Infrastructure Costs - Bull Session Jan. 2023

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This evening we have three guests on going to explain their funding programs for us.

We have Stacy Barta with A D N R C, and she's gonna be talking about their range improvement loan program. Erin Clawson from World Wildlife Fund will be talking about their R S V P program and Colin Mitchell from native will be talking about their help build program through the carbon program. So I think we are gonna have to do ladies first.

Stacy, so I'll go ahead and let you start. And then after these three people go, we do have people on that have all been a part of all three of these programs, these some ranchers. So they will also of maybe chime in and just explain. How the program worked for 'em and what they've been able to [00:01:00] accomplish by being a part of them.

So Stacy, I will just let you take it away.

Thank you. And

thank you for having me on. So the Range Improvement Loan Program has been around almost as long as I have. I love to say that since the seventies. And it's actually a loan that was created in statute.

So it's in Montana Law, it's administered by the Department of Natural Resource and Conservation within the Range Line Resource Program. So to be eligible for the loan. And all of this, again, is laid out in statute applications are accepted anytime the process can take 30 to 90 days, depending.

And depending on what your project is, we may have to do mepa, which is Montana Environmental Policy Act. We might have to do MEPA on it, but we're trying to fast track that as much as possible. So you have to be a resident engaged in farming and ranching, zk the necessary expertise to [00:02:00] make land loan practical.

They must be for range improvement or development exclusively. And the application form is developed by DNRC in-house.

So the, loan terms and conditions currently, and those, can change depending on the recommendation of the Rangeline Resource Committee. But currently the maximum loan amount is a hundred thousand dollars. The interest rate is two and a half percent for 10 years with the term of 10 years or less.

There is an administrative fee of 1%. They are real estate secured mortgages. So they're second or third first or second mortgages. I think D N R Z has entertained the thought of a third mortgage. But right now they're first and second. D N R C will determine the value based on the information you submit.

One of the caveats of the loan is the real estate used as security must have access from a public road. And as you can [00:03:00] imagine, that's because if it ends up in default and D N R C ends up with the property we need to be able to access it. All costs incident to the loan or to be paid by the borrower.

And as you can see, they're limit not limited to the following title, insurance, administrative fees and filing fees. You can apply for more than one loan. If you have the real estate security to do so.

the selection of loan recipients the, process for applying for this loan is twofold. And the, ranchers that are on can attest to this later, but it's in statute that they have to also get approval from their local conservation district. The conservation district sees your conservation loan application and then D N R C sees your loan financials just so you don't have to turn in your, financials to your conservation district.

It's just the conservation plan and the conservation application [00:04:00] that the CD has to approve. I'm throwing that out there because it. A bit of a time. It can be a time constraint or a consumptive depending on which way you view it to be able to work with your conservation district to get on their agenda, to approve your application criteria for the evaluation of the loan applications.

So again, I had mentioned this was created in Montana Law in the seventies, and not much updating has been done to the statute since. So loan applications are ranked, though they're not competitive enough to be ranked anymore. But as you can see, there is a criteria that they are evaluated under. And I won't read those to you.

I'll give you a minute to peruse through them. But essentially they have to be a range improvement. And there's priority given to those that are addressing native range. And then it falls out from there.

Resources, there are [00:05:00] resources available. You can contact me, there's my contact information. Bill Bleich works for D N R C, so he handles the financials and the appraisal and all of those fun things you have to do in order to get the loan.

There's a website you, can go to get, to download the application or for more information. We do have administrative rules, which also talk about the timeframe in which conservation districts have to approve your loan application and set it off to D dnrc. And it's a fairly short turnaround.

So if the conservation district approves your loan application, they have to notify us within five days. And then the actual, if you wanna read more of the nuts and bolts of the language of the loan improvement program, you can do so it's listed there. To date, we've loaned about 3.6 million worth of loans.

It's a revolving loan program, [00:06:00] so you pay it right back into the fund that it was borrowed from. We take applications at any time, year round. It takes about anywhere, I would say from 30 to 60 days once we get notification from the conservation district, depending on the complexity of your project and your loan application to get it approved and through D N R C and, be able to, and it is reimbursable.

So you'll be approved for a certain loan amount, and then you turn in receipts for the work being done. And then D n Rrc cuts you a check for that amount. I did wanna, real quick also talk about some under other funding op options that are available through D N R C. And I'm not, these aren't my programs, but I just thought I'd throw that out there for people to have a resource to go to, particularly for irrigation.

Irrigation development grants. And there are grants and loans available for irrigation infrastructure and improvements. And they are, some of those [00:07:00] are available to private individuals. You might have to have the conservation district sponsor you, but there are other loans and grants available to private individuals as it relates, to resource concerns.

And with that, I'll take any questions.

I know I went through that quickly. that, was the high points in the nuts and bolts of it.

Maybe before we go on to anybody else, cuz this is a pretty long question and I don't want it to get lost afterwards, but Judy Edwards says, in the past, the financial information in the application became public information after it was submitted and awarded based on Montana Public Records Act.

Is that still the case or has that been fixed? Boy, Judy, that's a great question. I think the project itself is probably available for public information, but your financials are not. That's protected under Montana law. That's a really good question. I don't have an exact answer for it, but [00:08:00] that's my gut feeling on it.

