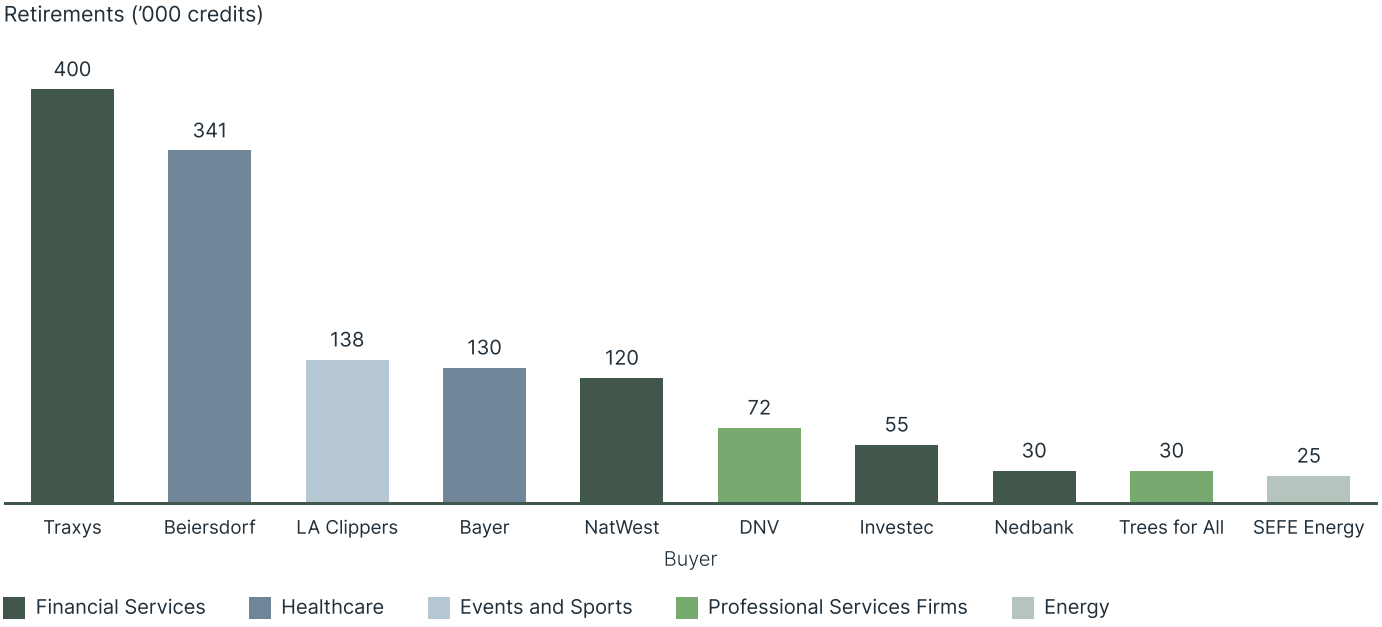
Demand overview

In Africa, agriculture credits represent just 1.5% of the credits historically retired. Indeed, the majority of retirements from Africa took place across forestry and cookstove credits, representing 49% and 38% respectively of the total credits retired. Despite holding a minority share, current levels of demand for global agriculture credits have moved from around 1.4 M per year in 2020, to 5.5 M in 2025, a total growth of almost 4x. Similarly, in Africa retirements for agricultural credits have moved from less than 70 thousand credits in 2020 to over 280 thousand in 2025. Additionally, since 2025, retirements of agricultural credits from Africa have overtaken issuances, starting to eat into the oversupply that has characterized many areas of project-based carbon markets for the past 10 years. Retirements over the past five years focused on grassland management credits (Verra's VM0032 and VM0026, roughly 60% of the yearly retirements), on agroforestry (10-40% of yearly retirements) and on agricultural land management credits (VM0017 and VM0042, 5-15%).

Currently, the largest buyers of African agricultural credits are a mix of Financial Services, Healthcare, Events and Industrial companies, with leading financial institutions appearing among the top ten buyers over the past 24 months.

Figure 6

Top 10 buyers of agricultural credits from Africa over the past five years, by industry

