

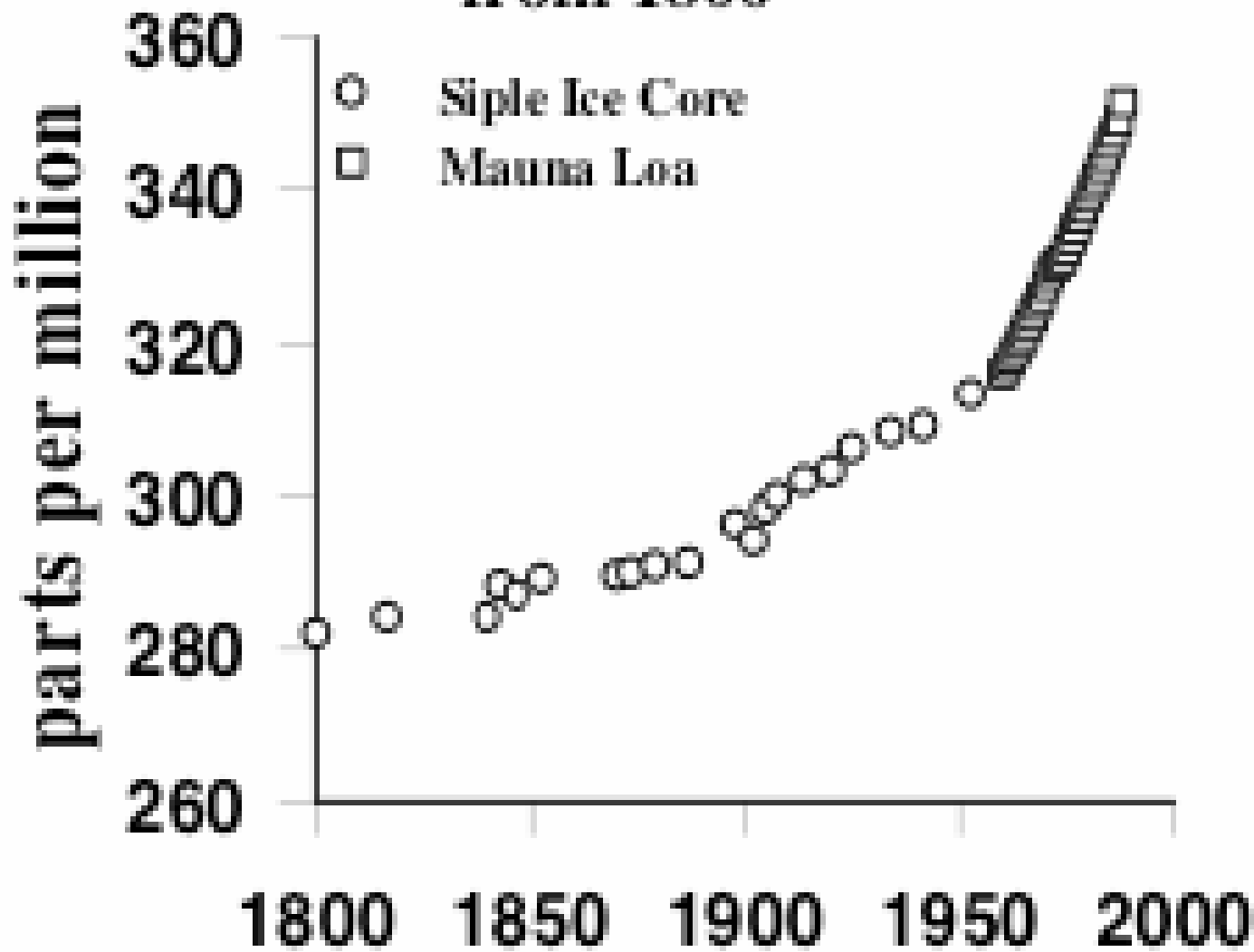
Carbon Credits - Selling a New Crop From Your Farm or Ranch

Dale Enerson, Director
NFU Carbon Credit Program
February 21, 2008





Atmospheric CO₂ from 1800



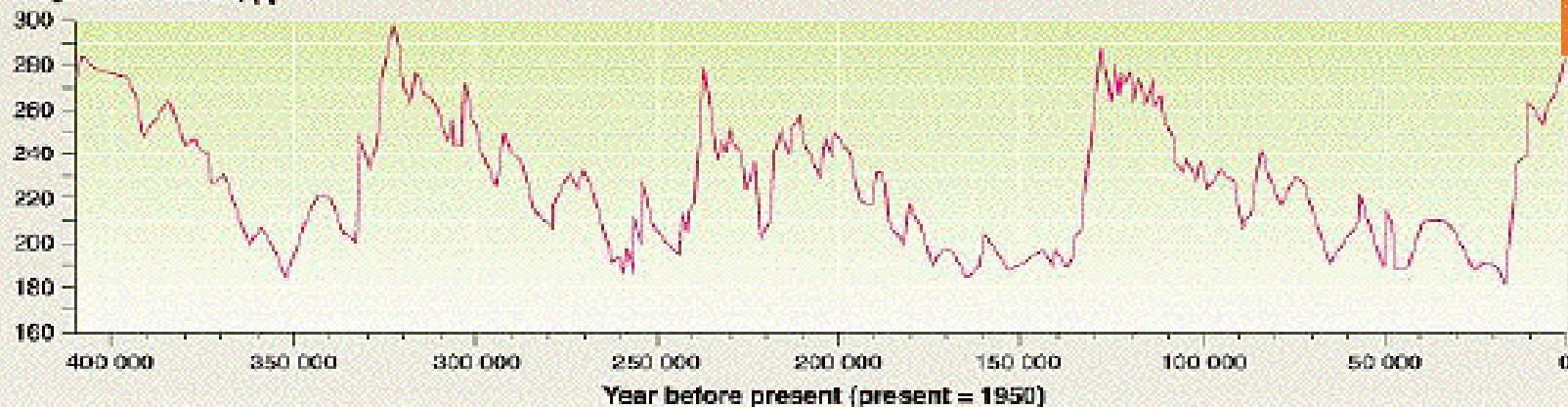
Carbon Dioxide and Temperature

2040

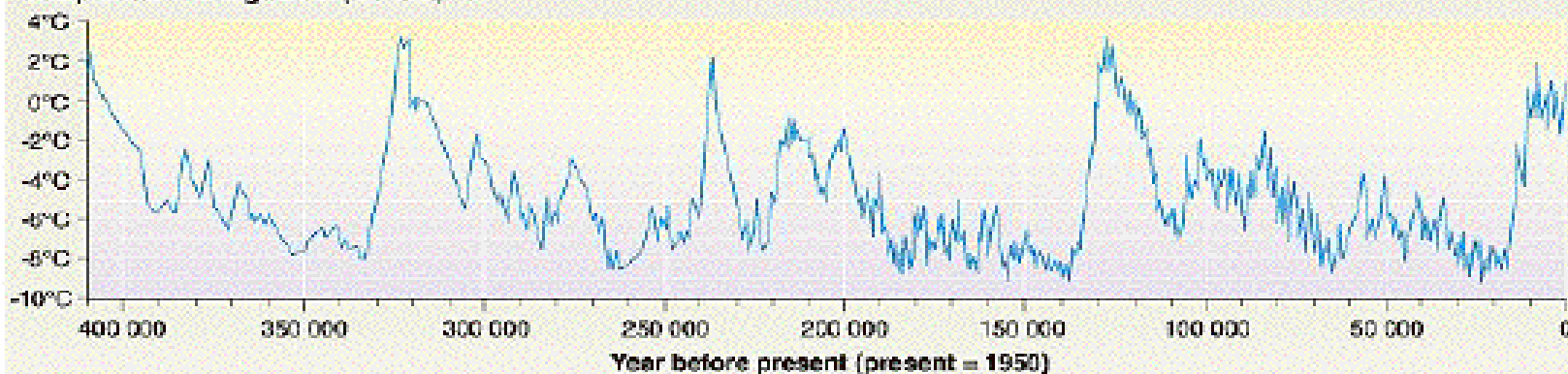
2002

Temperature and CO₂ concentration in the atmosphere over the past 400 000 years (from the Vostok ice core)

