Northern Great Plains Improved Grazing Carbon Program

Frequently Asked Questions

Who is Native?

Native is a Certified Benefit Corporation headquartered in Burlington, VT. We've been bringing upfront capital through the sale of carbon offsets to any kind of good project that also reduces or removes carbon emissions. In the beginning, it was more renewable energy or dairy farm manure management projects. These days, while we continue to develop renewable energy and farm methane projects, we are growing our team to put more support into agricultural soil carbon projects.

What are the project practices?

The project is paying ranchers upfront and overtime to split their pastures more, move their cattle more frequently, increase stocking density per unit area, and prioritize rest. If these practices are achieved throughout the 20-year crediting period (above baseline), then we expect to model and measure net soil carbon gains over time. We estimate and measure those gains regularly and verify the carbon accrual with an established carbon standard that then issues Verified Emission Removals (VERs) (i.e., carbon credits) for them. The sale of the VERs to Native's project supporters is what brings the funding to participants to deploy the practices. For more information, see our Carbon Management Goals document.

How is soil carbon measured?

Soil carbon is measured on each ranch on approximately 10-20 randomly selected sites. Sites are intended to be representative of a given "strata," which may comprise property or pasture boundaries, land uses, and/or environmental characteristics. The samples are to a depth of 30 centimeters and test for soil bulk density and percent that is soil organic carbon. The same sites will be remeasured at a defined interval (once every 5-10 years).

How is soil carbon change quantified over time and how does that relate to credit issuance?

The percent of soil carbon in soil changes very slowly over time. It is expected to take at least 5 years to be able to measure any change in soil carbon with the change in practices on participating ranches. Instead of waiting to measure the changes in soil carbon to verify and issue carbon credits that can be sold, Native is using a peer-reviewed soil carbon model to estimate the changes in soil carbon with improved practices. The carbon standard allows us to use these estimates to issue carbon credits before soil carbon changes can be measured. Soil sampling every 5-10 years at the same sites will provide observed changes and allow us to true-up our estimates.

All issued carbon credits are based on an extremely conservative estimate of soil carbon accruals. There are additional buffers and discounts to reduce the likelihood that carbon credits have been issued and sold that have not actually been sequestered in the soil. Ranchers participating in the project with Native are not liable to return/replace and carbon that does not get sequestered.

What is the estimated potential (range) of income per year?

On pastures that meet the carbon management goals, the estimated revenue is between $2.50-$6/acre per year for Help Build and $3.50-$8.50/acre per year for Outcome-based credits (credits that are sold once verified and issued). This depends on the rate of soil carbon accruals per acre per year, as well as the final estimated payment based on the potential discounts applied to the unique risk profile of the ranch and its operation.

What costs does Native cover?
Soil sampling, third party audit costs, technical advisory/workshops, carbon monitoring, data management, registration costs, registry fees, sales and marketing.

Do I have to pay for soil sampling or any verification costs?
No, Native covers soil sampling, registration and issuance fees, third party auditor costs, and any other costs related to creating the VERs generated through the improved practices on your ranch. These costs are part of our "cost of goods", which includes the payment to ranchers, when we go to sell the VERs to buyers.

What if the VER market price is much higher in a few years? Or 15 years?
The contract includes a term in which a rancher can buy back the VERs created by Native at a price lower than our payment but high enough to cover our expected costs to generate the VER, and sell it to someone else at a price higher than we initially agreed to. What it really does is allow the rancher at any point during the project to submit notice and renegotiate the fixed price we've offered at the project outset.

How long should I do HelpBuild?
For as long as you need guaranteed fixed payments to implement the changes on your operation necessary to achieve the project goals. VERs are only issued onto the market after they've been "generated" and verified by a third party, therefore the timing of payments based on verified, issued VERs is after the practices needed to generate them have begun. If you need funding to meet the carbon management goals (see prior question), then you should apply for the HelpBuild funding for 1-5 years.