I know for sure that your private financial information is, not available for public record. But the project and the loan amount itself probably is because it's public funds that are expended. Stacy? Yes. I went to make an application last year and they said that all of the information about the full financial management of the ranch had to be revealed and even talked to the legal counsel for D N R C.

And they said that was it. They knew it was a problem, but at that point it was still required that anything that was submitted that led to the expenditure of funds had to be considered public record. Judy, I'm That's disappointing to hear. I'm sorry that, that's was the answer. Because that could, that would pre that would definitely make people think twice.

I'm surprised because your, financial records are [00:09:00] should be protected under, Montana law as well. So I'll, dig into that deeper. And so someone at D N R C told you that? Yeah. The, man that is the head of the loans and grant program, I can't remember his name right now.

Bill told you that? Yeah, bill. And then Bill went to legal counsel and then they came back with that information and they knew it was a problem, but that's how they felt they had to comply with the regulations. And I haven't caught up on legislation this session to see if maybe that's being addressed.

But that's a great question and definitely an issue that probably needs to be addressed. So thank you for bringing that up. Thank you. And you, do you wanna answer this one too then? Do you have to have a full blown appraisal on the ranch? I the only thing that you have to have an appraisal on to my knowledge is the real estate that you're securing for the loan.

So if you're, if you are using the entire ranch as security for the loan, then [00:10:00] yes, but I don't think it's a full blown AG appraisal. That's a great question. Since I don't deal in the, financial end of it as much who, who asked that? Kristen. Kristen. Kristen, I will get your contact information and I will find out for sure if what the answer to your question is.

Thank you. I was just wondering if you have to get a certified appraiser that can take a really long time and a lot of money. Yeah, and I'm guessing it must not be because the turnaround, in fact, I think I was just looking at the application and I think it says DNRC determines the value of the real estate.

I saw that on an earlier slide and then you said appraisal and then I decided I didn't understand . No I, get it. That can be really confusing but, I think it, I think currently DNRC decides the value of it and because yes, a full blown, a full-blown a appraisal can be [00:11:00] costly and very time consuming.

That's why I'm thinking it's not a full blown appraisal. Otherwise they wouldn't be able to turn 'em around as fast as they are.

That makes sense. Thank you. Yeah. Awesome. Thank you Stacy. Appreciate it. We'll have more q and a after we get through the other speakers.

So Colin Mitchell, would you like to go next? Colin is from Native and we work with native with their carbon program. And they have a awesome help build

program that allows you to get money upfront for infrastructure.

So I will have him take it away. Hey y'all. It's good to see y'all. My name is Colin Mitchell, as Holly said. I am the Nature-based Solutions program manager for native. I manage the expansion for Native and the management of our Northern Great Plains improved grazing program.

We [00:12:00] native was founded in 2000. We are a carbon project developer. So that means we develop projects that create carbon credits and we sell them on the voluntary market to companies that are looking to reduce their carbon footprint. They've hit walls of what they can do on their own or within their own direct supply chain.

And they're looking for ways to lower that and meet their net zero goals by investing in other outside projects. We are an employee-owned company and a public benefit corporation, which is a tax standing more or less, but we're also certified B Corp. Meaning someone comes and audits us and checks out different things like governance and pay and treatment of us and environmental impact and things like that.

Just to you. And it's a third party verified program. There's a lot of different B-Corps out there. And in that 23 years since we were founded in 2000 we have 80, over 80 validated projects by a third party. We've worked with [00:13:00] over 500 different corporate supporters. Some of these are mom and pops to mid-size businesses, all the way up to Fortune 500 companies.

And then our projects that we have invested in or worked on have created 60 million verified CO2 equivalent tons that were sequestered or avoided. And our company made a switch. We started out more in the, we used to be called Native Energy. You might have seen, we started out more in the renewable energy space and then, Starting around 2014 started switching to more of a grasslands focus.

We are home to the largest voluntary carbon market grasslands program in the world in Kenya. And we also have soil grasslands projects in Argentina. And then of course the one in here in Montana and Wyoming and Idaho. So we're a little bit different than a lot of the other carbon companies, just besides our length that we've existed in that we have a program called Help Build and we've used this all over the world in different [00:14:00] scenarios for water projects or.

Clean cook Stove bio digesters for small landholders in Uganda. You name it. We've been able to make this work a lot of different ways, but what it is, we looked for a, that there's a barrier for funding or knowledge gaps that prevents someone from, to be able to adopt a certain practice.

In this case, with our Northern Great Plains project, it's implemented implementing Adaptive Multip Padd grazing. We've worked on this project, it was before I was here, Kirsten who's been with Native for 10 years, worked with Chris and Lil and some of the ranchers that started off in the program.

Of our initial ones to develop this project and. Made those investments and different infrastructure to be able to help create these project benefits. We do have long-term projects that are 20 years that provide ongoing revenue to ranchers in the hopes that gr the grass signs become more resilient and [00:15:00] productive and provide a additional revenue stream.

So just so far the project started in 2019 officially with really the focus of helping ranchers create more splits or pastures, more frequent moves and more frequent and longer rest. Just with the initial five ranchers we've given out in 300,000 and helped build payments for infrastructure that's as of July, 2022.