CO₂ concentration, ppmv



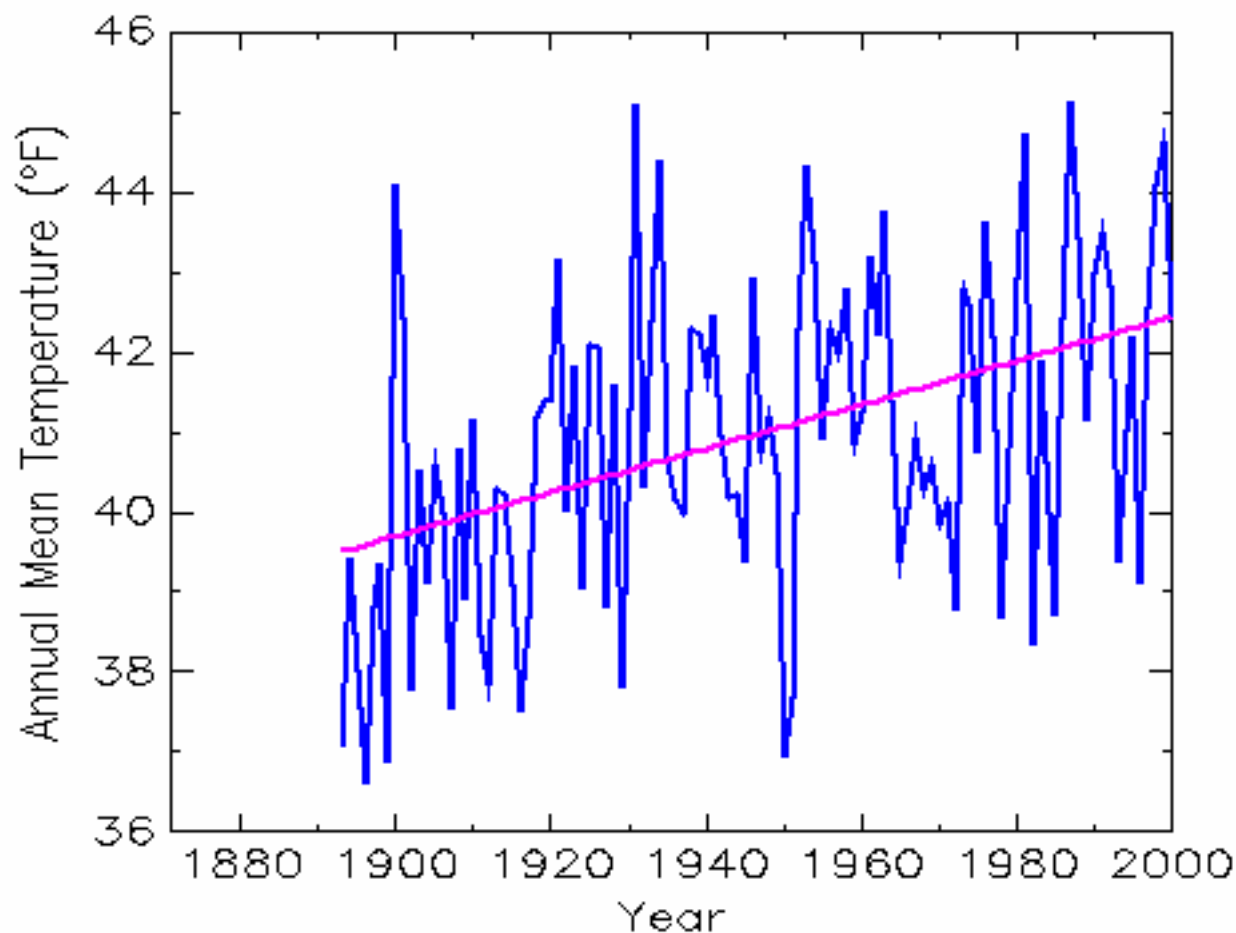
Temperature change from present, °C



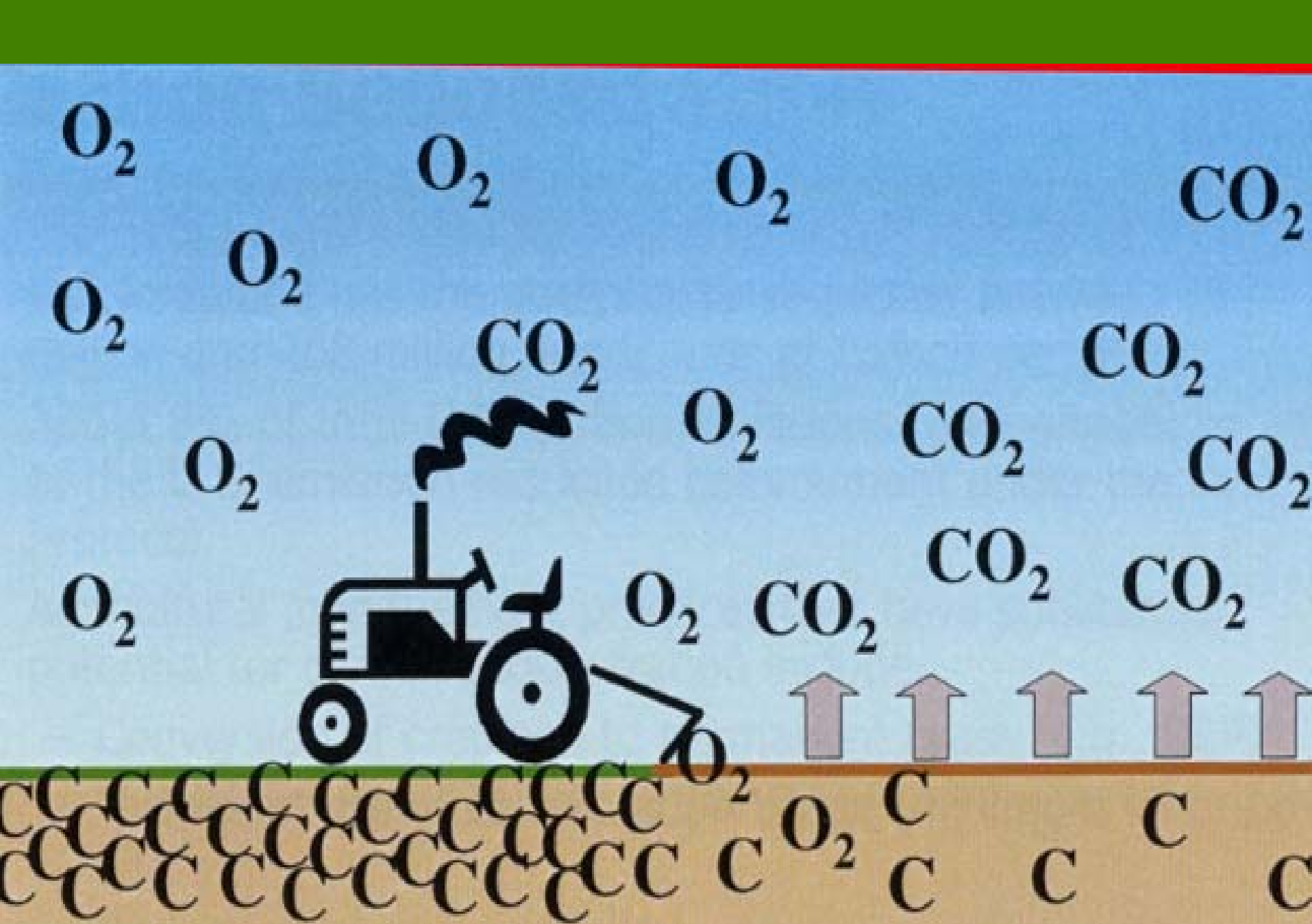
1871-2000 Mean Annual Temperature Time Series

Station: DICKINSON, ND

(from the United States Historical Climatology Network dataset)

















2007 11 13



Methane Offsets

- Ag Methane destruction projects that were put into place after Jan 1, 1999.
 - Dairy
 - Swine
- Eligibility
 - Liquid slurry storage
 - Pit storage below animals (> 1 month)
 - Uncovered anaerobic lagoons



Baseline Credit Rates - Iowa

Liquid Slurry/Pit Storage (Metric Tons CO ₂ e per head per year)								
Dairy Cow	Dairy Heifer	Feedlot Steer	Feedlot Heifer	Market Swine ⁶⁰	Market Swine 60 – 120	Market Swine 120-180	Market Swine > 180	Breeding Swine
1.56	0.70	0.70	0.68	0.09	0.13	0.22	0.30	0.31
Anaerobic Lagoon (Metric Tons CO ₂ e per head per year)								
4.42	1.97	1.98	1.92	0.24	0.38	0.63	0.84	0.88



Section 2c: Regional Estimates of Tree Annual Carbon Accumulation in Live trees and Soil Organic Carbon for Afforestation (Metric tons CO₂/ acre/ year age of tree)

<u>Region</u>	<u>Species</u>	1 through 5	6 through 10	11 through 15	16 through 20	21 through 25	26 through 30
Northeast	Aspen-birch	1.424	1.628	1.706	1.852	1.852	1.883
Northeast	Maple-beech-birch	1.571	2.199	2.702	2.638	2.481	2.449
Northeast	Oak-hickory	1.467	2.718	3.886	3.592	3.215	3.016
Northeast	Oak-pine	1.320	1.874	2.314	2.460	2.502	2.423
Northeast	Spruce-balsam fir	1.508	1.617	1.570	1.679	1.642	1.768
Northeast	white-red-jack pine	1.571	2.037	2.388	2.230	1.957	1.868
Northern Lake States	Aspen-birch	1.592	1.402	0.983	1.531	1.861	2.044
Northern Lake States	Elm-ash-cottonwood	0.921	1.098	1.024	1.483	1.661	1.802
Northern Lake States	Maple-beech-birch	1.131	1.240	1.140	1.788	2.239	2.379
Northern Lake States	Oak-hickory	1.466	1.429	1.266	1.752	2.082	2.160
Northern Lake States	Spruce-balsam fir	0.837	1.185	1.138	2.010	2.487	2.805
Northern Lake States	white-red-jack pine	0.146	0.679	1.036	2.260	3.297	3.396
Northern Prairie States	Elm-ash-cottonwood	0.859	0.826	0.669	0.909	1.014	1.359
Northern Prairie States	Maple-beech-birch	1.110	0.942	0.691	0.931	1.067	1.287
Northern Prairie States	Oak-hickory	1.425	1.251	1.016	1.256	1.413	1.476
Northern Prairie States	Oak-pine	1.089	1.063	0.984	1.419	1.801	1.916
Pacific							



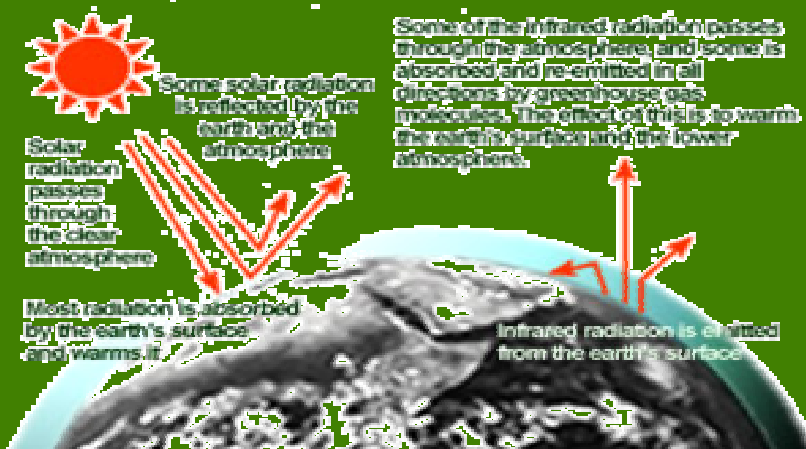
Carbon Credits - Where are We At?

