

A circular inset image shows a man with a beard, wearing a blue short-sleeved button-down shirt and a grey baseball cap, holding a corn plant in a field. The background is a bright yellow gradient.

Agoro Carbon[®]

Program FAQ

Answers to
Frequently Asked
Questions about
Agoro Carbon Alliance

Agoro Carbon Program FAQ

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Information about the Agoro Carbon Alliance Program

Why is Agoro Carbon offering this carbon opportunity?

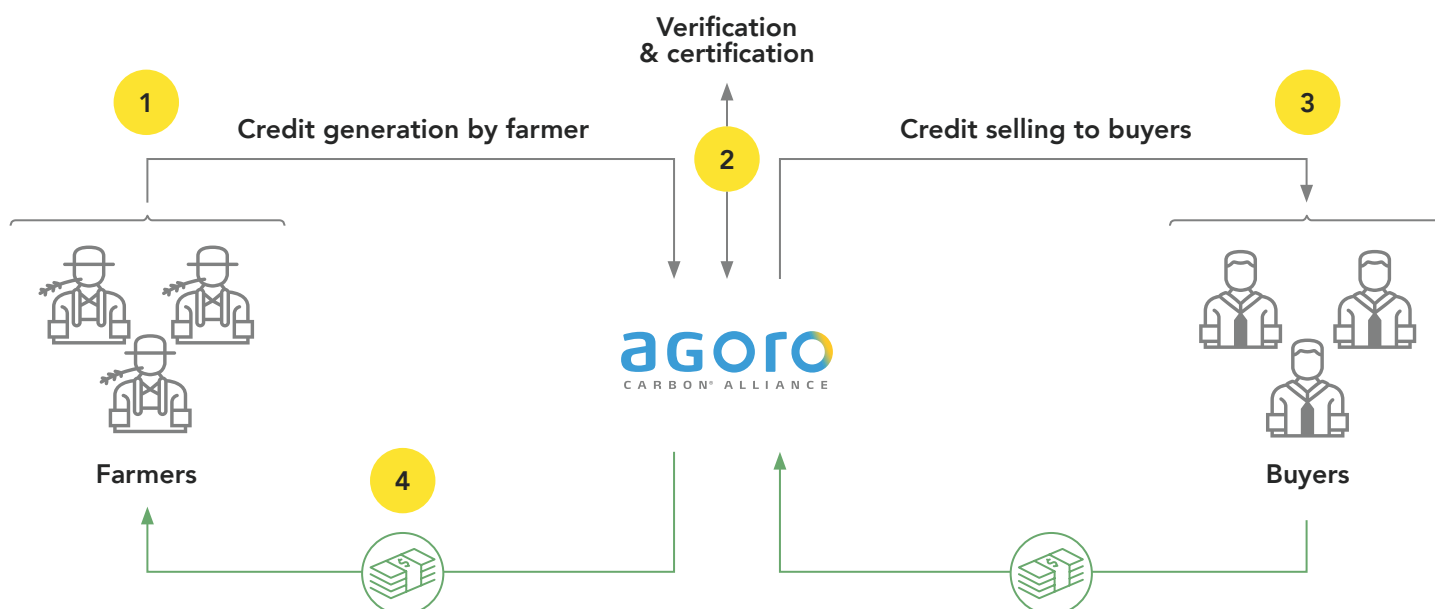
Yara International established Agoro Carbon Alliance aiming to reward farmers for implementing conservation practices, while helping to decarbonize the agricultural sector.

Agoro Carbon's program is here to support you in making soil health practice changes a practical, profitable choice for every farm. These changes can generate additional income, lower future management costs, and improve soil health.

How does Agoro Carbon Alliance's carbon program work?

Once you select and implement your conservation practices, Agoro Carbon handles the certification and selling process. Then you will receive payment from us during your first two months in the program. We help ensure that the practice change you make has the most impact on sequestering carbon or reducing/avoiding greenhouse gas emissions while you earn additional income.

**You implement practice changes on your fields,
and Agoro Carbon manages the rest**



1 Together, we discuss program details and opportunities. Then you choose which practices to implement in your existing crop production systems with support from an Agoro Carbon Cropping Specialist.