We have a lot more ranches coming in and contracting and we'll have some more payments coming out here in the next couple weeks. And that's our project area over there on the right, so all of Montana and then some of Wyoming and Idaho. So this is I guess a time scale attempt to sum up how help build works over the long term of that 20 year contract that we have with the ranches in our program.

We have a help build program, and that's a single or multi-year payment from us. That's again, the goal is to reduce the barriers to adoption of the improved grazing Pact practices. Typically, those are one to five [00:16:00] years that help build period. Now, the rest of that you go into a different stream called outcome base, which I'll get into a little bit.

But throughout the whole contract there'll be soil, carbon accruals along with that change to grazing management. And ideally, and almost certainly if there's carbon, more carbon in the ground, there'll be other ecosystem co-benefits such water quantity, water quality increased infiltration rates of soil and other soil health benefits.

Ideally improved land and economic value, land generation, and then of course carbon revenue. So to get into the nuts and the bolts of it. Again, we have 20 year contracts. There's payments for 20 years in total. The first one to five years, you can choose to do a, what we call the help build option.

And then whatever remainder of that 20 years would be into something called outcome based that help build payment. And that first one to five years must be spent on infrastructure. That's what is there for. So fencing, whether permanent or portable electric [00:17:00] water pipeline development spring development.

A side by side to help you deploy portable electric vents and access some pa more pastures so you can graze in a more uniformed manner. It could be labor, it could be a computer. There's all sorts of different things that folks have bought under the Help Build program.

So how it works, it is based off of an amount of $5 per ton. And that $5 per ton is then multiplied by your estimated carbon sequestration rate and the size of your ranch. What that kind of comes out to is about two 50 to $6 per acre per year for help build. So I wanted to use an example of a ranch that is 4,200 acres.

And they're gonna receive a annual, about $17,621 from native to go towards infrastructure. So they could have done one year of that. They could have done five years. There's different options that folks can pick for different reasons. [00:18:00] So with that case, typically larger ranches are getting more money typically they need more infrastructure.

The needs scale with the size of the ranch typically. The sequestration rate really varies. We do different soil sampling to establish baseline, and we have a model that we do uses well called Snap Graze. And the amounts we've seen in go anywhere from half a ton per acre per year.

Carbon sequestered all the way up to a ton. So there is a vari variance based on your grazing management soil type where you are on the state that will determine that amount. So how it works is you get a yearly payment and it's split in half. Half is gonna be delivered at the start of the year with the grazing plan and any receipts for any improvements that you've made.

The second half is delivered at the end of the year. And you, that payment is triggered by sending us grazing records. We collect vehicle and, fertilizer use [00:19:00] ranch level data that really mimics that grazing record. And then receipts again we collect just receipts are and what your plan is and what you've done.

So once our that help build period is complete, you entered to what we call an outcome-based stream. That's you're in that for the remainder of that contract for the carbon program. Right now it's $7 per ton. But that is changes every three years. We can't do a percent share because all of the ranchers would've to be certified investors with the A S E C.

So we are looking at it, doing a price adjustment every three years to make sure that folks, if the market goes up ranchers are getting paid and that they're getting their fair share for doing all the hard work they're doing. So what's different is this Help Bill is that it's a guaranteed payment.

The other outcome based payments, we have to wait upon verification by a third party. So someone will come and basically audit the ranch, not your financials or anything, [00:20:00] but just walk around and talk to you, make sure you're doing what you said you do and your grazing management changes and the improvements you've made.

And they'll probably look at your infrastructure, the that you've developed. We still get with a help build, we still get it verified, but that is later down the line. So the reason it just last is that Native is taking a risk and delivering those payments before we get our official payment from the auditors essentially.

So once you're actually in the outcome based stream, you're not required to spend on infrastructure. If you're happy with where it's at that's your money. Help build is you. Meant to be specifically to catalyze and de-risk that transition and grazing changes in the infrastructure needed to do that With our program, you can be enrolled with the W F or EQUIP or some other infrastructure program.

We just have to make sure we're not double paying for something and acting in good faith with the other folks that are doing all this work. So if there's still [00:21:00] need there, you're already in WW F R C P and you sign up for our program we'll make sure that if you have other pro projects you wanna work on that we can help fund those.

So our process we do have an application process. So you would be applying to be a part of our carbon program. So it is a long term contract, 20 years of payments. It's a 30 year total contract cuz there's a 10 year basically monitoring period to make sure the carbon's permanent. I'm trying to keep this brief without getting too much into the carbon jargon, but I'm happy to answer questions about that as well.

We've a quite a bit of time for q and a. So towards the end of the application process after we've collected, we'll collect all your baseline grazing records and we'll sit down with you, Chris. A lot of time is, there to help with that. Sometimes I and Tara Pavish, who is our grasslands analyst space, Bozeman up there will sit down and do a pasture by pasture plan and look at what infrastructure improvements you wanna make at each pasture, what they'll cost.

We'll get an [00:22:00] estimate. We're not requiring you to go get a contractor to get a estimate for us. We know, y'all know how much piping and fence costs. And then we'll do an estimated implementation date that will help us develop a number and then help you of figure out what How many years of help build that you do want to u do, if at all.

You have the option to do know years of help build if you wanna fund infrastructure all yourself or work with some of these other folks as well. To be a part of the help build option. We do require an income statement and balance sheet for three years. It a help bill to act essentially as a loan.