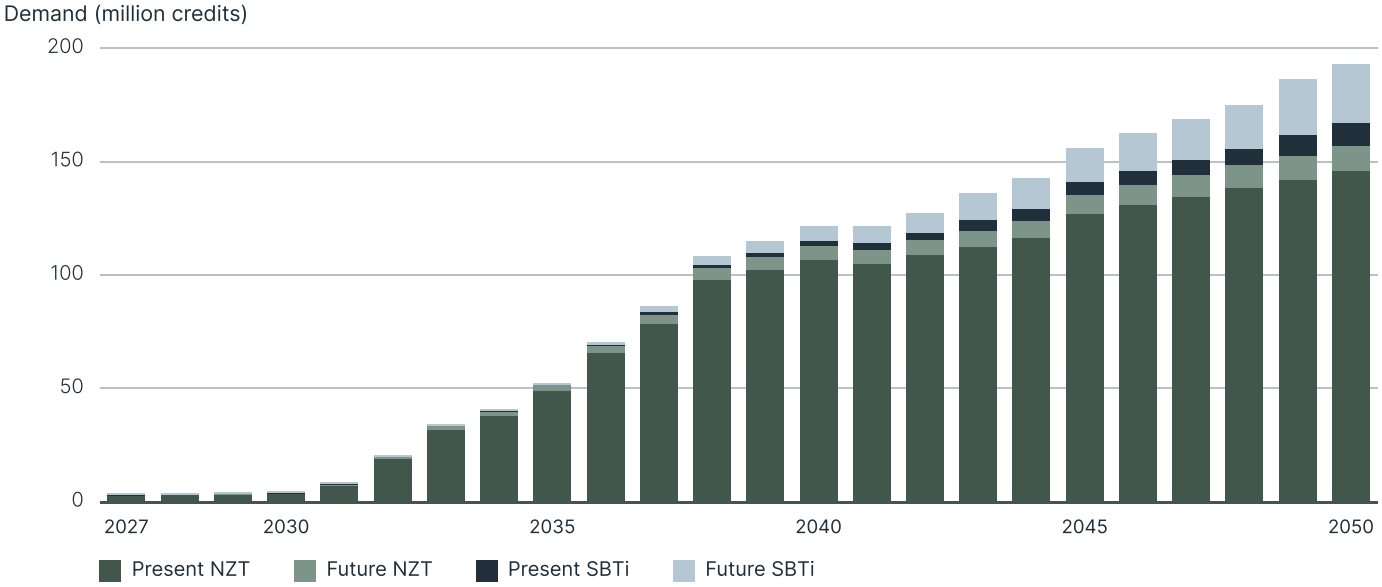


Source: AlliedOffsets (2026). Retirements only.

At global level, modelled demand for agricultural credits is expected to grow from about 4 M a year in 2030, to 52 M by 2035, to 121 M by 2040. The most significant share of this volume is expected to come from private companies' net-zero targets. Companies setting targets under SBTi are expected to contribute to this slice of demand from 2035 onwards, with a focus on agroforestry and soil carbon methodologies that issue removal credits (see text box on page 14). Considering that Africa currently supplies 11% of the present demand for agricultural credits, demand for these credits from the region could rise to 13.3 M by 2040, assuming constant geographic market shares.

Figure 7

Forecasted demand for global agriculture credits, by decarbonization target



Source: AlliedOffsets (2026) demand forecast, medium scenario. Global, not Africa-specific. NZT: net-zero targets. SBTi: Science Based Targets initiative.

Demand from compliance carbon markets and Article 6

Demand for agricultural credits within compliance carbon markets and Article 6 is expected to grow, driven by the sector's prominent role within national climate pledges. Currently, 94% of Nationally Determined Contributions (NDCs) explicitly prioritize agriculture and agrifood systems for climate adaptation, while 91% include the Agriculture, Forestry and Other Land Use (AFOLU) sector, encompassing agriculture, land use, and forestry (LULUCF), as part of their formal mitigation contributions.[9] Access to Internationally Transferred Mitigation Outcomes (ITMO) markets through Letters of Authorization (LoAs) and Corresponding Adjustments (CA) will depend on harmony between project-level measurement, reporting and verification (MRV) and national GHG inventory tracking, particularly for LULUCF emissions and removals. Host governments must resolve these accounting boundaries to eliminate double-counting risks and ensure exported ITMOs do not undermine their own NDC fulfillment.[10] African countries are already playing a leading role in the supply of carbon credits through Article 6. Out of 99 total Article 6 authorized activities tracked globally under independent crediting standards, African governments authorized 92 (51 in East and Southern Africa, and 41 in West and Central Africa), representing over 92% of the global total.[11] Further, the second ever recorded sovereign global ITMO transaction involving the transfer of 11,733 vintage 2023 and 2024 clean cooking ITMOs in July 2025 was executed between Ghana and Switzerland.[12] Ghana has since issued 22,972 vintage 2025 ITMOs, which are yet to be recorded on the Swiss Emissions Trading Registry.[13]