Why not just do "Outcomes Based Term", if the payment per VER is higher?
In order to sell on the carbon market, carbon credits must be validated and verified to a recognized standard (Verra, in this case) and to an approved methodology (VM0026, VM0032, or VM0042 are applicable to this project). A third party audits the project documentation, including how the carbon is quantified and whether it meets the standard and methodology additionality and permanence requirements. Throughout the project's crediting period, the carbon accruals from any monitoring period (the period that the accruals occur) must be verified. Therefore, no sales of VERs can be made until after the carbon credits are generated and then verified. This means, a rancher will need to start the practices generating the carbon sequestration before we can verify and then buy the VERs. The HelpBuild option exists in order to pull forward payments that may be needed to start the practices (such as install infrastructure or purchase technology).

What if we have bison and we can't use temporary fencing or conventional splits?

The goal of the project remains the same, to increase the animal impact per unit area on all acres that your animals graze and to prioritize rest. Structural improvements aren't the only way to manipulate animal grazing behavior and affect positive change over time. How we account for baseline practices and track success of the project activity will have more of a custom fit for your operation and we can work together to determine what tools you currently use and what we can improve upon to ensure success and accountability.

What if I don't think there is more improved management I can do?
Unless you have split all your pastures, are conducting daily moves, and prioritizing rest across your ranch, there's probably more you can do. Let us know and we can help connect you with resources to develop the plan that will enable eligibility into this program and help you benefit from the drought resilience and increased forage that comes with it!

If I generate and sell these VERs, aren't I just giving some bad actor permission to pollute?
No, these VERs are generated for a voluntary carbon market, which means any entity purchasing them is not required to do anything to reduce their carbon emissions - they can keep polluting whether or not they buy VERs. The purchasers often have done what they can to reduce or remove emissions they are directly able to reduce, but need more strategies to contribute to reducing global carbon emissions. If you are interested in learning more about who is or might be buying these credits, Native and our partners and buyers would welcome the opportunity to make the connection as we have in the past at the beginning of the project. Just say so!

We are also looking into having all participants in the project (ranchers, Native, partners, and buyers) sign a Statement of Integrity to further bring forth our common mission to make best efforts to reduce and remove carbon emissions from the atmosphere and to participate in the voluntary carbon market with the interest to use market forces to drive positive change with profit, but not profiteering.

What does it mean to have a carbon project validated and verified?
Independent entities called "Validation and Verification Bodies" or "VVBs" are accredited under ISO 14064 and under the applicable voluntary carbon standard (the Verified Carbon Standard of Verra, in this case) and are able to make formal determinations after review that a project is structured in accordance with and meets the standard's requirements. These determinations are then reviewed by the standard and if concurred with, the standard agrees that it will issue credits (VERs) for the greenhouse gas reductions or removals it will create. That is "Validation."

Then, when the project monitors and documents the amount of reductions or removals that have occurred over a period of time, a VVB reviews the documentation, including a site visit, and makes a formal determination, to a "reasonable level of assurance," that indeed the claimed reductions or removals have occurred over that period of time. These determinations are then reviewed by the standard and if concurred with, the standard issues credits (VERs) for the number of tonnes of greenhouse gas reductions or removals

verified by the VVB as having occurred over that period of time. That is "Verification" (and issuance of the VERs to the project's account on the standard's registry).

What is permanence and additionality in the context of a VER project?
Buyers of carbon offsets require the reduction in carbon have sufficient permanence to provide the climate change mitigation impact. They also want assurance that they are enabling change that would not have happened if not for their offset purchase. This project is additional because we are ensuring ranchers are splitting pastures, reducing days grazed, and prioritizing rest where they did not in the baseline. We are providing upfront funding and revenue over time to allow ranchers to install the infrastructure needed to achieve the Carbon Management Goals and to maintain those practices over time.