We're not a bank, but we are funding that upfront. And we do that kind of all over the globe and some know, have millions of dollars out at a time. So we are basically our own bank, especially since we're employee own. So we do require to see just financial records in that regard.

It is mainly to ensure that you're not Emily going bankrupt. And [00:23:00] then using help build as an effort to get outta bankruptcy or imminent bankruptcy. I haven't seen anything be turned down because of a financial statement I've seen yet, and no one that supplied us in your bankruptcy here.

And everything's been fine. And that is all confidential. I'm not gonna we have NDAs here at Naiv, so we're definitely not gonna be talking about other people's financial statements and we're employee owned, so there's no large corporation behind us wanting your financial information in your data.

So it just all stays with us. One thing we'll do at the end is offer of a term summary showing different help build options that people wanna see two years versus three years that sort of thing. Folks can make that decision. And there's no obligation to any of it until a contract is signed, but that help build them out in there.

So that's all I have. Again, it was 10 minutes and I may have gotten into some carbon market jargon, so I'm happy to answer that. Or if you ever wanna hop on a call and find out more about the [00:24:00] process I'm here to answer any questions as well as Chris and w o c work as a great partner with us, but also as a triangulating force and represent y'all in in this process as well.

All right. Thank you, Colin. Appreciate that. Aaron, you're on deck. We'll go ahead and, Go through Aaron's, with World Wildlife Fund and their program is called the R S V P. So I will let him take it from there. And Aaron, if you have slides, you should be able to share your screen. Great.

Thanks, Holly. One sec.

All right. Hey everyone. Thanks for thanks to Wsc for having me talk tonight. I'm just gonna talk about our sustainable ranching initiative, but more more importantly the Our Range Systems and Viability Planning [00:25:00] Program. And I cut a bunch of stuff out to try to mostly talk about cost sharing infrastructure, but I did want describe RST P as a whole.

Just so you get the sense for how the program works. . All right. So the goal of WWF's RSVP program is to support ranch level decision making and infrastructure investment to help ranches meet their own goals for land management and their businesses with the idea that is the key to long-term integrity of the landscape we live in, and so this is a breakdown of, how the program works. It provides, it does provide cost share, but it also provides access to technical assistance, like a grazing consultation some other training and educational opportunities, which I'll talk about super briefly. We have a really robust ecological monitoring component that all answers in the program receive.

and then just there's that access, there's that network component that you're enrolling in this program that has a bunch of other people in it who have done a bunch of different [00:26:00] things. And hopefully somebody may have run into a question that someone else is, grappling with. So there's some shared learning going on, and in exchange for that, the requirements are pretty minimal.

So the biggest one is there's a clause for not converting existing grasslands. So it's probably obvious then you, that only, grasslands can enroll into the program. Any crop land you have wouldn't be, would just, would not be enrolled. And then we ask when people request cost or money for a great grazing management plan.

At that point, we didn't have any requirements about. The specific nature of the plan or ask you necessarily to make improvements on the plan over time, that we just ask you to provide us with what you have. And then you have to submit to the monitoring so that the monitoring is, it is a requirement.

Of course. Then you get access to the results from that monitoring too. Then we have a training requirement, but it's really easy to meet because we have a lot of online material in the former webinars. So we set [00:27:00] out two years ago starting enrolling ranches in the program and as of today we have 66 in Montana, South Dakota, Nebraska, and Wyoming.

Actually, I need to update this to the tune of around 590,000 acres, which fun fact would be the 18th biggest national park if it was National Park, and that is how, that sounds weird, but that is kinda how we talk about it sometimes, because you run into a lot of. Other conservation groups are, more traditionally looking to preserve to preserve large chunks of land, and making the case for why local management can be at least as advantageous for the health of the land.

We just like to throw stats like that in there sometimes.

This is just a breakdown of our work. Most of it is in Montana. That's where we have an office in And we have staff in Montana and we have a little bit of about 10 years worth of work here. So we just got a little bit of a headstart from having those networks built, but making progress in [00:28:00] South Dakota, Nebraska, and a little bit Wyoming too.

Getting into the cost share component and I'll talk a little bit about the, specifics of it, I guess in a second. And welcome folks to ask questions. But in the past 12 months, we have done 24 projects with ranches enrolled in the program to the tune of around a little over half a million dollars support from wwf.

And I should say that, tho those projects in total were about a million and a half dollars. So we're, enabling a lot of other work to happen by providing this amount of support. And then we're projects in process, I guess we're looking at about $400,000 worth at the moment.

So for this year we're it's only two years old, so we've been building the ship as we go, but we're trying to optimize the program all the time and make it easier for people to use. That is our primary.

Is to have it be functional, to get resources out on the ground and then assess people's needs and [00:29:00] go back and do it again. So we're open for, ranches that are in the program, we're open for applications at any time. If someone's signed up right now, you're probably looking at project start dates in the October range, and we have a bashing period for a cutoff at the 15th of September.

But always good to start working on projects early to make sure we have all the details. In. The nature of the support is that we're intending to cover 50% of the costs of infrastructure. We use N R C S rates as the basis for how much we pay, but we can still do non NRCS practices, things they didn't have cost share scenarios for yet.

And right now we're maxing our portion of that out at $40,000. These are things we're always evaluating whether we're gonna change them or not, so this is just what it looks like right now.