- Climate change and our nation's reaction is in the news (UN Panel, Bali Conference, Cap and Trade)
- Renewable Energy issues and higher priced fossil fuels are related (New Energy Bill and \$100 Oil)
- Carbon prices peaked in 2006 on the CCX over \$4, now trading at \$2.00 range
- Several aggregators developing for the CCX, newly allowed territories and new practices
- 2007 Farm bill debate includes discussions of climate issues and conservation payments

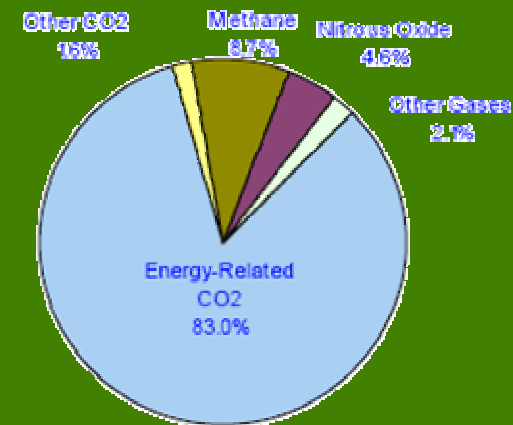
Greenhouse Gases

- Carbon Dioxide (CO₂)
- Methane (CH₄)
- Nitrous Oxide (N₂O)
- Sulfur Hexafluoride (SF₆)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)

The Greenhouse Effect



Predominant Sources of 2003 U.S. Greenhouse Gas Emissions



Source: EIA, Emissions of GHG gases in the United States 2003

- 6.9 billion metric tons CO₂e total
- 545 million metric tons from CH₄
- ~40 million metric tons from manure management alone

Carbon Credit Program

Greenhouse Gas
Emission Reductions

Achieved via
qualifying GHG
emission reduction
projects

Carbon Credit Program

- Eligibility Assessment
- Protocol Development
- Monitoring
- Reporting
- Verification
- Registration

Chicago Climate
Exchange protocols

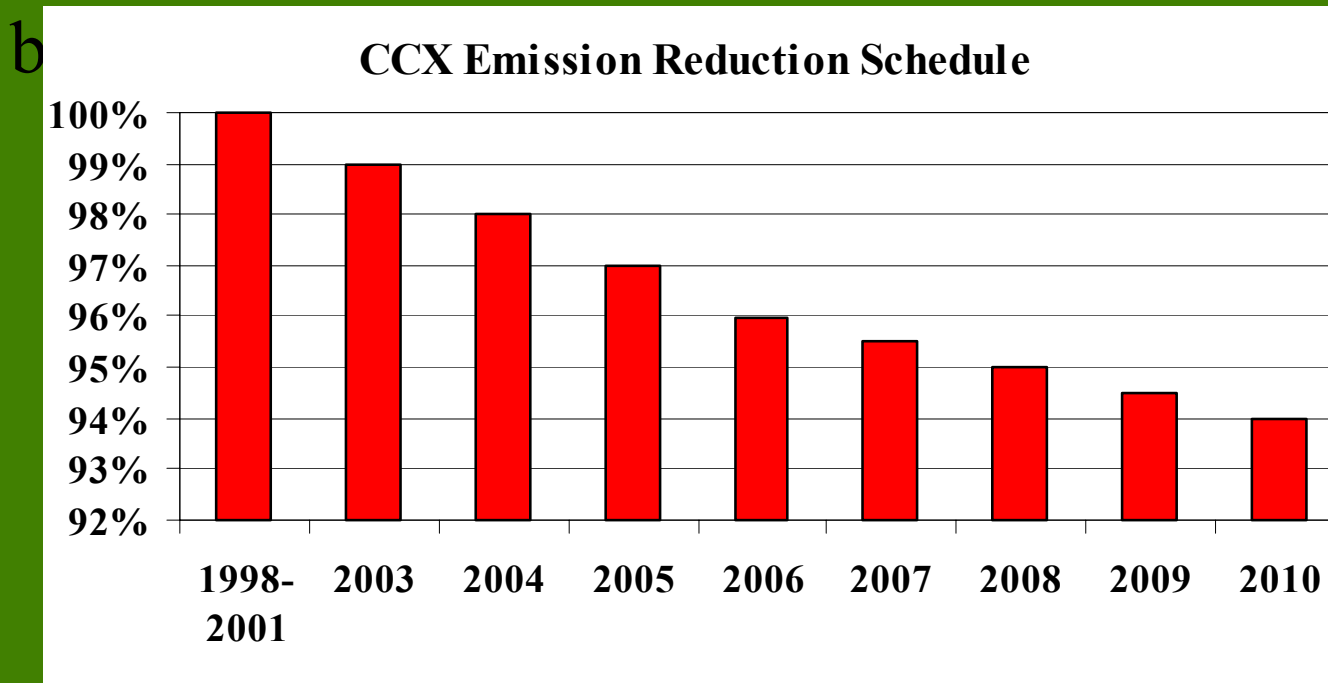
Carbon Credits
(certified, tradable, \$\$)

Sell on CCX
through an aggregator



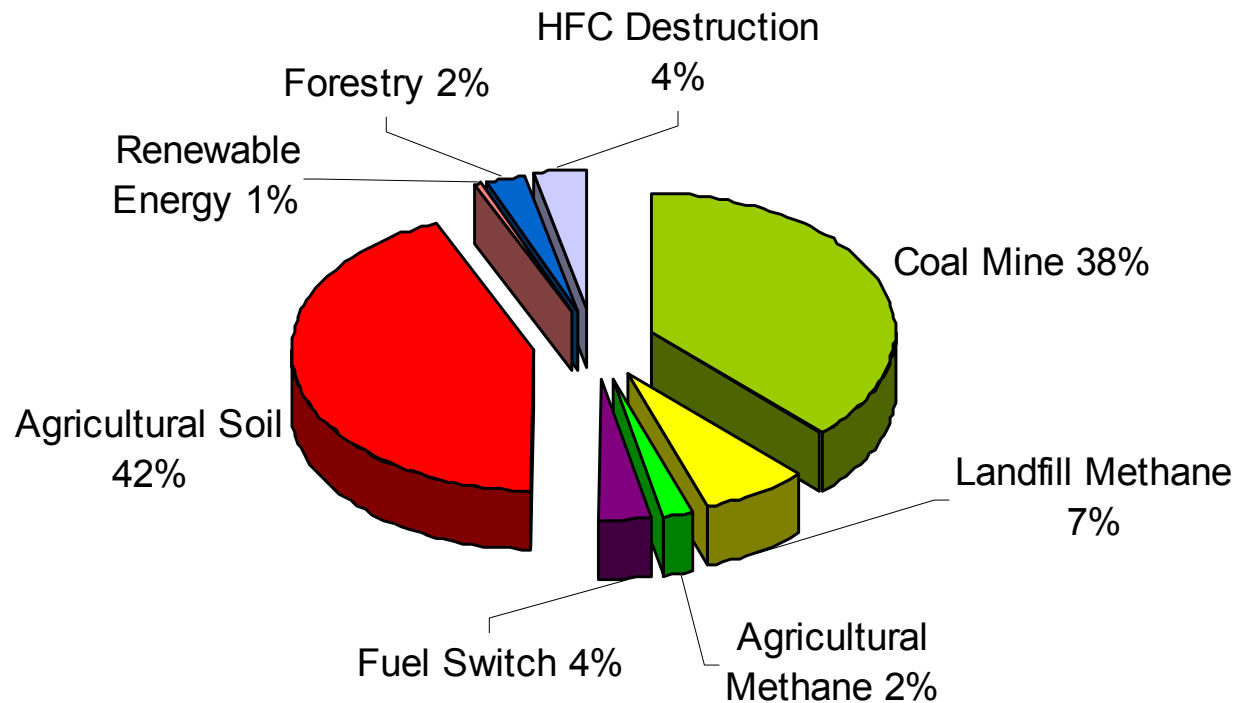
CCX Reduction Timetable

- 2003-2006: Reduce emissions to 1%, 2%, 3%, 4% below 1998-2001 baseline
- 2006 – 2010: Reduce emissions to 6% below 98-01



CCX Offset Portfolio by Type

(Projects registered through
September 2007)



Progress to date

- Protocols developed & implemented
 - No-till
 - Grasslands
 - Rangeland management
 - Afforestation
 - Managed forests
 - Ag Methane from Livestock facilities
 - Biomass substitution
- Producers Enrolled; projects verified; credits traded; producers paid