2 Agoro Carbon helps collect your data and handles all administration and certification activities needed to generate carbon credits. You simply implement feedback (if any) from the verifier after a site visit.

3 Agoro Carbon acquires buyers and sells credits after certification; i.e., Agoro Carbon manages relationships with buyers.

4 Agoro Carbon pays you annually for all carbon credits generated (see "Earnings and Payments").

INFORMATION ABOUT THE AGORO CARBON ALLIANCE PROGRAM

What makes Agoro Carbon different from existing carbon marketplace offerings?

Agoro Carbon is backed by Yara International, a large global agriculture organization with more than 115 years of experience in the agriculture industry, 75 years of U.S. operations, and a trusted reputation.

Agoro Carbon's offering is truly farmer-centric and focused on making participation as easy as possible for you, as well as being financially attractive. Agoro's Carbon Cropping Specialists will be there to help you every step of the way as you implement the practice change on your farm.

This program is purely focused on the carbon opportunity; no other commitments to purchase other products or services are required. Agoro Carbon will be responsible and cover the costs for the entire program, e.g., administrative work, soil tests, verification and certification process, as well as finding buyers for the credits.

I've heard there is a verifier and standard/registry involved—what does that mean for me?

Agoro Carbon will be the only contact for you that is relevant. We take care of the entire process with the verifier and carbon registry.

Agoro Carbon works with an independent verifier, and our credits are issued by a globally recognized carbon registry. These facts ensure that carbon credits generated by farmers like you will meet the strict demands of credit buyers.

What are the practices in the Agoro Carbon program?

Currently, the program consists of the following practices:

- Adding cover crops
- Reducing or eliminating tillage (no-till)
- Nitrogen optimization (any practice change from your current nitrogen program that improves nutrient use efficiency and/or reduces N losses)

Further sustainable practice changes, such as agroforestry, grazing/livestock management, or grass/legume mix in buffer strips on field borders, will be added in subsequent years.

I prefer to work with my trusted crop advisor; can I still work with them and receive payments?

Yes, we anticipate that some farm operations will want to consult with their crop advisors to ensure successful adoption of their new practices and to plan for any additional impact it might have on their crop plans. We will still be entering into the contract directly with you to make sure you receive the payments.

Whether you work directly with an Agoro Carbon Cropping Specialist or through your crop advisor, we will have resources available to make sure you understand what is expected and to help gather any information necessary to ensure payments can be made.

Can I work directly with the Agoro Carbon Alliance?

Yes, working directly with the Agoro Carbon Alliance is possible. We have Carbon Cropping Specialists that can help you implement the new practices to ensure a high probability of success.

The contract you will sign to enroll and get paid is between Agoro Carbon and yourself, so working directly together to implement a practice change is possible and welcomed.

What is my role in the program?

You collaborate with us to select and agree on the practices to be changed, and you share the required data in order to enroll. You then implement the agreed practice. Agoro Carbon will support you along the way.

Agoro Carbon will process your data through an auditing and certification process.

Agoro Carbon takes responsibility for converting your practice changes into carbon credits, as well as finding buyers for the credits you generate.

What happens if I decide to enroll in the program?

Depending on the practices to be implemented, there might be slightly different steps, but overall:

- Discuss program details and explore opportunities for practice changes on your farm.
- Select practices, sign contract, and receive first payment from Agoro Carbon within the first two months of enrollment.
- Receive support for collecting historical farming data (e.g., historical crop yield, fertilizer application rate) to establish project baseline, as well as support you in preparing for practice implementation.
- Implement the practice changes in season.

You will get support from a dedicated Agoro Carbon Cropping Specialist who can assist you throughout the program.

HOW DOES IT WORK?



In addition to the opportunity to gain a new stream of income through these practice changes, will I benefit in any other ways?

Yes! Receiving payments for the implementation of a practice change is only one part of the benefits you will receive. Other important benefits that come along with capturing more soil organic carbon (carbon cropping) or avoiding greenhouse gas emissions include:

- Improved soil health: Soils rich in soil organic matter lead to increased water retention and nutrient supply, often resulting in higher yields.
- Increased soil biodiversity produces more beneficial soil microbes that support plant root growth and development.
- Prevention of soil erosion and runoff, which improves surface and ground water quality.