Looking at specific compliance schemes, Singapore, Japan (Joint Crediting Mechanism, JCM), South Korea and Switzerland run national compliance schemes that accept international agriculture credits. Despite establishing official Article 6.2 cooperative frameworks with 10 African countries, these four countries have yet to address a 98% shortfall of ITMO demand volumes, with 192.5–196.5 million ITMOs needed to be procured before 2030. Critical to unlocking supply is the matching of sectors and subsectors of positive lists between buying and selling countries, which currently presents an opaque market signal for investors and projects looking to originate activities to align with compliance demand. Three African agricultural activities approved under Switzerland's and Ghana's Article 6 bilateral cooperation have received authorisation: the Promotion of climate-smart Agriculture Practices for Sustainable Rice Cultivation, Biogas systems for farmers in Ghana, and Integrated waste recycling and composting for methane reduction in Ghana. In addition, again linked to Switzerland's Article 6 project portfolio, the government of Malawi has authorised a Dairy Biogas Program.[14,15]

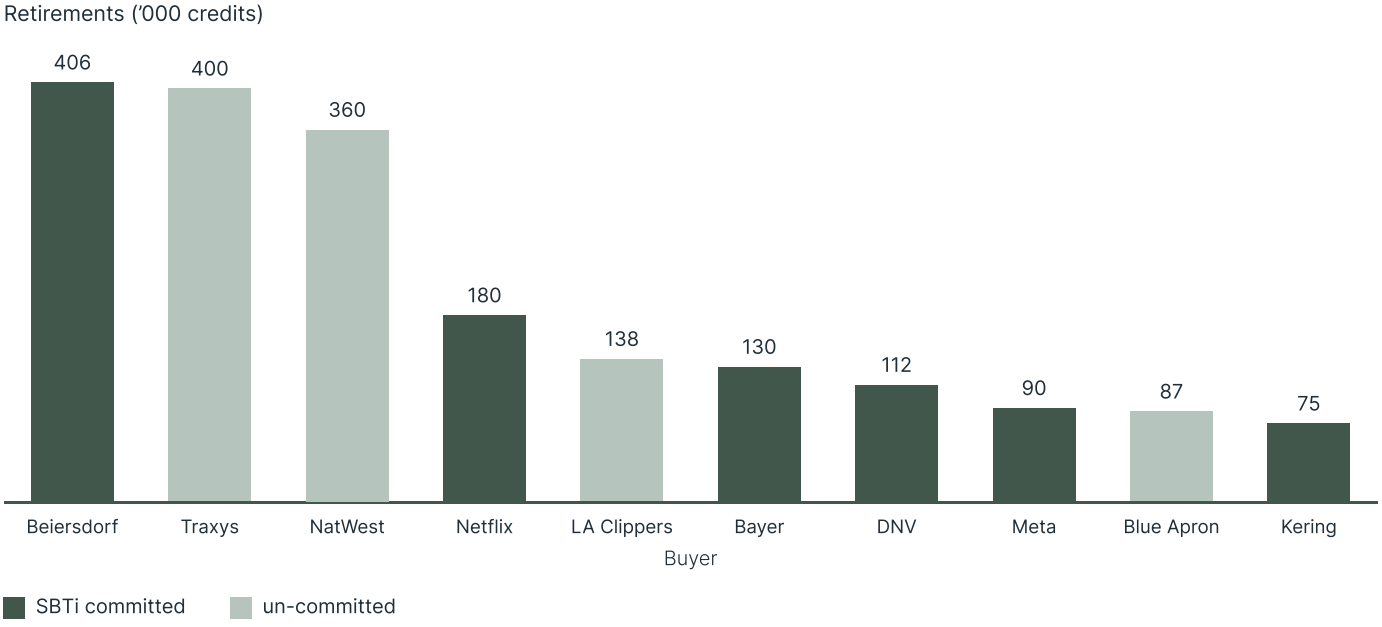
In terms of the prices that Article 6 and compliance schemes are able to unlock, European buyers like Switzerland's KliK Foundation have indicated that international projects have attracted an average price of USD 38 per ton (inclusive of host-country administrative and baseline fees, such as Ghana's authorization levy of USD 3 to USD 5 per ton). This price point represents a substantial premium over the average price of non-authorized credits sold in the voluntary market. It is generally expected that authorised credits will attract a significant premium due to both opportunity and administration costs, as well as their links to international compliance demand; however, other factors such as environmental integrity and co-benefits have also been shown to influence price. Article 6 authorized credits offer host nations and local agricultural developers a viable financial model for scaling sustainable land practices.[16,17]

Demand from SBTi commitments and FLAG targets

Six out of the ten companies that purchased the highest volumes of agricultural credits from Africa over the past five years have set decarbonization targets under SBTi. Considering the total demand for this market segment over the last 24 months, 35% of the volumes were retired by companies with a commitment under SBTi. Forest, Land and Agriculture (FLAG) climate targets are a tool that SBTi developed to support companies within land-intensive industries, such as food and textile producers, with supply chains heavily involved with agriculture and forest management practices. Out of the top buyers listed in Figure 8, only Kering, a luxury fashion and beauty group, specified a FLAG target as part of its SBTi commitments.