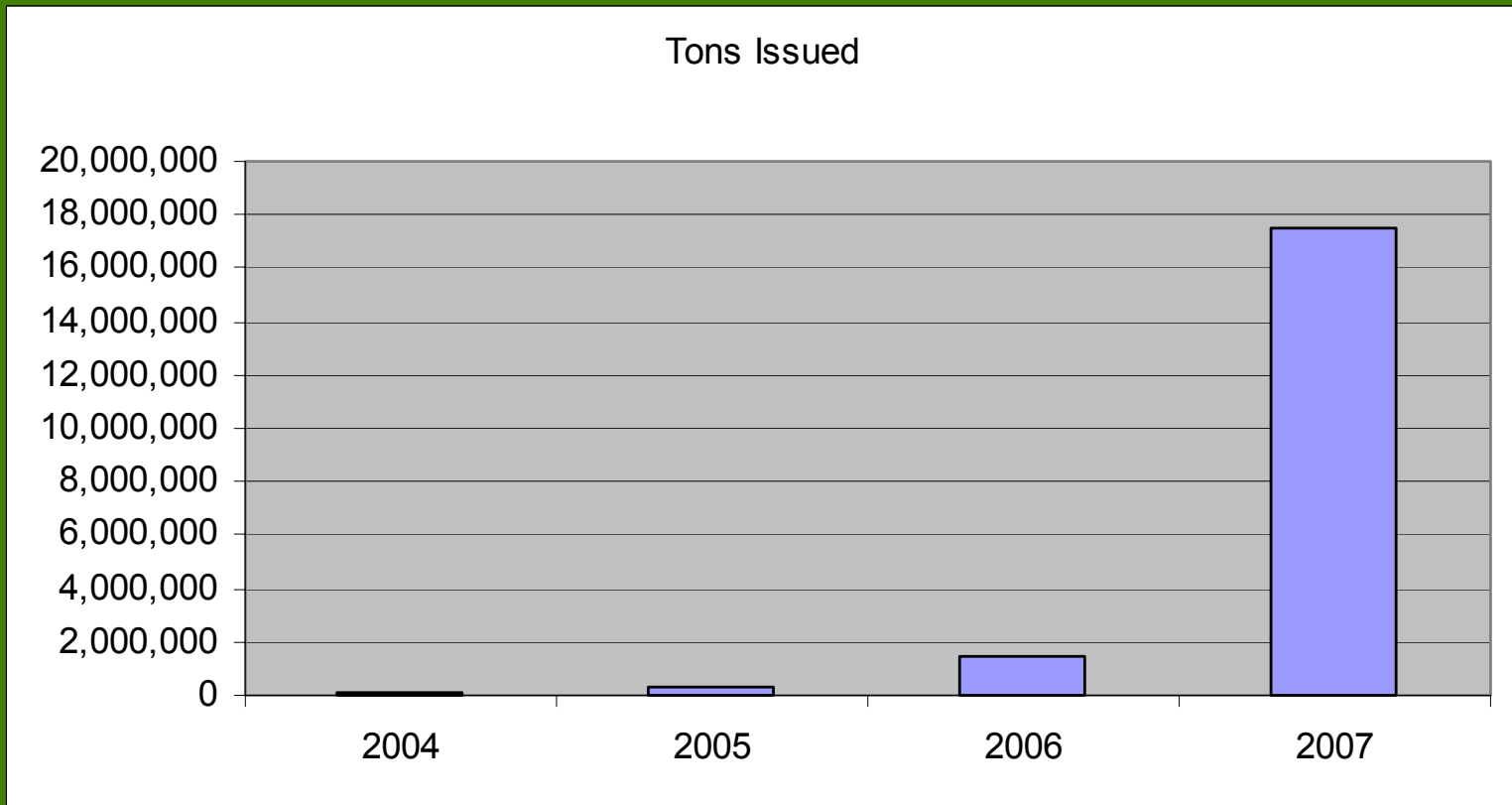
What's Needed

- Additional data
 - soils types, crops, production practices, etc
 - Residue management tools analysis
 - Subsequent tillage impacts
- Educational materials
 - Carbon policy issues
 - Scope & size
 - Ag carbon opportunities
 - Global warming impacts on ag
 - Adaptation practices
- Refocus of the ag debate
 - Additionality (recognition of early action)
 - Permanence

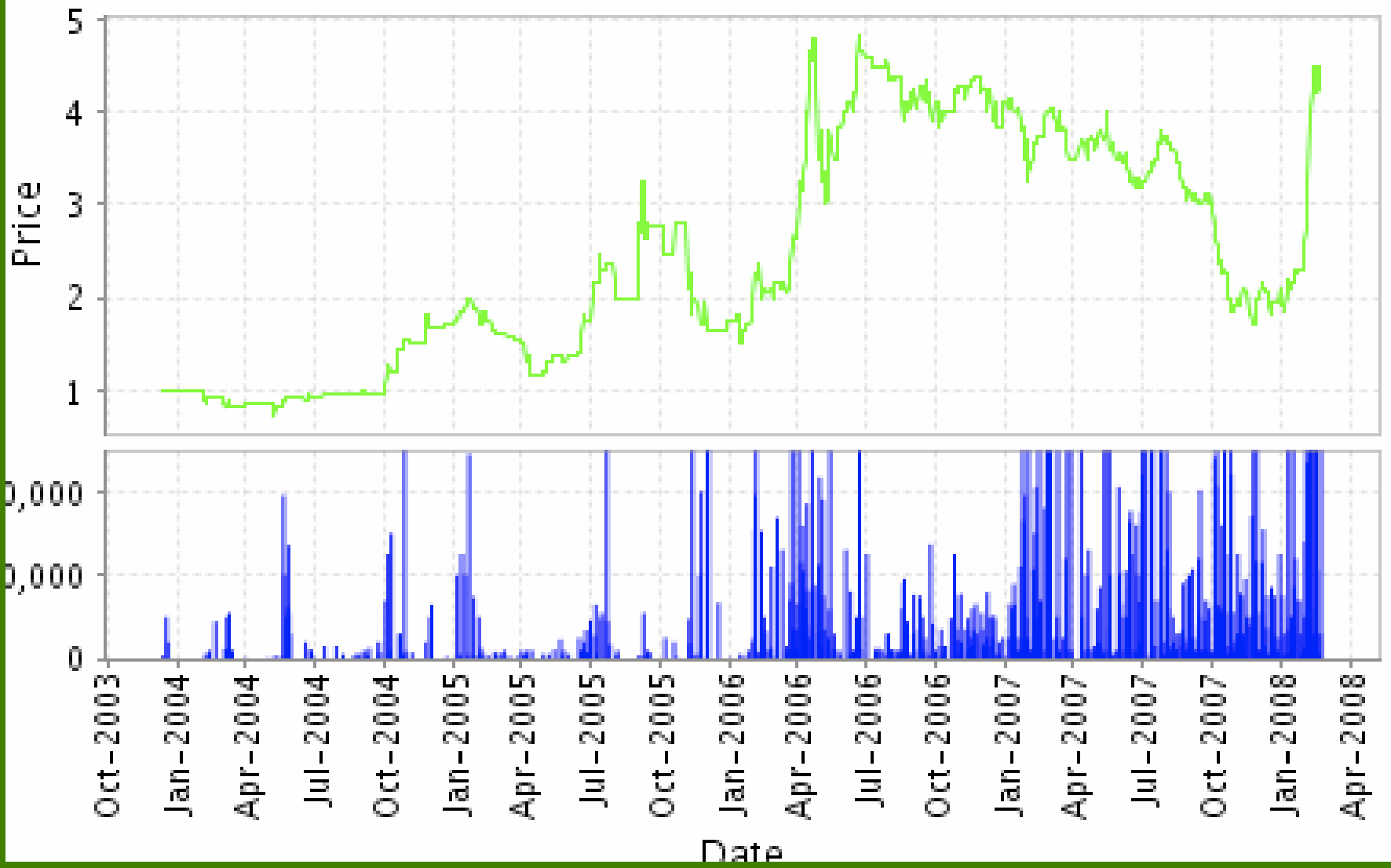


CCX Offsets Issued by Year

(Offsets registered or in process;



CCX Carbon Financial Instrument (CFI) Contracts Daily Report



Other efforts

- Educational efforts
 - Meetings
 - Materials
 - News & informational articles
- New protocol development
 - Biofuels
 - Eastern grasslands
 - Nutrient management
 - Farm energy efficiency



Product	Strip	+	-	Sell	Qty	Bid	Offer	Qty	Buy	High	Low	Last	Volume	Settlement	...	Qty	Bid	Offer	Qty	...	Pin	+	-	
CCX CFI	Vintage 2003	+		Hit	5	3.60	3.75	10	Lift	3.70	3.65	3.65	370	3.65										
CCX CFI	Vintage 2004	+		Hit	5	3.60	3.70	5	Lift	3.70	3.65	3.65	470	3.65										
CCX CFI	Vintage 2005	+	-	Hit	5	3.60	3.70	20	X	3.70	3.65	3.65	365	3.70				3.70	20	X				
				Sweep	10	3.35	3.75	10	Lift			3.70						3.75	10	X				
				Sweep	20	3.30	3.75	10	X			3.70						3.55	50	X				
				Sweep	5	3.15	3.75	75	Sweep			3.70												
				Sweep	35	3.10	3.80	5	Sweep			3.70												
CCX CFI	Vintage 2006	+	-	Hit	5	3.60	3.70	50	Lift	3.70	3.65	3.65	140	3.70				3.70	20	X				
				Sweep	35	3.50	3.70	20	X			3.70						3.75	10	X				
				Sweep	10	3.35	3.75	10	Sweep			3.70						3.55	50	X				
				Sweep	5	3.15	3.75	10	X			3.70												
				Sweep	45	3.10	3.75	250	Sweep															
CCX CFI	Vintage 2007	+		Hit	5	3.60	3.70	240	Lift	3.70	3.60	3.60	3485	3.70										
CCX CFI	Vintage 2008	+		Hit	5	3.60	3.70	50	Lift	3.70	3.65	3.65	120	3.65										
CCX CFI	Vintage 2009	+		Hit	5	3.60	3.70	75	Lift	3.70	3.65	3.65	130	3.65										
CCX CFI	Vintage 2010	+		Hit	5	3.60	3.75	10	Lift	3.75	3.65	3.65	135	3.65										

