The pressing global demand to transform to a low-carbon business community, which is required by the urgency of mitigating climate change, significantly alters the operating procedures for carbon emitters and carbon revenue generators alike. Although agricultural activities are not considered as heavy carbon emission source, the increased public focus on climate change has catapulted the exploitation of sustainable agricultural land management mitigating strategies as intervention by the sector. Additionally, the focus on market-based mechanism to address climate change, which has led to the evolution of cap-and-trade schemes, makes the agricultural sector become a source of low-cost carbon offsets. However, the fact that cap-and-trade schemes in the agricultural sector are voluntary has resulted into not only very diverse farming practices but also diverse accounting practices. The consequences of the diversity practices are that the impacts on financial performance and position are not comparable. Therefore, the overall objective of this study was to investigate the recognition, measurement and disclosure for cap-and-trade schemes in the agricultural sectors This study was conducted through literature reviews and empirical test. A qualitative research approach utilizing constructivist methodology was employed. Primary data was collected in Kenya by administering three sets of semi-structured questionnaires to drafters of financial statements, loan officers and financial consultants. Secondary data involved content analysis of financial statements and reports of listed entities across the globe. It was established that proper accounting for cap-and-trade schemes adaptation activities is critical to the success of an entity's environmental portfolio. Additionally, a model for valuing an organization's carbon capture potential as suggested by this study enables entities to better report the impact of the adaptation activities on the financial performance and financial position. The outcome of this study enables entities to integrate the carbon capture potential on an entity sustainability reporting framework.