Figure 8

Top 10 buyers of agricultural credits from Africa over the past five years, by commitment



Source: AlliedOffsets (2026); SBTi. Retirements only.

These findings highlight the importance that the SBTi has in catalyzing investments into carbon markets and specifically to the region, but they also demonstrate that there is not a one-to-one correlation between the companies that invest most significantly in agricultural carbon projects from Africa and their decarbonization commitments under SBTi. The finding is in line with the strict, "reduction-first" position that SBTi has held over the years towards carbon credits.

SBTi's Corporate Net Zero Standard Version 2

In June 2026, SBTi released Version 2 of its Corporate Net Zero Standard, which gives companies a clearer framework for the purchase and use of carbon credits. Specifically, the new framework, named Ongoing Emissions Responsibility (OER), allows companies more flexibility to use carbon credits to cover their ongoing emissions, defined as the emissions across scope 1, 2 and 3 that continue to be released into the atmosphere within the target timeframe. For the first years of the framework (2027 to 2035), the purchase of carbon credits remains optional, while from 2035 onwards, large and medium sized companies pledging to SBTi are mandated to use high-quality durable removal carbon credits to address their ongoing emissions. Companies must support eligible carbon removals equal to at least 1% of their ongoing scope 1, 2 and 3 emissions. The end goal for all companies is to reach 100% coverage of their ongoing emissions by their end target year.[18]

In June 2026, SBTi released new guidance around the use of carbon credits for corporate decarbonization in its "Corporate Net Zero Standard, Version 2", showing a more open and welcoming perspective on the integration of carbon credits as a complementary decarbonisation tool for corporations.[18] Given the number of companies that currently hold targets under SBTi, and the pace at which new companies keep pledging to the initiative, it is expected that the newly released guidelines will significantly stimulate demand for carbon credits. As the new framework mandates large and medium-sized companies to address part of their residual emissions via carbon removals starting in 2035, we model demand from SBTi targets for global agricultural removal credits to reach 10 M per year by 2041 and above 20 M per year by 2045.

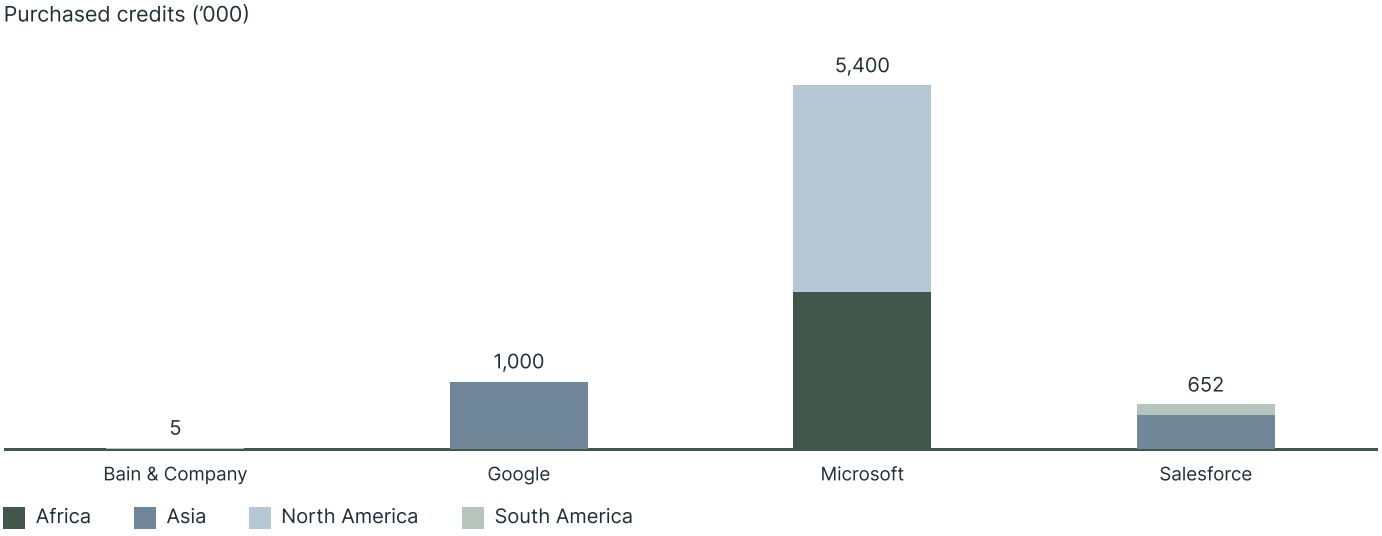
Demand from buyer coalitions

Buyer coalitions (or consortia) in carbon markets are an effective tool to pool demand from a variety of committed buyers and to direct the financing to methodologies that need to scale. Traditionally, buyer consortia have been associated with the scaling of Carbon Dioxide Removal (CDR) technologies, with multiple buyers agreeing to channel investments and attention to a set of promising CDR developers, to allow them to use the financing to test and improve the carbon removal technology, while growing operations. The best-known examples in this market segment have been Frontier, NextGen and Milkywire, pooling together capital from large American tech, financial and professional services firms, such as Microsoft, JP Morgan Chase, Bain & Company, and others to invest in CDR.