- CCX CFI - Carbon Financial Instrument - Vintage 2007, 5 @ 3.60 (Feb 12, 2007 13:00:37 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2007, 10 @ 3.65 (Feb 12, 2007 13:00:07 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2010, 5 @ 3.65 (Feb 12, 2007 12:59:49 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2006, 10 @ 3.65 (Feb 12, 2007 12:59:29 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2009, 10 @ 3.65 (Feb 12, 2007 12:59:19 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2009, 10 @ 3.65 (Feb 12, 2007 11:26:34 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2008, 10 @ 3.65 (Feb 12, 2007 11:26:24 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2007, 10 @ 3.65 (Feb 12, 2007 11:26:15 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2010, 10 @ 3.70 (Feb 12, 2007 11:26:05 CST)
- CCX CFI - Carbon Financial Instrument - Vintage 2005, 10 @ 3.65 (Feb 12, 2007 11:25:47 CST)

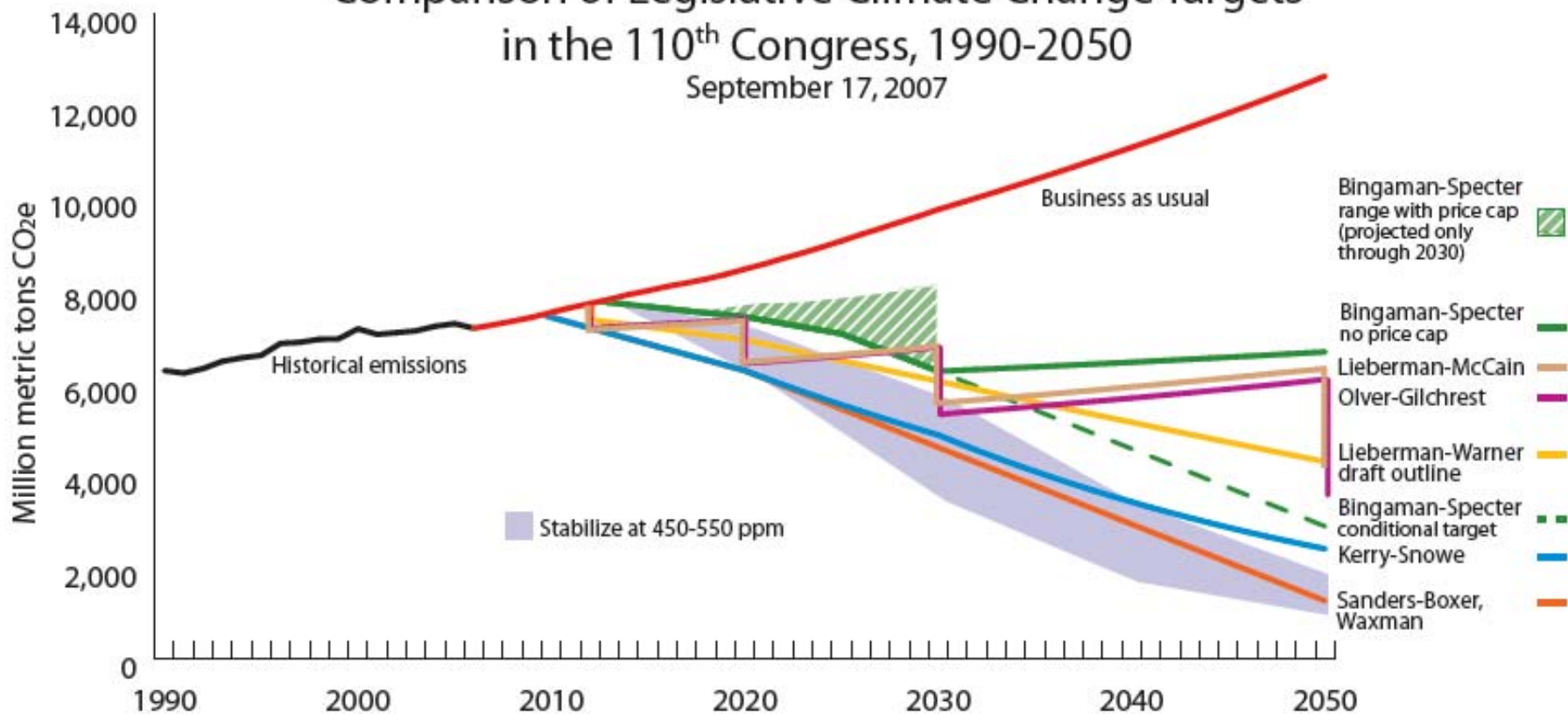


Key Carbon Policy Issues

- 1. Sufficient science exists to act now on climate change.**
- 2. Carbon policy design principles:**
 - Recognize the importance of technology and energy efficiency
 - Be environmentally effective and cost effective
 - Be fair
 - Encourage early action.
- 3. Cap and trade market-based regulatory system as an essential element of an effective carbon reduction program.**
- 4. Allowing regulated entities to use emission offsets as a means of compliance for a significant part of their reduction requirements.**

Comparison of Legislative Climate Change Targets in the 110th Congress, 1990-2050

September 17, 2007



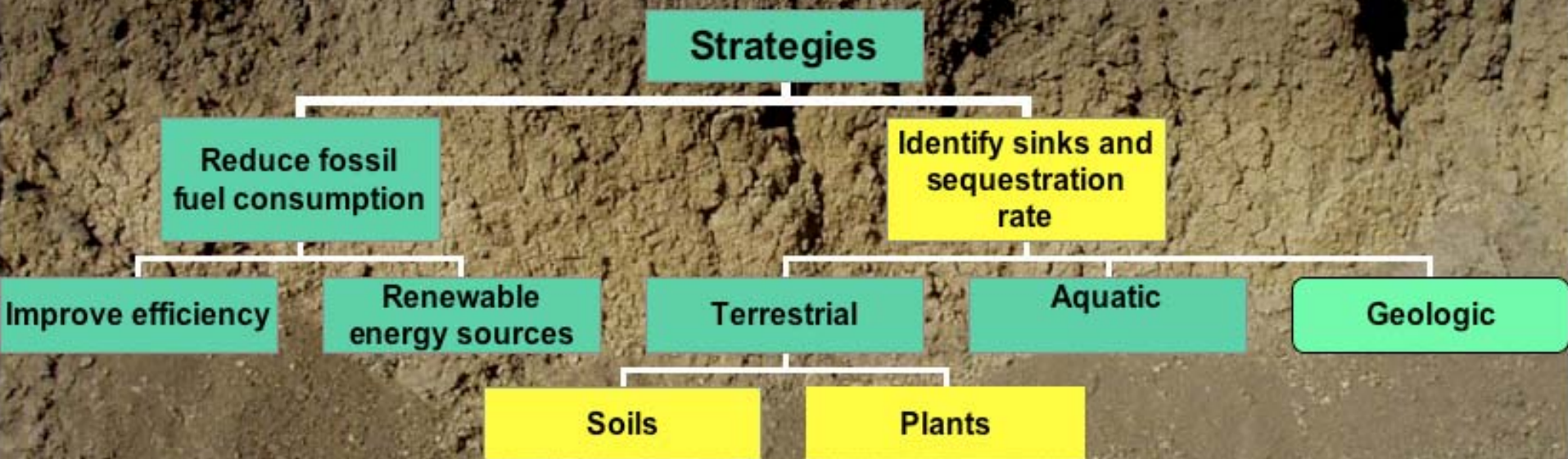
 WORLD RESOURCES INSTITUTE

For a full discussion of underlying methodology, assumptions and references, please see <http://www.wri.org/usclimatetargets>. WRI does not endorse any of these bills. This analysis is for comparative purposes only. Data post-2030 may be derived from extrapolation of EIA projections.

Carbon Sequestration

- Carbon sequestration can be defined as the capture and secure storage of carbon that would otherwise be emitted to or remain in the atmosphere.
- What are Carbon Credits?
 - Carbon credits encompass two ideas:
 - (1) Prevention/reduction of carbon emissions produced by human activities from reaching the atmosphere by capturing and diverting them to secure storage.
 - (2) Removal of carbon from the atmosphere by various means and securely storing it.