What is "leakage"?
This is the term used for carbon projects where an activity that may reduce emissions or a harmful environmental action in one area, just pushes it to another area and therefore does not ultimately reduce/avoid emissions or harmful activities. Carbon standards and methodologies have ways to track and account for potential leakage. For this project, the concern would be that a rancher might move livestock to a pasture not included in the project in order to rest project pastures. This would be okay, as long as the pastures off the project aren't overgrazed. We need to keep track of how the animals that set hoof on the project area graze on any other pasture, included in the project or not.

How is this different or the same from the other carbon credit developers, standards, protocols, registries I am hearing about?
The potential to sequester carbon in soils has attracted significant attention, additional research, and resources specific to facilitating new projects for the voluntary carbon market.

Through this buzz and excitement, Native maintains that our first priority is to ensure the project provides real value to producers, can be validated and verified to a third party standard, and maintains a high standard for additionality and permanence. Our approach remains producer centric and we take that view to advocate for ways to scale these important regenerative practices within the existing and expanding suite of soil carbon/agricultural carbon frameworks and mitigate the carbon production risk to the producer.

There are multiple voluntary carbon market standards and registries (such as the VCS Standard, Gold Standard, Climate Action Reserve, American Carbon Registry) with approved methodologies for specific project types (such as reduction in methane from dairy farms, renewable energy displacing fossil fuels, and sustainable agriculture practices that sequester soil carbon). The voluntary market, true to its name, is constantly changing based on new technologies, research insights, buyer demand, and fine tuning rigor.

In the most recent history of the voluntary carbon market, agricultural projects that increase the amount of soil carbon sequestered have attracted significant attention and resources invested in developing methodologies and new standards tailored to these project types. As a result, you may now hear of Grassroots Carbon, REGEN, Nori, Ecosystem

Service Marketplace Consortium (ESMC), Indigo Ag and many others that are fundamentally expanding the ways voluntary carbon market programs are structured.

Native first priority and focus on developing greenhouse gas emission reduction projects has always been on ensuring the project itself is real, verifiable, and additional at a minimum. We advocate and develop projects we believe in. If there isn't an existing methodology for the project type, we'll create it. As such, we have always been both agnostic and well-versed in available standards and methodologies for carbon projects. For the existing and expanding suite of soil carbon/agricultural carbon frameworks, we participate in working groups, are members of, hold regular calls with, and generally keep our finger on the pulse in case a project we believe in is best suited to be certified to a different framework.

For Native's NGP Improved Grazing Program, we have validated the project to the VCS Standard using the VM0026 Sustainable Grasslands methodology. It allows VERs to be issued based on modeled results and is CORSIA eligible, opening up significant future demand for the credits from the airline industry starting in 2025. VCS has a long history in the voluntary carbon marketplace, is highly regarded, and has transacted the highest volume of credits. As the newer frameworks grow, a new program of activities under the NGP Improved Grazing Program may be validated under a different standard and methodology. Our priority and focus continues to be on projects we believe have real, verifiable, and additional emission reductions and will catalyze positive change.

As to our competitors, you are free to evaluate their offerings. We are confident that we are the only developer/marketer offering up-front funding coupled with the opportunity to renegotiate Outcome Based payments over time.

Glossary of Commonly Used Carbon Credit Terms

Validation and Verification Body (VVB) Auditors tasked with assessing projects against set methodologies for validation and verification purposes
Registry Any website used to validate, verify, and or transact GHG reductions or removals
Standard is an organization with a defined set of rules, regulations, reporting criteria, and methodologies used to verify that carbon reduction projects are legitimate, effective, and are delivering on the environmental and community benefits they claim to be delivered.
Methodology is a framework document that defines the quantification and parameters that are required to generate carbon offsets throughout the life of a project generally accepted under a Standard
Additionality The concept that the carbon offsets created via the market would not have happened without the funding from the sale of the carbon offsets.

References

VCS Standard
State of the Voluntary Carbon Market Report 2021