Buyer consortia for nature-based projects have taken hold more recently, amid calls for more sophisticated and stringent methodologies for nature-based projects. The most relevant example of a buyer coalition looking to fund agricultural projects is the Symbiosis Coalition. Buyers in the Symbiosis Coalition purchased over 7 M credits from agricultural projects since the Coalition's inception in 2024, with the vast majority of volumes being purchased by Microsoft, followed by Google and Salesforce. One third of their combined demand was supplied by agricultural projects based in Africa.

Figure 9

Symbiosis coalition purchases in agriculture sector since 2024, by continent



Source: AlliedOffsets (2026). Purchases since January 2024.

Demand from insetting

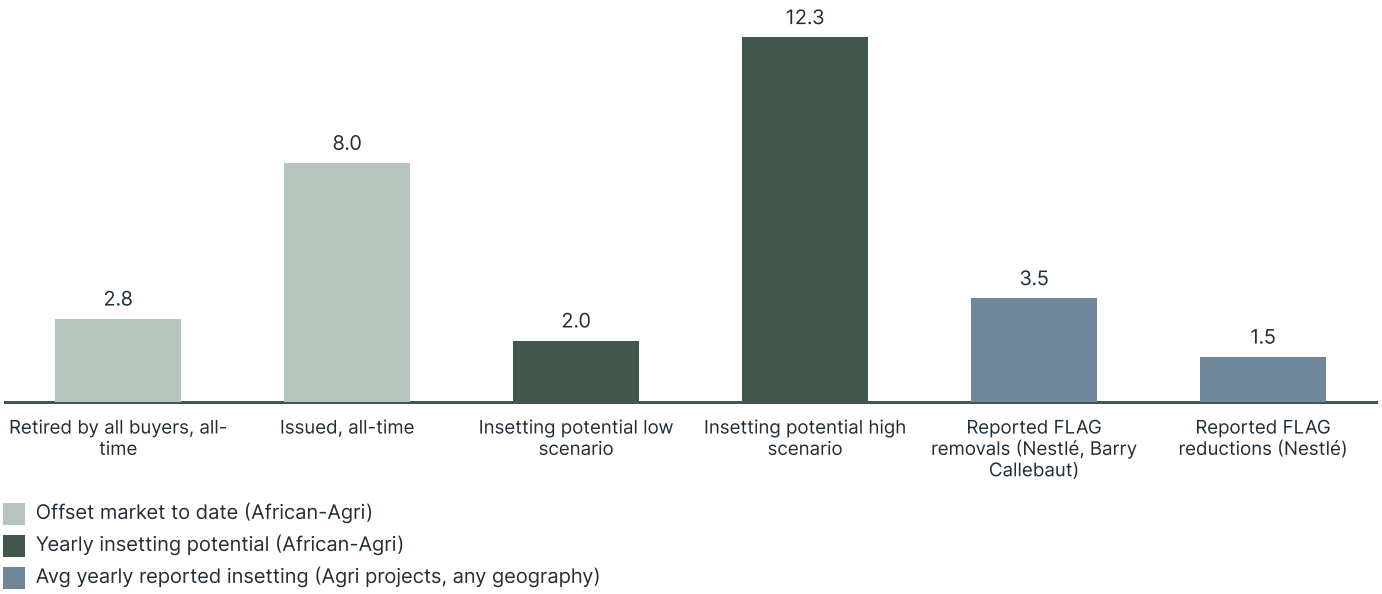
Insetting, defined as the climate action a company funds within its own supply chain, rather than buying carbon credits from outside it, is generally regarded as a practice that works well for companies with land-intensive and specifically agriculture-related supply chains, due to the many ways in which agricultural practices can contribute to reducing carbon emissions. However, the reporting efforts around insetting's outcomes at a corporate level have been scarce, and insetting remains a low-transparency activity with very limited comparability and standardization. In order to model the potential impact of large-scale application of insetting practices across major corporations with agricultural supply chains, we evaluated the emissions reduction targets of 74 global companies that submitted Forest, Land and Agriculture (FLAG) targets under SBTi. Depending on the share of imports that we assume is sourced from African countries by these 74 companies, we obtain a range of 2 to 12.3 MtCO2e reductions per year obtained via insetting practices.