This, so this would fall into that category of kind of other types of conservation, although NRCS does have a cost share practice scenario for this. But we're starting to [00:30:00] get a little more into the small stream restoration Prairie Stream dry stream restoration with the Beaver Dam analog work. We did quite a bit of it last summer and we'll be doing more this summer and next year as well.

The idea being that a lot of our dry streams have lost connection to their water table. So by restoring that, you are maybe gonna get more water, but more importantly, probably gonna get more grass. And of course that's good wildlife habitat as well. And then of course can hardly not talk about virtual fencing anymore.

But this is something we're trying to help more folks grab onto. And something that n c s doesn't quite have the ability to cost share yet. And so it's something we are working on several ranches to try to get installed.

Just to talk quick about our, ecological monitoring. So these are all on the rate the, different metrics that the monitoring covers for soil, water, and vegetation. And then not mentioned in this graph is bird monitoring, which we also do on every ranch. It the, monitoring happens [00:31:00] every other year.

So if you signed up now, you would get monitoring in 23 and then in 25,

We also offer educational support for ranches. So these are some examples of how ranches have put that to use for themselves. We don't require that they spend it or do anything particular. With those educational funds, but most people are using it for things along the lines of workshops, ranching for profit.

And then to of help meet that educational requirement. We did start a winter webinar series in the winter of 21, 22 with each we did about four or five, four to five per year with each webinar focusing on mostly a different wildlife species that kind of has an interaction with ranching and just having experts there to talk about the life cycle of the wildlife species how different grass structures impact their life cycles.

And then we talked a little about carbon and, crested wheatgrass too. So we branched off a little bit. Our last one [00:32:00] for this year is coming up in a couple weeks and it'll be ks far from Rocky Mountain College talking about turtles. Utilizing like wet meadow, prairie pothole habitats on and different landscapes in northern grape plants.

And then this isn't necessarily part of rsvp, but it's really easy to use and a lot of people in R SVP end up using it. You don't have to be in r SVP to use the receding program, but we have a receding program. It's pretty extensive. We have a lot of capacity still to do more restoration projects. And how it works is we just provide the seed.

So we work to come up with seed mix with you and then our vendor. You could use a local vendor if you want, but we also have a, vendor that we work with without a South Dakota, no barn seeds. And they would just ship it to your ranch shortly before your seeding date. And that's the, contribution we provide to those projects is just getting the seed out to you.

And we've done almost 14,000 acres of that so far.

Also, I have a paper[00:33:00] quarterly newsletter. If you aren't getting this go ahead and email me and let me know. Happy to get it out to you. Has a lot of updates about cost share. It's, especially useful for folks that are in the program. But there's also articles about grassland birds and, grass management.

And then I just wanted to give you a little more kind of the flavor of, how we interact with ranches in the program and members of the general public. I guess we, we do take opportunities to try and elevate the position of, ranching and grass management to, to broader audiences. So a couple examples.

Getting into magazines last year and we worked with with Ty on the line here and got, and a couple of others cultures and Miltons as well. To get in article in the New York Times. I think, I wanna say last year, but I'm not totally sure. It wasn't 2021. And then we brought the sustainability staff from McDonald's and Walmart and Cargill out to Winn it last year to tour the [00:34:00] work happening there with grass management and their community center expansion.

So for this year, if any of these things interest you March 15th is the date to keep in mind. After that, you would not get monitoring from the program this year. So if, this sounds exciting, signing up is really easy. As long as those requirements are okay with you, mostly that 10 year non-con conversion clause then signing up before March 15th would get you monitoring in 2023.

We are hiring more capacity to. Help me mostly get out on the ground and meet with our ranches more, often and get more people signed up in the program and keep track of where folks are at and program needs so we can help us build out our fundraising schedule to get more resources into the program.

We'll be having a big presence at the Soil Health Symposium, I think W s e. Also so be great to see some of you there next week. Come and chat me up if you're there. Have more materials and we can talk more about the program. We'll have some days if folks wanna get out on those mesic restoration to see what that's all about this summer where people could do [00:35:00] that.

We're gonna do it on a few ranches north of Forsyth and then around the wind and Malta areas. So if that's interesting to you, let me know and I'd be happy to let you know what those dates are. And then later this year, probably in, kinda in the same boat as Wsc, trying to find a good. For a gathering, but we're gonna try to get the first kind of ranch visit gathering of people that are ranches that are enrolled in the program together, somewhere around billings probably.

And that is, that's all I've got. So that's my contact info. And then type it in the box, a link to our website if you wanna read more. And there's some, you can sign up for the, you can start signing up for the program there.

So we can get the ranchers to explain. How the programs worked for them. So I don't know if JD if you wanna start or Tyrell, either one.[00:36:00]

Hey,

so we ranch up and turn Montana and I've lived here for going on six years now. And just lived in Lewistown before that and got exposed to some holistic management, different grazing practices. And our biggest issue with doing that on my family's property would be water, which I'm sure was everyone's issue.

So started to explore some options and was introduced to Chris May, who's shortly after that time. So started working with Native in 2018 and then got a contract in 2021 and then ripping pipe in now, and then started working with Aaron in 2021. And we got a contract to cost share some solar panels, and we're gonna be trying these events callers this, coming summer.

