



## Impact of Climate Change and Carbon Trading:

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### INTRODUCTION

#### Implications for India's Livestock Sector

Climate change has emerged as one of the most serious environmental challenges of the twenty-first century, influencing natural ecosystems, agricultural productivity, and human livelihoods across the globe. India, as a rapidly developing economy with a large population and expanding energy demands, faces the dual challenge of sustaining economic growth while ensuring environmental sustainability. The livestock sector, a cornerstone of Indian agriculture, plays a vital role in this complex climate–economy nexus.

#### India's Livestock Sector and Climate Challenge

India possesses the **largest livestock population in the world**, with approximately **535 million animals** as per the 2019 Livestock Census. Livestock contributes significantly to national and agricultural GDP, rural employment, and food and nutritional security. However, the sector is also a notable source of greenhouse gas (GHG) emissions, accounting for nearly **13.5% of India's total GHG emissions** (India's Fourth Biennial Update Report, 2018). The majority of these emissions arise from **methane (CH<sub>4</sub>)** produced during enteric fermentation in ruminants.

The sheer scale of India's livestock population presents a paradox—while it strengthens the rural economy, it also intensifies environmental pressure. With India being the **second most populous nation, fourth largest energy consumer, and third largest GHG emitter globally**, the need for sustainable livestock management has become imperative. Rapid industrialization, urbanization, and heavy reliance on coal-based power generation further aggravate environmental degradation.

## Climate Change and Greenhouse Gases

Climate refers to the average weather conditions of a region over a long period, typically measured over **30 years**, as defined by the World Meteorological Organization (WMO). Climate change is primarily driven by increasing concentrations of greenhouse gases such as **carbon dioxide (CO<sub>2</sub>)**, **methane (CH<sub>4</sub>)**, and **nitrous oxide (N<sub>2</sub>O)** in the atmosphere.

Carbon dioxide enters the atmosphere mainly through the burning of fossil fuels, industrial activities, cement manufacturing, solid waste disposal, and deforestation. Methane, though present in smaller quantities, is a **highly potent greenhouse gas**, with a global warming potential 28–34 times greater than CO<sub>2</sub> over a 100-year period. Its concentration has increased by over **160% since the pre-industrial era**. Major anthropogenic sources include energy production, oil and gas leaks, coal mining, livestock enteric fermentation, and rice cultivation. Livestock alone contributes nearly **30% of agricultural methane emissions** globally.

Other greenhouse gases such as nitrous oxide, chlorofluorocarbons (CFCs), hydrofluorocarbons (HFCs), and methyl bromide further intensify climate change despite their lower concentrations.

### Global Climate Governance: UNFCCC and Kyoto Protocol

Recognizing the growing climate crisis, the **United Nations Framework Convention on Climate Change (UNFCCC)** was adopted in 1992 at the Rio Earth Summit. The Convention introduced the principle of “**common but differentiated responsibility**,” acknowledging that developed nations bear a greater historical responsibility for emissions.

The **Kyoto Protocol**, adopted in 1997 and enforced in 2005, was the first legally binding international agreement aimed at reducing greenhouse gas emissions. Developed (Annex I) countries committed to reducing emissions by **5.2% below 1990 levels during 2008–2012**, while developing (Non-Annex I) countries such as India were encouraged to adopt voluntary mitigation measures.

## Carbon Trading: A Market-Based Climate Solution

Carbon trading emerged as an innovative market-based mechanism to reduce global emissions cost-effectively. Under this system, **carbon credits** represent verified reductions or removals of greenhouse gases, where **one carbon credit equals one tonne of CO<sub>2</sub> equivalent (CO<sub>2</sub>e)**.

Two major approaches dominate carbon trading:

- **Cap-and-Trade**, where emission limits are set and excess allowances can be traded.
- **Carbon Offsetting**, where emissions are compensated by investing in emission-reduction or carbon sequestration projects such as afforestation, renewable energy, or biogas plants.

### Carbon Trading Mechanisms

Three primary mechanisms were introduced under the Kyoto Protocol:

1. **Emission Trading (ET)**: Countries emitting less than their assigned limits can sell surplus allowances to high-emitting countries through the carbon market.
2. **Clean Development Mechanism (CDM)**: Developed nations invest in emission-reduction projects in developing countries and earn **Certified Emission Reductions (CERs)**.
3. **Joint Implementation (JI)**: Emission-reduction projects undertaken jointly between countries generate **Emission Reduction Units (ERUs)**.

India, as a Non-Annex I country, holds immense potential for CDM projects in renewable energy, sustainable agriculture, and waste management.

### Carbon Credits, Carbon Footprint, and Carbon Sinks

A **carbon footprint** measures the total greenhouse gas emissions caused by an activity, product, or system, expressed in CO<sub>2</sub> equivalents. Livestock production has a considerable carbon footprint due to methane and nitrous oxide emissions.

**Carbon sinks** are natural or artificial reservoirs that absorb atmospheric CO<sub>2</sub>. Forests, oceans, and soils are major natural sinks, while emerging technologies such as **carbon capture**,

**utilization, and storage (CCUS)** act as artificial sinks. These sinks are critical for achieving **net-zero emissions targets by 2050**.

### **Livestock and Climate Change**

According to FAO estimates, livestock contributes about **14.5% of global anthropogenic GHG emissions**. Enteric fermentation in cattle alone accounts for nearly **27% of global methane emissions**, while manure management contributes substantially to nitrous oxide emissions.

Despite this, the livestock sector offers significant opportunities for climate mitigation if sustainable practices are adopted.

### **Mitigation Strategies in Livestock and Dairy Farming**

Climate-smart livestock practices can substantially reduce emissions while enhancing productivity:

- **Improved animal nutrition** and feed additives can reduce enteric methane emissions by 10–30%.
- **Efficient manure management**, including anaerobic digestion and composting, captures methane and produces renewable energy.
- **Genetic selection** of feed-efficient, low-emission animals reduces resource use.
- **Improved grazing and land management**, such as rotational grazing and agroforestry, enhances soil carbon sequestration.

- **Renewable energy adoption**, including biogas and solar systems on farms, lowers fossil fuel dependence.

- **Carbon sequestration practices**, including silvopasture and conservation agriculture, increase long-term carbon storage.

### **Benefits and Limitations of Carbon Trading**

Carbon trading encourages emission reduction, supports green technology adoption, and provides revenue opportunities for developing nations. However, it also faces criticism for allowing polluters to buy emission rights, slow adoption of cleaner technologies, and lack of a unified global regulatory framework.

## **CONCLUSION**

Climate change presents both a challenge and an opportunity for India's livestock sector. While livestock contributes to greenhouse gas emissions, it also holds vast potential to become part of the climate solution. Sustainable livestock management, supported by carbon trading mechanisms, renewable energy adoption, and climate-smart practices, can significantly reduce emissions while safeguarding rural livelihoods and food security. Awareness, policy support, and farmer participation will be crucial in steering India toward a resilient, low-carbon agricultural future.