By comparison, all African agriculture carbon projects have issued 8 M credits in total to date, and only 2.8 M have been retired. Even the low scenario of our insetting modelling is comparable to total carbon credit retirements to date, and the high scenario exceeds total issuances to date, every single year. The finding and the comparison with the carbon credit market highlight the large-scale potential of insetting as a driver of emissions reductions and removals for African farms. However, the potential volumes remain blocked by a present lack of standardization and transparency among insetting practices, which makes them harder to develop at scale. Among the few disclosing entities, Barry Callebaut and Nestlé reported their insetting efforts in agricultural supply chains globally. Their reports show that they generated around 5 M credits per year from insetting practices, highlighting a much greater potential scale of quantifiable emission reductions or removals that could be harnessed by corporate insetting practices compared to traditional carbon credit markets.

Figure 10

Annual insetting potential against the African agriculture offset market to date

Volume (million tCO2e)



Source: AlliedOffsets (2026) insetting model; company disclosures. Insetting is a value-chain reduction, not a credit purchase; the comparison is of scale only.

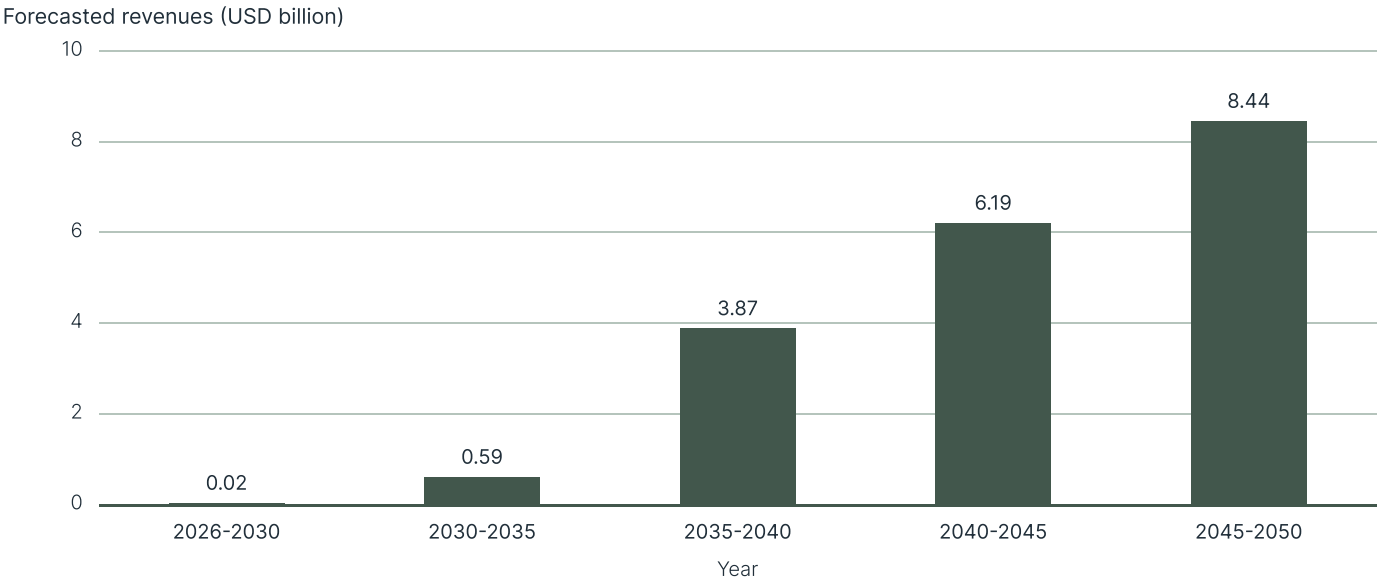
Forecasting capital flows: projected pricing and revenue curves

The cumulative revenue generated by African projects selling agricultural credits has reached USD 36.1 M this year, growing from an annual value of USD 1.8 M in 2021 to USD 5.8 M in 2025, with an average annual growth of 62% between 2021 and 2025. It is estimated that revenue from the sale of agricultural carbon credits from African countries will double by 2031, adding an extra USD 18.3 M by 2030. These values are modelled by considering both the compliance and the voluntary drivers described above, but exclude insetting.

Figure 11

Forecasted revenue from the sale of African agricultural credits yearly

Forecasted revenues, USD billion



Source: AlliedOffsets (2026) revenue forecast, medium scenario. Revenue summed over each five-year period.