So I guess all I really have to say is [00:37:00] wwf, their goal is preserving conserving, enhancing wildlife habitat. And every rancher in Montana owns wildlife habitat. And then natives business is selling improvements in soil carbon. Every rancher in Montana has the opportunity to do that.

So I don't really think it's like a handout or you're selling out. I think it's a partnership. The monitoring and the data I think's gonna be very valuable. In the future. It's very valuable right now, but I think understanding that data with soil biology and how you manage that land affects the entire ecosystems be gonna become more valuable.

Both of those projects offer that data and assistance in gathering it. And I'm pretty laid back but I thought both, programs were very easy to [00:38:00] navigate. We've got a lot of extra water coming into the ranch last fall and be finished up this spring. So that's of why I did it and why I think it's important.

And I guess I would just encourage any rancher if you do this don't what I learned. Don't be afraid to basically shoot for the stars. I think ranchers in general are so humble and conservative where if they think they can get by with one water tank, that's what they'll ask for.

But. , don't be afraid to ask for three if it if it makes your Cadillac project come true, because I think the assistance is there and it'll pay dividends long term. So that's all I got, Holly. Thanks Tyrell. That was awesome. JD, do you wanna ex explain your experience with the loan program?

We're up in Roosevelt County up in the northeast corner and a few years ago [00:39:00] we have been transitioning in our ranch from a farm and hay operation to all grazing and the. The NRC s has no funding in Roosevelt County, and we were trying to cash flow a bunch of stuff, and a neighbor had told me about the NRC program because we needed to do a lot.

I really, I didn't wanna string along. And I wanted to do it a certain way. And so I contacted Stacy and we did the first one in 2020, I think, and then we did another one last year. We've seated about 3,500 acres of grass run, 10 miles of pipeline with a hundred thousand gallon storage system.

Lots of fence. We, and that, [00:40:00] that program just jumpstarted us in into the goals. We've got a lot left to do. But it's made it budgetable From here on we budget X amount for infrastructure from here on and, in, no disrespect anybody else here today is the DNRC program. It's, our project. It's what we wanted to do, how we wanted to do it, when we wanted to do it with no strings attached.

It's and, I don't mean that disrespectful, but it's, there was, there's nothing at the end of the day, but paying back the loan and, at a very cheap interest rate. Stacy and Bill made it very simple and streamlined. Like I said, I, it was the first time it was easy, so we did another one.

They made, they interject on the first one, made a few small changes to our grass seed mix which turned it out. Turned out to be very beneficial. Other [00:41:00] than that it was simple. We bought, we would buy a semi-load of pipe and send the receipt to Bill, and a few days later the check would be in the account and, we could carry on.

We and we were still able to utilize like the the nrcs project engineer for pipeline and stuff at, and that's at no cost that's available to everybody, no matter what you're doing. And it it, made it, it was simple and easy. The, there was a couple questions in there. I think the only thing that becomes public record to my knowledge, and we've got two of 'em now is that.

The DNRC has a mortgage on, a X amount of acres of the ranch, and that there is an outstanding loan amount with the dnrc, your personal financials. They don't hit, they don't hit [00:42:00] public, record. And then the only thing is, it's not so much dnr, it's not dnrc, it's your local county, DNRC or nrcs.

The conservation district sometimes is two or three guys in a county and they might not meet every month. They gotta sign off first. If a couple guys are busy and, that, that happened on the second time. It took a minute for the conservation district to review. But if you're doing a hundred thousand dollars infrastructure development, there should be some planning in place anyway.

It No it's, a great program that I'm surprised more people don't, more people don't utilize. It's, jumpstarted us. That's

about all I got. I think that was very good. Awesome. Thank you. So there are a couple other people [00:43:00] here that have done these programs don't be afraid to jump in if you would like throughout the q and a too, but so maybe just in the chat, let's go back to clay and Tara had a question on, I believe this is for the rsvp.

Erin, is the maximum of 40,000 a total amount per project or per year?

Yeah, thanks for the singer, clay and Tara. That's, the most common question we got for sure, and it's tough to answer. So the nature of the program is we had an initial amount of money that we basically tried to distribute to everyone in the program that wanted to do something. And so that's where the 40 came from.

It turned out that worked pretty well in getting everybody a little bit of an ability to help somewhere. And we have brought a lot more money into the cost share program, but also we've grown, the ranches have grown a lot too, which is why it's still at 40. We definitely intend that people have already gotten to their 40.

[00:44:00] We'll be able to do it again. I, would say it's definitely, it's not a total could be that it winds up being more of a, like once per year type of thing, but I, it's hard to put a timeframe on that, but. Our full intention is that people will be able to come back if they've already used the cost share to come back and use it again.

And maybe I should say to Tyrell's point too, cause I totally get that, the mindset of not wanting just take something cuz it's being offered. Most of this funding is, at least at the beginning now from, corporations. So it's coming from McDonald's and, Burger King and Walmart companies that want to tell their buyers that people are buying beef in their stores, that they're doing something for the landscape which you guys are all doing.

And I think thinking about it like you, you are doing something that's worth value. So it's definitely not the case that you aren't earning it, I don't think. And I also would say that if we don't put their money on the ground here in [00:45:00] Montana, that someone else is gonna down, put it on the ground somewhere else.

And I would just love to see it here.