Strategies to Reduce Atmospheric CO₂



**Carbon credits are the “icing on the cake”
of economic return from producing land.**

Potential Income:

Carbon credits

**Conservation, CRP, CSP, EQIP
payments**

Crop subsidies

Lease or sale of minerals

Recreational uses

Wind development rights

Dairy, beef, hogs, poultry

Biomass

Grain



NFU Carbon Credits Program

- **No-till cropping** (.2-.6 metric tons per acre annually, includes annual crops and hayed forages) (No beginning date)(Great Plains to east coast states)
- **Seeding long term grasses** (.4 or 1.0 metric tons per acre)(Other seeded grasses, CRP, CREP) (Has to be planted after 1999)(all 48 states)
- **Enhanced range management with increased vegetative index** (.12-.52 metric tons per acre?) (Cell grazing, rotational, intensive grazing practices)(Grazing plan implemented after 1999)(central and western plains states)
- **Forestry offsets(Afforestation)** (1.5-7 tons per acre annually) (Available in all states)(Have to be planted after 1990)
- **Methane Capture** (anaerobic digesters from livestock wastes - [1 ton methane =21 tons carbon credits])(available in all states)



NFU Carbon Program - Current Statistics

- No-till and seeded grass enrollments is 2,500,000 acres in 25 states. Selling NFU Pool 2. Applications received for 1,000,000 acres of managed rangeland practice in 8 states, awaiting verification this spring for first pool.
- Applications received for about 8000 acres of forestry offsets in 9 states, awaiting first verification.
- Program has earned about 2.7 million dollars from the first year pools to NDFU and NFU no-till and seeded grass pools.
- Verification has shown producers complying at very high rates with contract requirements (over 99% in early pools of no-till and seeded grass acres).



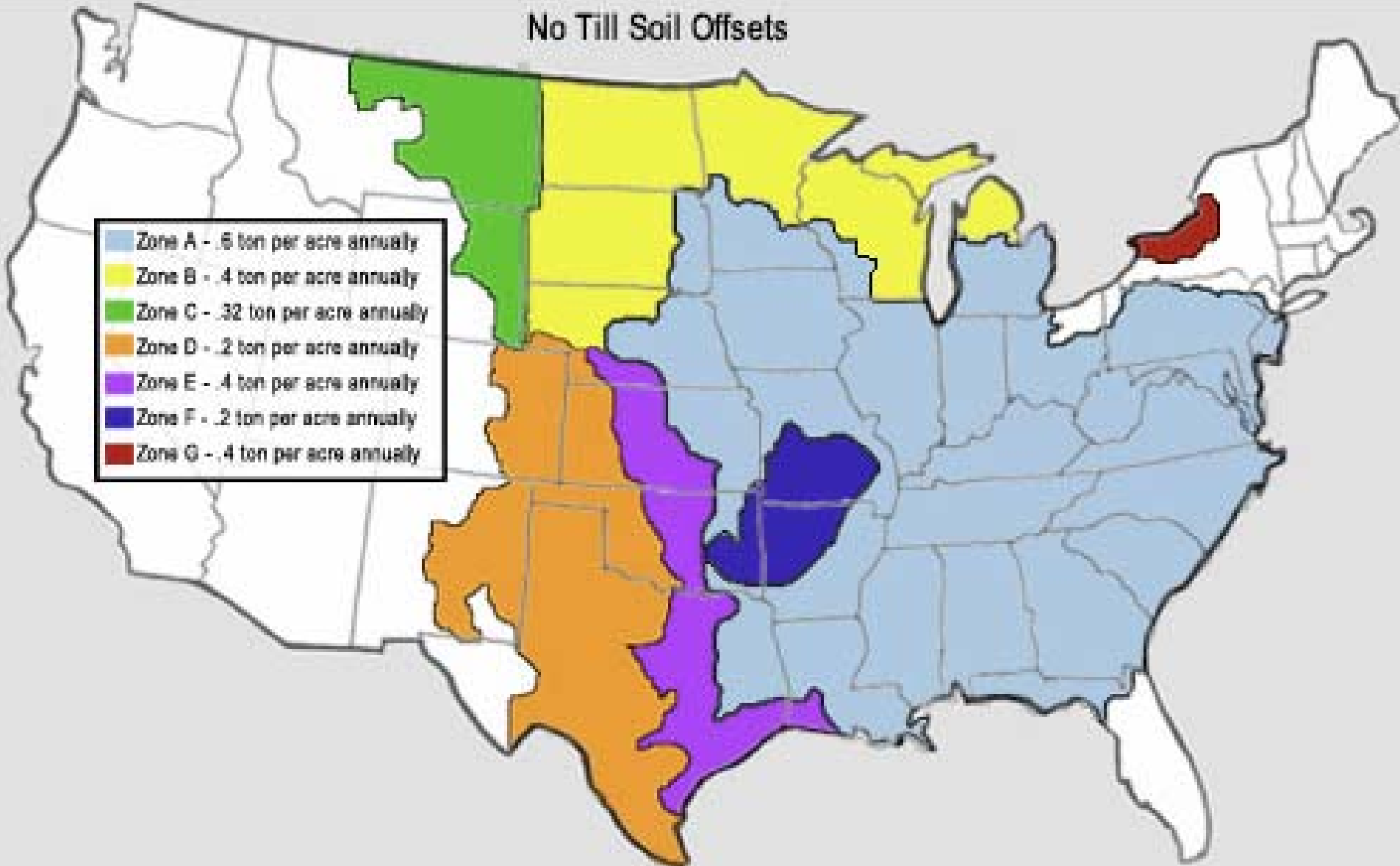
Future Potential?

- Relatively low prices for stored carbon caused many producers to feel it was not worth the effort to enroll, but then \$4-5 price caused some interest, now prices have dropped off, but interest continues.
- US political climate and concern for environmental issues will determine success of this project
- Most estimates are that nationwide, about 5-15% of cropland is in continuous no-till or strip till, and varies each year.
- Many states have a wide range of potential cropping, rangeland, forestry, and manure management projects for potential offset projects.
- Realistically, even if we could achieve enough income to pay real estate taxes, that would be a huge impact to rural economies. (\$3-10 per acre)
- With discussions of a possible US Cap and Trade System, (Warner-Lieberman, Bingamen-Specter, Kerry-Snowe) or future world negotiations, agricultural offsets could increase in value



No Till Soil Offsets

- Zone A - .6 ton per acre annually
- Zone B - .4 ton per acre annually
- Zone C - .32 ton per acre annually
- Zone D - .2 ton per acre annually
- Zone E - .4 ton per acre annually
- Zone F - .2 ton per acre annually
- Zone G - .4 ton per acre annually



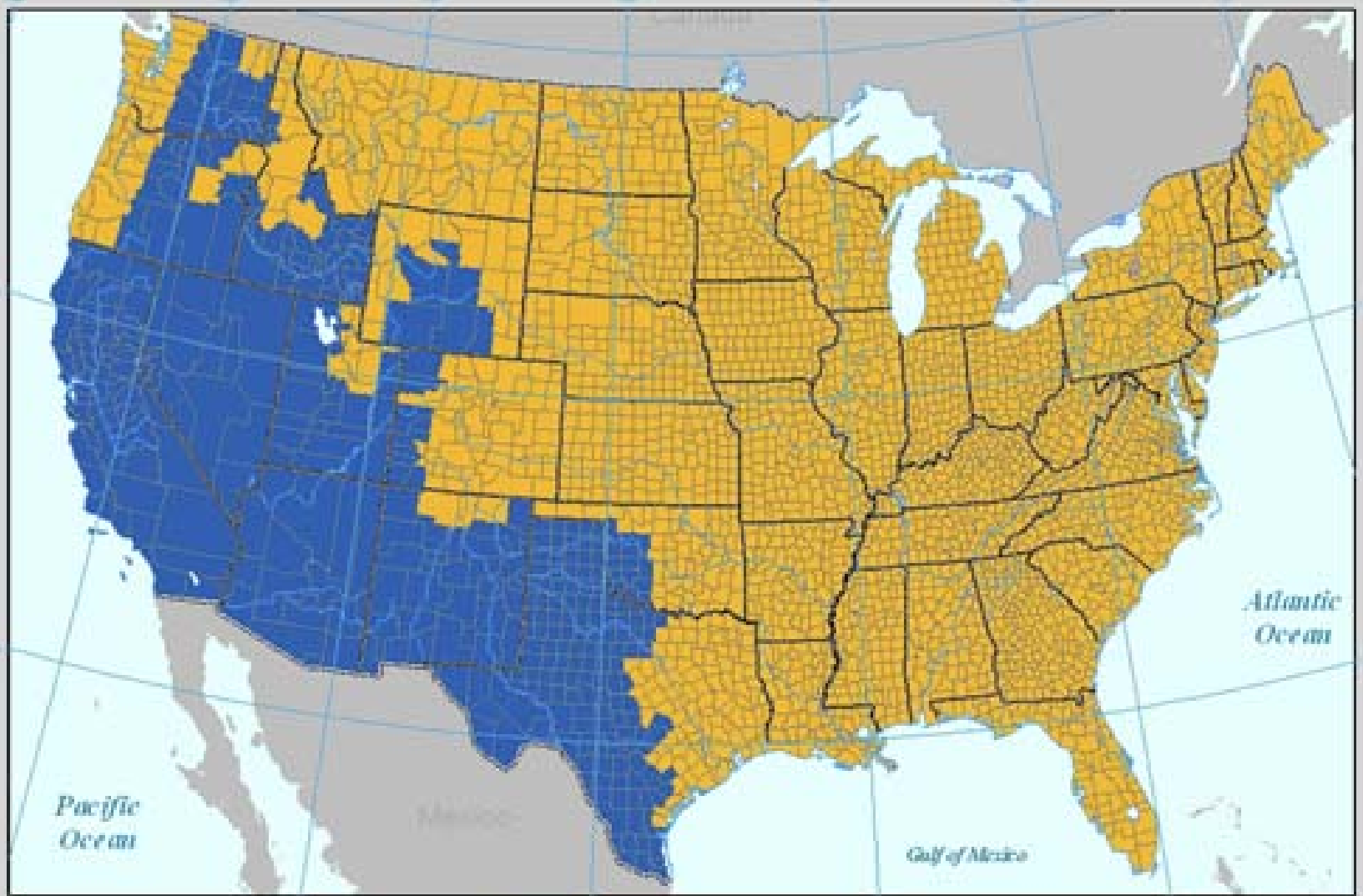
Eligible no till/minimum till practices & equipment...