The main driver behind this increase in revenue values over the next 20 years is the sharp increase in price that we model for agricultural credits across various African countries. Specifically, prices are expected to remain stable for a few years, up to 2033 and then to start picking up in the late 2030s and 2040s. In this modelling exercise the average price forecasted for an average African agricultural credit is projected to overtake USD 25 by 2040 and to scale above USD 40 in the late 2040s. Actual prices of credits will vary, with factors such as authorisation status, quality (e.g. CCP-label) and co-benefits all likely to influence value. As demonstrated in Figure 12, CCP-labelled credits already trade 4x higher than other non-authorised credits across the same agricultural sub-sectors. As an example, one of the largest CCP-labelled agricultural projects is the American Indigo U.S. Project No. 1, with over 1.8 M issuances, which generally trades above the USD 35 mark. Other high-integrity agricultural projects in regions more similar to the African continent and without the CCP label also trade above the USD 30 benchmark, such as the Rabobank-Acorn agroforestry projects, in various countries of the global south.

Figure 12

Average price for global agricultural credits, by CCP label - past 24 months

CCP Approval	Average estimated price
CCP Rejected or Un-assessed	$9.63
CCP Approved	$54.91

Source: AlliedOffsets (2026) estimated prices. CCP: Core Carbon Principles label from the Integrity Council for the Voluntary Carbon Market (ICVCM).

Conclusion

Developments needed for the market to scale

Operationalizing Article 6 of the Paris Agreement depends on host governments establishing robust governance frameworks to authorize the issuance, purchase, sale and retirement of carbon credits within international markets, while issuing LoAs to projects that demonstrate high environmental integrity and additionality, without compromising the ambition of their own NDCs. For African governments, the balancing act is particularly critical, with more than 62% of Africa's GDP being dependent on natural capital, yet investment in nature remaining drastically below required thresholds. With public and development budgets under pressure, private finance must be part of the answer, but investors often look for system-level coherence, not isolated projects.

The structural potential to shift transformational capital at scale is clear. With a pending project pipeline representing over 70% of total African agricultural carbon projects, cumulative projected supply reaching 104 M credits by 2030, and corporate insetting demand across African supply chains estimated at 2.0 to 12.3 MtCO2e annually, carbon finance can help to bridge this gap. Transforming this pipeline into high-integrity, bankable capital requires coordinated action across three coordinated groups:

1. Governments need agriculture and environment ministries to work together.

Environment and climate ministries often lead on Article 6 authorisation and national accounting, while agriculture ministries hold the extension services, subsidies and investment plans that reach farmers. Neither can build a credible agricultural carbon market alone. In Africa, aligning carbon finance with the Comprehensive Africa Agriculture Development Programme (CAADP), continental soil-health strategies and extension services will help promote consistency with food-security goals and avoid perverse incentives. Issuances of agricultural carbon credits in Africa should be underpinned by equitable benefit-sharing provisions, and clear land tenure and carbon ownership rights to ensure revenues reach rural farming communities and truly drive the adoption of climate-resilient practices. Governments must provide clear authorisation criteria, set up national project inventories, and support robust measurement and verification systems so that supply can be aggregated.

2. Companies can make demand more visible and more credible.

Companies with SBTi FLAG targets could deliver 2.0 to 12.3 MtCO2e per year of reductions and removals through insetting in their African supply chains. Yet this potential is largely undocumented because companies disclose little standardised information. The new SBTi standard provides an opportunity for corporates to address ongoing emissions as they decarbonise by using carbon credits, whilst buyer coalitions such as Symbiosis are already signalling demand for high-quality agricultural removals. Early engagement also helps companies prepare for regulation and standards: compliance schemes and Article 6 are creating growing demand for authorised credits. Companies that help build high-integrity agricultural supply and supply-chain data now can use it to support their long-term decarbonisation plans, as a complement to cutting their own direct emissions and not a substitute for it.

3. Investors and development finance institutions can provide early-stage and catalytic finance to help projects de-risk delivery and unlock the pipeline of 104 M credits projected by 2030.

Project developers should prioritize Core Carbon Principles (CCP) eligible methodologies to ensure high social and environmental safeguards and to capture the price premiums of CCP-approved credits, maximizing revenues for local farming communities. Where governments provide the enabling framework, blended finance, guarantees and results-based payments can multiply carbon revenues.

Lastly, without significant technical support for both policymakers and farming communities, new investment is unlikely to reach the farmers who need it most. The AgCarbon Academy, launched by VCMI and the Partnership for Agricultural Carbon (PAC), helps respond to this through both a course for policymakers to help officials understand the opportunity and design the policies needed to harness it, and train the trainer program to help agricultural professionals to train others, so that practical knowledge reaches the people who prepare agricultural carbon projects on the ground. If ministries, companies and finance providers act on these three conditions, and the skills exist to turn the pipeline into high-integrity supply, carbon markets can complement public, development and private finance for climate-resilient agriculture in Africa.

ANNEX 1

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ANNEX 2

Taxonomy

Full list of project types and methodologies included in this analysis as agricultural projects. Biochar projects are excluded from this research as carbon markets usually classify them as carbon dioxide removal (CDR). They generate carbon credits via industrial or artisanal pyrolysis processes that store carbon durably, rather than changes to how land is farmed or managed.