Stacy, did you mention a, or I think this is to you too, Erin, did you mention a geographic area for the program? Yeah, maybe I didn't. If you're in the call, you're in the, you're in the geographic area. It's, that, it's the shore grass, prairie region of Eastern Montana, Western South Dakota, Nebraska, Northeastern, Wyoming.

But yeah I, don't think I had a map in there, so unless someone's calling in from the Washington state you're, probably good. So east of the Rocky Mountain front is eligible. Aaron? Yeah, so the, we have a, we have a ranch around Sims right now. That's our Fringiest one, but basically anything east of the Rocky Mountain front in Montana.

Yep. Okay. Perfect. I just I had questions. About some programming. Yeah. And, so I, it was in the area that I'm in and I just wanted to make sure that [00:46:00] that if I forwarded on that information that they were eligible area wise. Yeah. Thanks. Yeah. Should be. Yep. Okay. You bet.

So I know that was a lot to digest, but we'll just go ahead and open it for questions and you can just unmute yourself, ask your questions, and then please just mute yourself again, but, or just put it in the chat. That's fine too. That works.

Okay. I have a question. This is Judy. Do you have to be part of an irrigation district to apply for these programs or can you do it as an individual rancher who has his own irrigation pull out of the river stream?

Judy, was that a question for me? And the information that I threw up about the irrigation, IM I improvement or the or the one that, that Erin was talking about, the infrastructure and, getting pipes and stuff to, to do the irrigation. So I'll chime in real quick before Erin. And, just like I had mentioned, those aren't my programs, but when I was reading about 'em, [00:47:00] it's e it, could be both, it could be a private individual or it could be an irrigation district as a whole.

I would just encourage you to dig more with those program administrators and to get a specific clear answer if you had a project in mind. Okay. Thank you.

And yeah our, program works directly with, rancher, with ranch managers or, owners. So we, kind of work with both ac so we work with some people that lease most of their operation and some that own and lease to someone else. But you don't have to be with an irrigation district to use it.

Thank you.

Oh, I'll just bring up one more funding opportunity for people. I don't know if you guys got my, if you were part of the Rancher network, you would've got an email from me regarding this. But it's called the, it's l o r foundation and they're funding in Montana and then several of the surrounding.

And they're actually opening up their grant application February [00:48:00] 1st, and it's a $10,000 grant and it can go to private ranch families, so it doesn't have to be a business or an organization. Tomorrow night they're having a Q and A webinar, and I did their one a week ago and it was very informative and they go through what, is, what can be funded, what can be funded, and what will not be funded.

And they'll even help you with with your projects or ideas. If anybody's interested in that, I can get that information to you as well.

Okay, so I guess we'll go through the chat. So Todd, do you see a certified R S V P branded product selling to McDonald's, et cetera? Yeah I, did type an answer, but we've talked about that quite a bit actually. And, when McDonald's was in Winnet they talked about the Winnet burger.

I don't know if the , I don't know if they were being totally serious, but I like, I really like the idea of something like that. Like [00:49:00] it should be that you get a, some kind of commodity benefit from doing this work. It's really hard for me to convince folks in our headquarters about, but we do talk, we do it's part of the conversation.

So it, it probably isn't out of the question, it's just not gonna happen very soon. And then things like the butcher box who ship like into cities where a lot of people, like they don't have store, they don't have deep freezers like we do, but they wanna buy beef and they have a hard time finding, like any product you'd find that in our grocery stores would be hard to find in some cities.

So stay tuned, hopefully.

So Levi, I'm not sure who you're pointing your questions to, but any examples of projects that are currently being funded? So maybe that's to everybody.

I, guess I could just, so Tara and Clay typed in the chat, probably the most common example that we've done is wa stock water projects. We've done, I should go calculate it. We've probably done hundreds of miles of stock water pipe just in the last two years. A ton of summer and [00:50:00] water drinking tank systems.

Some mobile watering systems. Those have been most of it. And then some permanent fence, quite a bit of temporary permanent, traditional and permanent electric and a couple other odds and ends, but mostly water and fence.

As it ties to range improvement we've done receding a lot of water developments, some fencing. Back in the day there was a fair amount of range land renovations. We're pretty much open to anything if it could be tied to range land improvement. We've not turned anything down that I'm aware of as long as we get tied to range improvement.

So we've been pretty broad. I would add the program has been highly underutilized in the last 20 years, so we're trying to make a push for people to use it and, I appreciate J D's testimony, if you will, on his experience [00:51:00] with the program and what it can be used for and, how it's worked for him.

Yeah. A lot of water pipeline, a lot of cross fencing, a lot of portable electric fencing. Definitely educational opportunities. Ask for certain types of monitoring over the long term come up. Yeah, pipeline development, spring development and fencing, or you.

What the lion share, I would say goes to especially to help get the uniform grazing and the increased grazing cells and things like that. Our project's looking for, we won't tell how much, or we're not really trying to dictate or arm share quarterback from here. We'll just more work with you to help you develop a plant and translate y'all are doing what you y'all know how to do.

And if you want to talk to consultant that's an opportunity as well. We're not gonna tell you any consultants that you need to talk to. We really want this to be rancher driven and not dictated from our desk. So

cool. So Dan has a question. Can whoever [00:52:00] talked about the virtual fence systems expand on that typical cost per head cost share possible, et cetera? That's probably a you Erin question. Yeah, I could talk a little about it. I think I might not be the only one on the call who could, but I, so cost wise and I guess vendor wise, so for better or worse, there is only one game in town on virtual fencing for the most part.

