

Northern Great Plains Improved Grazing Carbon Program

Program Overview

Background on Program

The Northern Great Plains Improved Grazing Carbon Program supports land managers (ranchers) to implement practices that increase the potential for the soil to sequester additional soil organic carbon. Carbon is the measure of the energy in the system that drives improved ecosystem functions such as increased water holding capacity of soils, increased water infiltration rates, and better soil structure that can help mitigate drought and increase available forage on rangeland. The program supports ranchers, financially and technically, to deploy these practices and bring them access to carbon markets for forty years. The practices include more pasture splits to increase stocking density and livestock movement, reduce days grazed on all pastures, and prioritize rest on all land managed. Native measures, reports, and verifies the carbon sequestered in the soil to develop and transact carbon credits in voluntary markets.

The program began in 2015 when Native engaged Western Sustainability Exchange to support ranchers to address barriers to adopting improved grazing practices. As the program scales, Native continues to collaborate with leaders in this space on ways to leverage the carbon market to improve producer livelihoods and the quality of the land under their feet.

Rancher Centric Structure

The Northern Great Plains Improved Grazing Carbon Program is about supporting ranchers to change grazing management practices to enhance soil health and other principles of regenerative agriculture. This program is about long-term improvements to the landscape and permanence of the climate benefit. Therefore, the contract term between Native and producers is 40 years. Landowners make statements of public intent to keep the land as grasslands and manage for soil health for this period of time.

There are two options for payment structures depending on the extent of infrastructure needed to implement the improved grazing plan on a given ranch and the capital needed to install it.

1. **Help Build Payments:** Native has used its Help Build financing structure since we started developing projects for the voluntary carbon market. At its core, Help Build acknowledges that there is a disproportionate burden on producers to finance the adoption of new technologies, new management practices, or otherwise facilitate an

intervention that results in the desired environmental outcome. Native acknowledges that burden and works with producers by bringing capital upfront for the infrastructure or technology improvements needed to achieve project goals. In exchange for the upfront funding, Native secures the rights to the Verified Emissions Removals (VERs) (i.e., carbon credits) for a period of time or for a fixed quantity of them.

2. **Outcome Based Payments:** If upfront capital isn't needed for infrastructure to support the transition and long term commitment to improved grazing, Native pays the rancher per VER issued onto the carbon registry as soon as they are verified. In the case of outcomes based payments, the rancher likely has grant or capital funds to implement the infrastructure or technology needed to achieve the project goals, but implementation faces other barriers, as the important principle of additionality still is relevant for eligibility across all Northern Great Plains Improved Grazing Carbon Program participants. Native still manages all carbon asset development activities, including measuring baseline carbon stocks, analyzes and reports the data, and verifies the emission removals with a third party in order to have an issued VER to sell in the marketplace.

Participant Enrollment

Interested ranchers can submit an application and their proposed improved grazing practices to Native.

Once a complete application is submitted, Native will review the application and set up next steps to get to know you better, understand improved grazing plans for the specific operation, provide additional information, fill any gaps, and work towards signing a contract with you as described in the Application Checklist. To summarize the application to contracting process:

1. Initial Application
2. Initial Phone/Video call or visit: to get to know each other better
3. Information provided to Native: baseline records and maps (shapefiles), ranch plan, easement contracts (if applicable), written leases (if applicable)
4. Final information gathered: 3 years of Income Statements and Balance Sheets, Credit Check, Background Check, final carbon sequestration estimates
5. Sign Final Contract

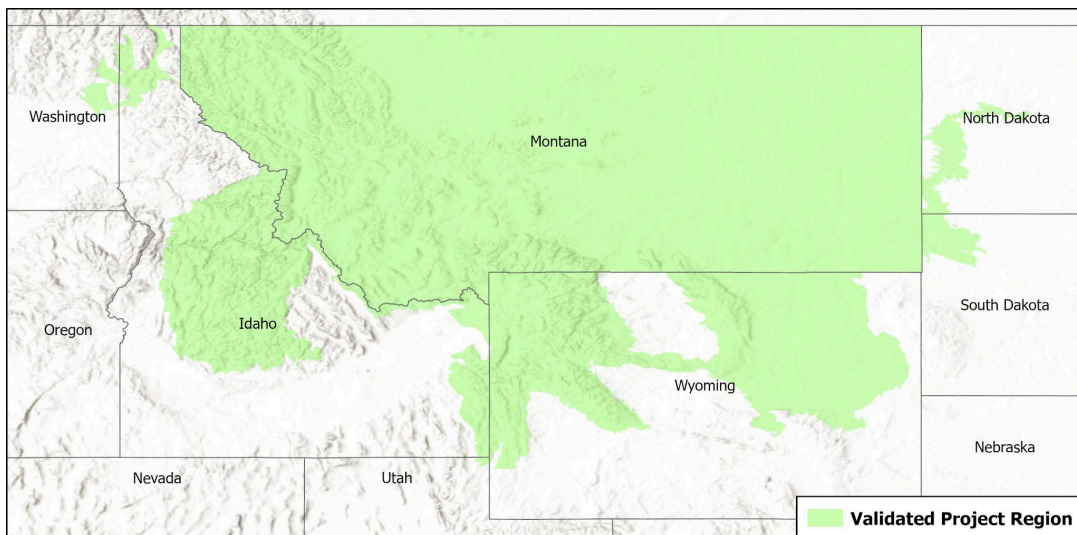
Eligibility

Eligibility for the program depends on both the core requirements from the project methodology (Verra VM0026 currently), as well as Native's own criteria. This includes:

- **Current management is either continuous grazing or limited and moderate previous history of regenerative management.** The program goals are to use

carbon credit funding and technical support to have the biggest potential impact on rangeland regeneration. The best candidates will be those with limited experience with improved grazing. If the ranch has been working on rotations and more intensive management in the past, we can assess management at the pasture level and exclude pastures that may not be eligible without the ranch being completely ineligible.

- **Validated Project Region.** The project is undergoing validation for the state of Montana and some MLRAs that extend into neighboring states based on where the soil carbon model has been tested. We intend to begin a new program of activities with an expanded geographic zone, but ranches will be prioritized based on those that fall within the geographic region illustrated here:



- **Commitment to the land and ranch operations.** Native will sign a 40 year contract with participating ranches and guarantee to pay a minimum fee per metric tonne of carbon dioxide equivalent accrued in the soil. As such, Native is looking to build long term partnerships and to work with ranchers who have an equally long term commitment to the carbon management goals and improved grazing plan.
- **Greater than 2,500 grazable acres under livestock management.** At some point, Native hopes to minimize the ranch data management and carbon verification needs to where it's efficient to include ranches at small marginal costs. However, at this time, we need to include larger ranches to increase the pool of carbon credits available to sell and cover fixed project costs.
- **Willingness to work and grow in uncertainty.** The science behind soil carbon sequestration, the dynamic nature of soil, best land management practices, and carbon markets are a lot of moving variables that mix together to create the challenge and opportunity we have right now. Native hopes to find willing partners to enjoy the ride with us.