

INTERVIEW: New demand signals push IFM into 'spotlight' in 2026

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Quantum Commodity Intelligence – Improved forest management (IFM) is moving to the centre of the US forest carbon market in 2026 as new demand signals reshape buyer behaviour, according to project developer NativState.

"IFM is having a bit of its own spotlight right now," Michael Casey, NativState's vice president of partnerships, told Quantum.

After years of afforestation, reforestation and restoration (ARR) projects dominating the nature-based solutions conversation in the US, buyers are now turning toward IFM as they race to secure available supply ahead of looming 2030 targets, he added.

"In 2026, we've seen significantly more momentum in the market. I think about the market in terms of demand signals. And this year we've seen significantly more demand signals compared to last year," Casey said.

"That is both direct demand signals from corporate buyers who are sourcing credits directly from project developers like NativState, as well as demand signals that are coming through intermediaries."

Growing numbers of corporates are adding IFM to their carbon portfolios, and intermediaries are increasingly building the expertise to back it and promote it, he said.

NativState, based in Conway, Arkansas, generates carbon credits by aggregating small and medium-sized private landowners into IFM and afforestation projects registered under the US-based standard ACR.

The developer has 28 projects listed on the ACR registry, with 7.48 million credits issued to date.

Shift

"ARR has kind of been the golden child of the nature-based solutions out there, but ARR takes so long to scale up and to issue the credits that buyers are looking for," Casey said.

"Obviously it's removals only, but you cannot meet current demand with ARR alone... and I think that IFM removals are increasingly viewed as just as good as an ARR removal commitment," he added.

Despite some big buyers pulling back, many smaller, non-tech buyers who once relied on annual spot purchases are now shifting toward multi-year offtake agreements and portfolio-based buying, he said.

"Those are the experienced buyers who are seeing pricing is changing, supply is changing. These are the buyers who are looking at their 2030 and 2035 goals and saying, 'hey, like we need to shore up supply certainty'."

Alongside existing buyers, new entrants who had never bought carbon credits before are now beginning spot purchases, spurred in part by SBTi's Net Zero Framework 2.0, he added.

"One of the insights that I've been hearing from customers and partners is 2030 is right around the corner, and I think people are really feeling that more acutely now than before," Casey said.

"With SBTi Net Zero Framework 2.0, carbon credits are recognized in ongoing emissions reductions [and] that's really starting to spark a lot of those sustainability managers [to act]," he said.

In recent years, NativState has inked a multi-year offtake with French energy giant TotalEnergies, sold large volumes from its Bottomland Forests of Louisiana Plains project (ACR0848) to unnamed partners, and agreed a royalty deal with Green Star Royalties.

In January, global online marketplace Etsy retired 84,270 credits from the developer's Calion Ouachita River Wilderness project (ACR0900).

Drivers

The rising demand comes as the market has pivoted toward dynamic baselines methodologies and has secured approval under the Integrity Council for the Voluntary Carbon Market's Core Carbon Principles (CCPs) quality label.

Dynamic baselines replace static, forward-looking predictions with a system that continually updates baseline conditions using real monitoring data, making crediting more responsive and more aligned with evolving carbon-accounting expectations.

ACR's IFM on Non-Federal US Forestlands methodology moved decisively toward dynamic baselines with version 2.1, finalised in 2024.

The trend is not confined to ACR. US-based Verra's VM0045 methodology 'Improved Forest Management Using Dynamic Matched Baselines from National Forest Inventories' applies the same logic, as does UK-based Isometric's IFM and reforestation protocols.

In August 2025, the IC-VCM granted conditional approval to ACR's Improved Forest Management on Non-Federal US Forestlands, version 2.1, requiring an appropriate leakage deduction for projects that reduce wood-product outputs relative to the baseline.

"The dynamic baselines really seem to be resonating with a lot of folks who are hyper-sensitive around carbon accounting. I also think CCP labels are helping," Casey said.

Pricing

IFM credits with dynamic baselines and CCP labels have been heard trading at a stark premium to older static methodologies.

A portfolio manager told Quantum during New York Climate Week that ACR 2.1 removals credits have been trading in the upper \$20s to around \$32 per tonne of CO₂ equivalent (tCO₂e), around \$10 above removals under ACR's non-dynamic protocol.

A second source told Quantum earlier this month that they sold a clip of 10,000 ACR 2.1 removals credits at \$40/tCO₂e.

The bump in demand is happening for both avoidance and removals projects, according to Casey.

"We're seeing a balanced demand for both [ACR] 2.1 avoidance and 2.1 removals. It's a really positive signal for the market."

"We're in a really good position to deliver on the demand out there in the market, given that our entire portfolio going forward is all [certified under ACR] 2.1."

Scale-up

Building on that momentum, Casey said NativState is preparing for a significant scale-up.

"By 2027, we plan to be over a million acres [404,686 hectares] in our voluntary portfolio... In the next handful of years, we could very well be over 1,000 land-owning entities that are enrolled with NativState," he said.

Late last year, NativState secured a financing agreement with the Canada-based Inlandsis Fund to expand its portfolio of IFM and afforestation projects.

Then, in June, the developer acquired Neeley Forestry Service, which manages more than 200,000 acres for over 400 clients in Arkansas, Louisiana and Texas.

To date, the company has delivered more than \$30 million in total returns to participating landowners, according to Casey.

The Quantum View: With dynamic baselines, CCP approval and SBTi alignment converging at the same moment buyers face 2030 pressure, IFM is emerging as the most immediately scalable nature-based option. One large advisory firm told Quantum earlier this year that IFM's share of its portfolio had jumped from roughly 15% to nearly 70% in the span of a year — a sharp reweighting that reflects how quickly market preferences are shifting.