And its fence, it was bought out by Mark Animal Health. And so that has caused a little bit of a change in their pricing structure. But they, the towers sell for, $10,000, they'll charge you 12, 12,000. If, you want them to install it and you need they're saying now they want a minimum of two towers per ranch.

So they're starting to make pushes like that, trying to get people to do a minimum amount of, buying. And the collars are $50 a [00:53:00] year now, which is up from, I think, $40 a year from just when I started talking to them a couple years ago. But that doesn't include the batteries. So if you're placing one or two batteries a year, it's probably better to think $60 a year per head for the collars.

And yeah we're, applying the same cost share structure we use elsewhere to, to projects. We're doing virtual fence, so ha 50%, roughly 50% cost share up to 40,000. And the way it might end up working on a lot of these is that we will just, we will pick up the tower portion because there's an inherent long term cost with using the leases that can be the landowner's portion of the project, if that makes sense.

So that's, what they're looking like. Yeah, that's interesting Todd. Cuz that's not what they told me. They must be talking to different, Todd said they were 40 last week. Not, I we, heard they were they told [00:54:00] us 50, but also Dan if you wanna learn more about that virtual fence we have, we did a zoom call with them just like this last Sept, not last September, but the September before that.

So it, that's on our website and it goes through the whole process and how they work. And it's, a great webinar. But yeah, they are $50. And then if you have to replace the batteries, it's $10 batteries last, depending on how much you use it anywhere from three to nine months. So if you're just using it during the growing season, one battery should suffice.

But if you're doing it longer, then you'll, we'll have to replace the batteries.

Does anybody else have any other questions?

This is Dusty Eman. I was just wondering if you hired Gabe Brown and his group, what are they calling their consulting business? I can't remember what they're calling it, but it's fairly pricey to have 'em come to your ranch and give you a consultation with something like that. Be an eligible [00:55:00] item.

Most of these programs?

Yeah, for us it, definitely would be if you were using help build funding. If you had a need for that and wanted them to come out we would be definitely okay with doing that. Especially if they're helping you out with grazing planning and improvement infrastructure development kind of plans over the long term that's be okay with us or branching for profit or any other thing you would wanna go to.

Okay. Thanks. Yeah, same here. Dust.

Does anybody else have question?

If you do, I can get you any contact information that you need after the call as well. So you can just email me. Here's one from Dan Collin. How does the current $7 an acre compare to market rates and could it go down? Yeah, so that $7 a ton. Um, We, the way we determine that is we basically get three quotes from three different groups that would buy those credits.

[00:56:00] And when we do those price adjustments over the long term, we share that data they give to us. It's gonna be hard when you're actually looking at other carbon credit companies because a lot of times there. Other costs they may not include, like soil sampling, verification, validation, registration fees which we pay for native pays for all of those.

So what is what you get. And there's other things like buffers involved. If it did go down which most of the projections you see right now that it's gonna keep going up and the demand for carbon offset credits is gonna increase over the next 10 years and 20 years.

It's all the graphs our CEO did a presentation to us a couple weeks, months ago and showed us a lot of the research behind it. On that we do have a floor of $5 per ton. So even if it did go down the bottom, the lowest it would go is $5 per ton. So that's what [00:57:00] things are looking like right now.

But we consider ourselves incredibly competitive and there's ranches. That we've talked to that are going with us and have talked to other carbon companies in the area. And we, went out because we're transparent, we're clear, and we have really high rigor. And we care about being fair.

That's why we included that price adjustment. And it was a way we had to work around the s e c. If you look at other projects around the world, we can do cost percent share but we just can't do it in the United States, unfortunately.

How, are the tons de determined? Yeah, so we use a model called Snap Graze. It's developed by a guy named Mark Richie out of the University of Syracuse, and it was calibrated for Montana's peer reviewed model, and it was improved for use. So we do both. We're only required to do one, but we think [00:58:00] it's important to do both.

So we have that model which allows us to pay folks in the interim years between our soil sampling events. So we take it baseline soil sample, and then we take another one every five to 10 years. If there's a really bad drought or reverse maybe lots of flooding and things like that, we can try to pick a more average year to sample in.

So we use your baseline data and kind of historical data different soil Data that we also have and to cal calculate that estimated accrual amount. Once we soil sample again for that second time, we'll use that data to calibrate the model. But say we overshoot and overestimate and we paid y'all more than the carpenters there, y'all don't pay anything back.

If anything, payments may stop for a second until we can re recap it, the model and we catch back up. But there is never any paying back of anything we did [00:59:00] or if the carbon's not there. And I know there's some questions around folks of whether certain amount is achievable and what the ceiling is.

There would never be a scenario you'd have to pay anything back of any payments that were given. So that is just I spiel about how the carbon's calculated and how that affects all's payments. Any risk on the rancher end.

Okay. I thank you everybody for coming on. Thank you, Colin, Aaron, and Stacy. Very much appreciate it. It was all great information. Like I said before, if you anybody has questions later, just reach out to me. I can get you contact information or whatever you need. So thank you all for coming on tonight.

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