Registry	Project sub-sector	Project methodology
Acorn	ARR	Smallscale Agroforestry
BioCarbon Standard	ARR	BCR0001_ARR Activities
Clean Development Mechanism	Biogas	AMS-III.D. Methane recovery in animal manure management systems
Clean Development Mechanism	Biogas	AMS-III.R. Methane recovery in agricultural activities at household/small farm level
Clean Development Mechanism	Fugitive Emissions	AMS-III.BF. Reduction of N2O emissions from use of Nitrogen Use Efficient (NUE) seeds that require less fertilizer application
Clean Development Mechanism	Methane	AMS-III.AU. Methane emission reduction by adjusted water management practice in rice cultivation
Clean Development Mechanism	Methane	AMS-III.BK. Strategic feed supplementation in smallholder dairy sector to increase productivity
Clean Development Mechanism	Methane	AMS-III.D. Methane recovery in animal manure management systems
Clean Development Mechanism	Methane	AMS-III.R. Methane recovery in agricultural activities at household/small farm level
Gold Standard Impact Registry	ALM	Smallholder Dairy Methodology: Methodology for GHG Emission Reductions from Smallholder Dairy Production Systems
Gold Standard Impact Registry	ARR	Afforestation/Reforestation GHG Emissions Reduction & Sequestration Methodology
Gold Standard Impact Registry	Methane	GSR - Methane Emission Reduction By Adjusted Water Management Practice In Rice Cultivation
Gold Standard Impact Registry	Soil Carbon	Soil Organic Carbon
Plan Vivo	ALM	Agricultural Land Management
Plan Vivo	ARR	Forest Restoration
Verra	ALM	VM0017 Adoption of Sustainable Agricultural Land Management
Verra	ALM	VM0026 Methodology for Sustainable Grassland Management (SGM)
Verra	ALM	VM0032 Methodology for the Adoption of Sustainable Grasslands through Adjustment of Fire and Grazing
Verra	ALM	VM0042 Methodology for Improved Agricultural Land Management
Verra	ARR	AR-ACM0003 Afforestation and reforestation of lands except wetlands
Verra	ARR	AR-AM0003 Afforestation and reforestation of degraded land through tree planting, assisted natural regeneration and control of animal grazing
Verra	ARR	AR-AMS0004 Simplified baseline and monitoring methodology for small-scale agroforestry - afforestation and reforestation project activities under the clean development mechanism
Verra	ARR	AR-AMS0007 Afforestation and reforestation project activities implemented on lands other than wetlands
Verra	ARR	Methodology Under Development
Verra	ARR	VM0047 Afforestation, Reforestation, and Revegetation
Verra	Biogas	ACM0010 GHG emission reductions from manure management systems
Verra	Biogas	AMS-III.D. Methane recovery in animal manure management systems
Verra	Methane	AMS-III.D. Methane recovery in animal manure management systems
Verra	Methane	VM0041 Methodology for the Reduction of Enteric Methane Emissions from Ruminants through the Use of 100% Natural Feed Supplement
Verra	Methane	VM0051
Verra	Solar	AMS-II.F. Energy efficiency and fuel switching measures for agricultural facilities and activities

ARR: afforestation, reforestation and revegetation. ALM: agricultural land management.

About the partners

Voluntary Carbon Markets Integrity Initiative (VCMI)

The Voluntary Carbon Markets Integrity Initiative (VCMI) is a global non-profit working to mobilize private sector finance for climate action and sustainable development by scaling high-integrity carbon credit markets.

VCMI sets the global benchmark for credible corporate use of carbon credits through its Codes of Practice, helping build trust, confidence and consistency across the market. VCMI also supports governments to unlock corporate demand for carbon credits by hosting the Secretariat for The Coalition to Grow Carbon Markets.

Through its Access Strategies Program and partnership with the Climate Vulnerable Forum and its V20 Finance Ministers (CVF-V20), VCMI supports emerging markets and developing economies to build the policies, capacity and infrastructure needed to leverage carbon markets to deliver finance for their climate and sustainable development priorities.

African Union Development Agency-NEPAD (AUDA-NEPAD)

The African Union Development Agency-NEPAD is the technical body of the African Union. The mandate of AUDA-NEPAD is to facilitate and coordinate the implementation of regional and continental priority programmes and projects and to push for partnerships, resource mobilisation, research and knowledge management. Through AUDA-NEPAD, African countries are provided unique opportunities to take full control of their development agenda, to work more closely together and to cooperate more effectively with international partners.

AlliedOffsets

AlliedOffsets is the world's largest database and market intelligence provider for the carbon market. Built on the belief that reliable data drives real climate impact, we deliver verified insights that make carbon markets simpler and more transparent. Enabling better decisions and helping make climate action business as usual.