Yes

1. Strip Till
2. Stalk Chopper
3. Anhydrous Applicator
4. Manure Knife Applicator
5. Rolling Harrow
6. Limited- Other Harrows

No

1. Ridge Till
2. Disks
3. Plows
4. Cultivators
5. Chisel Plows



**Permanent Grassland
Soil Offset Map**
Chicago Climate Exchange

Carbon Sequestration Rate (metric tons/acre/year)

1.0

0.4



2007 pasture land grazing system

Total acres 1040

Unit 1 *Note: yellow section has formulas that are protected*

Pasture	Acres	# Head	In date	Out date	Animal Days	Days Rest
1	100	75	5/10/07	5/26/07	1200	
2	90	75	5/26/07	6/10/07	1125	
3	50	75	6/10/07	6/17/07	525	
4	80	75	6/17/07	7/1/07	1050	
5	80	76	7/1/07	7/15/07	1064	
6	120	76	7/15/07	8/2/07	1368	
1	100	76	8/2/07	8/16/07	1064	66
2	90	76	8/16/07	8/30/07	1064	59
3	50	76	8/30/07	9/6/07	532	73
4	80	76	9/6/07	9/20/07	1064	67
5	80	76	9/20/07	10/9/07	1444	66
6	120	76	10/9/07	10/23/07	1064	67
Total acres	<u>520</u>		Total days grazing		12564	
			Total AUM's generated		411.9	
			AUM's generated/acre		0.79	

Unit 2

Pasture	Acres	# Head	In date	Out date	Animal Days	Days Rest
7	110	75	5/10/07	5/28/07	1350	
8	100	75	5/28/07	6/14/07	1275	
9	70	75	6/14/07	6/25/07	825	
10	110	75	6/25/07	7/13/07	1350	
11	130	76	7/13/07	8/1/07	1444	
7	110	76	8/1/07	8/17/07	1216	63
8	100	76	8/17/07	9/5/07	1444	64
9	70	76	9/5/07	9/16/07	836	71
10	110	76	9/16/07	10/5/07	1444	64
11	130	76	10/5/07	10/22/07	1292	65
Total acres	<u>520</u>		Total days grazing		12476	
			Total AUM's generated		409.0	
			AUM's generated/acre		0.79	





National Farmers Union

CARBON CREDIT PROGRAM

www.nfu.org

Forestry Offset Enrollment Worksheet- Afforestation

Note: A separate worksheet (with supporting documentation) must be completed for each forestry plot.

Name	Phone
Address	City/State/Zip

<u>Plot Location</u> State
County
Legal Description (Section/Township/Range)
What was this land used for prior to this afforestation project?

<u>Description of Plot</u> Acres of Trees in Plot
Planting Date of Trees in Plot
Tree Region and Species/Classification (Note: If plot contains trees of multiple classifications, please indicate percent of total for each type.)
Trees/Acre at planting
Trees/Acre in 2003 or Trees/Acre upon date of submission of this worksheet (minimum 250 trees/acre)

<u>Supporting Documents (Please attach)</u> <ul style="list-style-type: none">o Map of ploto Evidence of ownership of plot (deed, easement, or tax receipt)o Evidence of plot's existence (aerial photo, CRP contract, or receipts for tree purchase/planting)
--



**Forestry Offset Application Packet
Afforestation (new tree plantings after January 1, 1990)**

Your Application Must Include:

- Signed Forestry Offset Sales Contract
- Signed Statement of Intent to Maintain Forestry Carbon Stock
- Complete Enrollment Worksheet(s)
- Attached required documentation

Mail to:

NDFU
Carbon Credit Program
PO Box 2136
Jamestown, ND 58402-2136

Following receipt of your application, your project will be subject to a verification and certification process. This process may take up to one year. Upon approval, you will be sent a signed contract and ton report.

You may contact us at any time to inquire about the status of your application. 1-800-366-8331.





CARBON CREDIT PROGRAM

[Home](#) • [No-Till, Alfalfa and Seeded Grass](#) • [Rangeland](#) • [Forestry](#) • [Methane](#)

[Log-In](#)

» [General Info](#) • [Brochure](#) • [Video](#) • [Links](#)

Welcome to the Farmers Union Carbon Credit Program

This site provides the information that you need about earning income from various conservation practices on your farm or ranch. Some of these practices you may already be doing, or you may be thinking of making some cropping or land use changes. In either case, the annual sale of carbon credits may bring additional dollars to your operation, and also help our environment.

Select one of the offset types listed below for more information or to enroll your acres.

[No-Till, Alfalfa and Seeded Grass](#)

[Native Rangeland](#)

[Methane](#)

[Forestry](#)

Contacts



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 701-952-0116



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 701-952-2154



Bev Watkins
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[Log-In](#)

» [Payment Calculator](#) · [Tillage Guidelines](#) · [Sample Contract](#)

Management Practice	Acres	Seq. Rate/Acre	Metric Tons/yr
Please Select a State <input type="text" value="Ohio"/>			
Please Select a County <input type="text" value="Carroll"/>			
No Till Cropping	<input type="text" value="0500"/>	.60	300.0
Seeding Long Term Grass	<input type="text" value="0160"/>	1.00	160.0
Enhanced Rangeland Vegetation	<input type="text" value="0"/>	0.00	.0
Total Farm Tons Annually			460.0
Price per Ton		01/07/2008	<input type="text" value="1.9"/>
<i>Total Annual Gross Payment</i>			874.00
<i>Less Aggregator 10% commission</i>			87.40
<i>Less CCX Offset Registration Fees (0.20 per ton)</i>			92.00
Annual Net Contract			694.60
<i>Annual Net Times 80% To Farmer (5 annual Payments)</i>			555.68
<i>Final Payment at Contract End</i>			694.60
Total 5 year Contract Income			3473.00

Disclaimer

The above listed projected payments are estimates only using the current price of stored carbon on the Chicago Climate Exchange. Actual producer payments may be more or less depending on future prices at the time the credits are sold. Verification costs may further reduce actual producer payments.



No-Till, Alfalfa and Seeded Grass

Not all agricultural land is eligible for carbon credit. Generally speaking, no-till credits may be paid to operators who commit to using conservation tillage practices for the entire term of a five-year contract. Hayland and alfalfa should also be enrolled as "no-till". Seeded grass stands may earn credits provided the acres have an FSA cropping history and the grasses were seeded after JANUARY 1, 1999.

Do I Qualify?

Take a few minutes to follow through the Questions below and study the [FSA 578 tutorial](#). Please remember carbon sequestration is not for everyone. Producers may have some acres that qualify for each type of offset, and many acres that do not qualify at all. Also, you need **NOT** enroll your entire farm.

1. Are your acres FSA Cropland? For help see [FSA Report of Acreage](#). - Yes
2. Is this land in continuous conservation tillage or "no-till"? - Yes
3. Is my county eligible?

State:

County:

Congratulations, your acreage is eligible for our no-till/seeded grass offset program. Please setup your Farmers Union database account and enroll your acreage as "no-till"



CARBON CREDIT PROGRAM

[Log-Out](#)

Farmers Union Database Form - Digital Account

Farm (*)
Please provide the generic name of your Farm (i.e. Jon Smith Farms)

Address

City

State (*)

Zip Code

Phone Number (*)

E-Mail Address (*)

(Confirm) E-Mail Address (*)

Last Name (*)

First Name (*)

Required fields are denoted with an asterisk (*)

NOTE

If your Internet Service provider uses Spam Filtering,
the email containing your contract number and password
MAY be delivered to your spam email filter inbox.





CARBON CREDIT PROGRAM

[Edit Account Profile](#) · [Add New Contract](#)

[Log-Out](#)

Farmers Union Database - Account Information

Account ID : ZU-3654

Password : 588-876

Farm : Barely Making It Farm

Address : Distressed Lane
Sample, NY 77777

Phone Number : 123456789

E-Mail Address : barely@notill.com

Name : Barely Making

Remember to print your Account ID and Password so that you can access your account for future use.

There are no Contracts listed under this account!

If you need assistance, please contact ND Farmers Union at 800-366-6338!





CARBON CREDIT PROGRAM

[Return to Contract List](#)

[Log-Out](#)

Farmers Union Soil Offset Database - Digital Contract

Account ID : ZU-3654

Seller :

State :

County :

- 1. Are your acres FSA Cropland? For help see [FSA Report of Acreage](#). Yes
- 2. Is this land in continuous conservation tillage or "no-till"? Yes

Congratulations, your acreage is eligible for our no-till offset program. You are about to create a No-till/Alfalfa and Seeded Grass Contract.





CARBON CREDIT PROGRAM

Log-Out

Add New Field

County :

Location : [\[info\]](#)

Owner / Landlord :

Farm Number : (from FSA578)

Tract Number : (from FSA578)

Year :

Select the Starting Year
for this field!

No-Till Acres : Rate : 0.6

Grass Acres : Rate : 1

(Seeded after January 1, 1999)

Comments :

Add Field

Cancel

Location Information - The SE/4 of Section 4, Township 156 North, Range 76 West would be entered as 15607604D.

It is important that the Location field be entered properly. The format for this field lists the Township, Range, Section and Area with no spaces.

The first three digits represent the township (i.e. Township 156 North would be entered simply as 156)

The second three digits represent the range (i.e. Range 76 West would be entered as 076)

The next two digits represent the Section (i.e. Section 4 would be entered as 04)



Add New Field

County :

Location : [\[info\]](#)

Owner / Landlord :

Farm Number : (from FSA578)

Tract Number : (from FSA578)

Year :

Select the Starting Year
for this field!

No-Till Acres : Rate : 0.6

Grass Acres : Rate : 1
(Seeded after January 1, 1999)

Comments :

Location Information - The SE/4 of Section 4, Township 156 North, Range 76 West would be entered as 15607604D.

It is important that the Location field be entered properly. The format for this field lists the Township, Range, Section and Area with no spaces.

The first three digits represent the township (i.e. Township 156 North would be entered simply as 156)

The second three digits represent the range (i.e. Range 76 West would be entered as 076)

The next two digits represent the Section (i.e. Section 4 would be entered as 04)

Contract Information

Contract Number : OH-1177

State, County : OH, Carroll

Seller : Barely Making It

Contract Type : No-Till/New Grass

Acres Enrolled : 302.0

No-Till Acres : 266.0

Grass Acres : 36.0 (Seeded after January 1, 1999)

		Current Enrollment					
	No.	Tract	Legal Description	No-Till	Grass	Land Owner	
Edit	1	8888	10502509	116	36	Hardly Making It	Delete
Edit	2	8887	125025014	150	0	Really Making It	Delete

[Add Field](#)

When you have completed enrolling all parcels, you will need to submit the following:

1. A signed [Contract / Certification Report](#); and
2. A copy of Farm Service Agency Map(s) of land enrolled
3. FSA Form 578 for the current year
4. A deposit slip for your checking account (This will allow us to electronically transfer funds directly to you).

Once the above mentioned documents are received by North Dakota Farmers Union, your completed enrollment will be confirmed.

Mail documents to:

Carbon Credit Program
North Dakota Farmers Union
P.O. Box 2136
Jamestown, ND 58402-2136





CARBON CREDIT PROGRAM

Contract No : **OH-1177**
State : **NY**

APPLICATION FOR PARTICIPATION IN A SOIL CARBON POOL FROM NO-TILL AND FOR SEEDED GRASS PRACTICES AND SALES CONTRACT for EXCHANGE SOIL OFFSETS (XSOs)

SELLER : **Barely Making It** PHONE : **(123) 456-789** DATE : **01/08/2008**

ADDRESS : **Distressed Lane** CITY/STATE/ZIP : **Sample, NY 77777**

I, Barely Making It hereby apply for participation in a soil carbon pool managed by **North Dakota Farmers Union** to register Exchange Soil Offsets (XSOs) with the Chicago Climate exchange (CCX) for the years 2008-2012 on property that I own or control. I hereby agree that **266.0** acres shall be in continuous conservation tillage as defined in this Agreement and that **36.0** acres shall be in continuous grass cover that was established on or after January 1, 1999. I further agree that I will abide by the rules of the CCX as they pertain to XSOs and to the conditions for Pool participation as set forth in this agreement.

Purchaser agrees to buy and seller agrees to sell and deliver to purchaser free from liens and encumbrances at 1415 12th Avenue SE, Jamestown, North Dakota 58401, the rights to the Exchange Soil Offsets (XSOs) created during the years 2008 through 2012 through the application of CONSERVATION TILLAGE to **266.0** acres and/or PERMANENT GRASS COVER to **36.0** acres as entered into the NFU Carbon Credit Program database.

XSOs will accrue for the enrolled land at the applicable rate for the eligible practice and Land Resource Region, as defined by the Chicago Climate Exchange.

20% of the accrued XSOs shall be held in reserve by the Purchaser until December 31, 2012.

Seller warrants that the XSOs covered by this contract comply with all rules of the Chicago Climate Exchange. In particular, Seller warrants that the land from which the XSOs covered by this contract arise shall be in continuous conservation tillage or permanent grass cover, as applicable, during the period January 1, 2008 through December 31, 2012. In the event that the practice fails to meet these requirements, all XSOs from such acreage shall be null and void and any payments for XSOs delivered prior to January 1, 2013, shall be repaid subject to interest and penalties as provided in this agreement.

***The transfer price of the XSOs covered by this contract shall be the net sales price as determined by sale through the Chicago Climate Exchange less a 10% service fee.** Exchange offset registration fees and offset verification costs are the responsibility of the offset project owner. Offset registration fees and offset pool verification fees will be deducted from pool proceeds prior to payment calculations. Sale of XSOs covered by this contract shall be at the sole discretion of the Purchaser, however all XSOs shall be priced no later than June 30, 2013. Payment for XSOs covered by this contract shall be made on an annual or semi-annual basis. The parties to this contract hereby agree that the title to the XSOs shall be automatically delivered to the Purchaser on the first day of January following the year of in which sequestration occurred. By signature hereto, Seller irrevocably conveys title to the XSOs stated above as of the first day of January following the year in which sequestration occurred. Seller further warrants compliance with the terms and conditions contained in the Agreement for the period from January 1, 2008, through January 1, 2013.



The Seller may also be eligible for 2007 credits if they complied with the terms of this contract during the period January 1, 2007 through December 31, 2007. In the database enrollment, please indicate the beginning date of the project as starting in 2007.

_____(X) Date _____ Date _____
Seller's Signature Purchaser's Signature
North Dakota Farmers Union

Disclaimer: The Chicago Climate Exchange (CCX) is not currently scheduled to accept XSOs for registration past the calendar year 2010. In the event XSOs which would be registered in 2011 and beyond cannot be registered with the CCX, the parties' duties under this Agreement shall be altered as provided for under the Terms and Conditions section herein.

Certification Report

Contract Date : 01/08/2008	Acres Enrolled : 302.0
Contract Number : OH-1177	No-Till Acres : 266.0
Seller : Barely Making It	Grass : 36.0
Contact : MAKING, BARELY	
Address : Distressed Lane Sample, NY 77777	
Contact Info : MAKING, BARELY (123) 456-789 barely@notill.com	

No	Acres		Land Title Holder	County	Township	Legal Description
	No-Till	New Grass				
1	116	36	Hardly Making It	Carroll		10502509
Comments (CRP grass seeded in 2003)						
2	150	0	Really Making It	Carroll		125025014
Comments (All no-till acres, but 70 acres in alfalfa)						

Certification Statement I hereby certify that the acreage and land classification listed in this report is correct. I further certify that if the land is classified as no-till that such land was farmed during the year 2007 using continuous conservation tillage practices or as provided for in the Exchange Soil Offset (XSO) contract and that land classified as grass has maintained this grass cover.

Signed: _____ (X)

Date: _____





Contract Number: ND-2857
State: ND
Seller: III
Acres Enrolled: 283.6
No Till Acres: 283.6
Grass Acres: 0.0

Add a New Field

Select CLU

Draw Field

How To

How To

Show All		Parcel ID.	No Till Acres	Grass Acres	County
Edit	Zoom	17786	143.47	0	Grand Forks
Edit	Zoom	17787	140.15	0	Grand Forks

In order to add fields, zoom in to the location of your fields using the navigation tools located just above the map area or by using the pop-up selection for Counties located above the Contract Information.

0 0.4 mi 1: 28458

Update

Resize

Refresh



Contract Info



Farm :

[Edit Contract Holder](#)

Member Last Name :

Member First Name :

- File Started
- Contract / FSA 578
- Certification Received
- CCX - Trading
- Use Map Services

Contract ID : Contract Type :

Contract Number : Contract Pool :

Contract Date : Seller :

State : County :

Acres Enrolled : No-Till Acres : Disqualified :

New Grass Acres : Disqualified :

Restoration Acres : Disqualified :

Rangeland Acres : Disqualified :

Forestry Acres : Disqualified :

[Print Certification Report](#)

[Print Verification Summary](#)

	Farm No	Tract No	Location	County	Township	Field Acres	No Till Acres	New Grass
<input type="checkbox"/>	9999	8888	10502509	Carroll		152	116	36
<input type="checkbox"/>	9999	8887	125025014	Carroll		150	150	0

Contract History

	Date Change	Changed by	Comments
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>			



Completing your enrollment....

- Download, print and sign carbon contract and certification report
- Gather FSA 578 forms for all contract years and one set of maps for the enrolled land
- Send by regular mail to NFU Carbon Credit Program, PO Box 2136, Jamestown, ND 58402-2136 as soon as possible
- We will e-mail you that we received your complete paperwork, and notify you as we proceed to verify, register, and market your offsets



What happens to all that paperwork???



Wrapping Up...

- Farmers Union considers carbon trading as an innovative way to improve farm income through the use of economically viable & environmentally sound management practices.
- We think a national market exchange (like CCX) for carbon credits offers both buyers and sellers the most efficient & most reliable form of trading.
- Our contracts through CCX allow producers to benefit if carbon prices continue to increase.
- We think environmental concerns are be a big part of the 2007 farm bill discussion, & those producers who are already earning carbon credits will be ahead of the curve if budget concerns limit the participation in the conservation programs in the 2007 farm bill.





www.nfu.org or www.ndfu.org (or various other state FU sites)
or 1-800-366-8331 ext.116, ext. 154 or ext. 103