All these benefits are the key prerequisites to increased productivity (yield) on your farm and help you continue to build a more sustainable business for years to come.

Program Eligibility and Requirements

What are the general requirements to participate?

General requirements are as follows:

- Your farm is located in the U.S., and you have rights to grow crops and implement the practices on the covered acres.
- You have a minimum of 500 acres.
- You have been in crop production for at least 5 years.
- You have not already implemented the practices in our program.

We will provide consultation to determine which practices you are eligible to implement.

Am I still able to participate in the Agoro Carbon program if I farm on rented ground?

Yes, you are. You should have a valid property interest in the property; this means you should have ownership or lease rights. In case of leasing agreements, you should both inform your landowner and attest to Agoro Carbon that such rights will remain in place for the entire duration of the program.

If I farm on rented ground, do I need to pay the money back to Agoro Carbon if I am not able to continue renting the land?

If the landowner can continue and take over the agreement you have contracted with Agoro Carbon, there is no problem. However, if the landowner is not willing to continue, and your contract with Agoro Carbon is not complete, you must pay back received payments.

Note that if you farm on rented ground, you will need to attest that your landowner agrees and ensures that you can rent the land during the entire period you contract with Agoro Carbon.

Why do I have to sign a 10-year contract?

Carbon accumulation in soils takes time. A 10-year commitment is required to allow carbon levels to increase and provide meaningful revenue opportunities.

All carbon credit generating programs require something called permanence, a demonstration that the carbon will be stored in the soil for a long period (ideally forever), which requires implementing the practice changes for 10 years at a minimum. The payments you receive are for the purchasing of the credit (also known as removal or offset), and that credit only has significant value if it meets this minimum criterion.

Can I enroll with Agoro Carbon if I am already receiving a government incentive program?

If you have already implemented the practice change because of another program, you will not be eligible to receive a payment from Agoro Carbon for that same practice, even if you opt out of the program.

Can I enroll a recently retired Conservation Reserve Program (CRP) farm while working with Agoro Carbon?

There are requirements that the area must have been in crop production for at least 5 years, thus making a retired CRP farm not eligible.



Practice Implementation and Operations

How many of the offered practice changes can I implement?

You can implement the offered practices individually or combine them, meaning that implementing several practices in the same year is possible.

We will discuss together which of the practices you are qualified to implement. From there, it's up to you how you choose to implement them.

We also have a checklist that will help walk you through the criteria to decide which you can implement and receive payments from.

If I have questions throughout the year on practice implementation or other topics, is there anyone I will be able to contact?

You will get a dedicated contact (Carbon Cropping Specialist) who will help you on any program-related questions throughout the year.

What activities are expected of me in the nitrogen optimization practice change?

We will provide you with specific requirements for the nitrogen management practice change and are always available to answer any questions you might have.

Here's a brief overview of the nitrogen optimization practice activities:

- Before the season we will collect your current nitrogen practices data, and compare your current program to any potential nitrogen improvements.
- In conjunction with your crop advisor, we will work to develop a plan that optimizes nitrogen use efficiency using nitrogen-management software and your local cropping knowledge.
- After the season, you will provide harvest yield data to run a retrospective on new program performance, and collect data to report on the progress over time.

What activities are expected of me in the cover crops practice change?

We will provide you with specific requirements for the cover crop practice change and are always available to answer any questions you or your crop advisor might have.

Below is a brief overview of the cover crops practice activities:

- Preseason you will select cover crops species according to the Natural Resources Conservation Service chart (see Appendix): growth cycle, forage quality, relative water use, pollination characteristics, plant architecture, seeding depth, and nutrient cycling.
- During season you perform in-season management and follow termination guidelines for cover crops.

What activities are expected of me in the tillage practice change?

Each tillage practice change has some set of requirements that need to be followed to meet the requirements of the methodology. An example for minimum tillage is that there needs to be 30% crop residue cover remaining after planting of the crop. We will provide you with the specifics of those requirements and be available to answer any questions you might have. Our goal is to help ensure that the practice change you make has the greatest impact on sequestering carbon or reducing greenhouse gas emissions, while maintaining your farm's productivity.

Below is a brief overview of the tillage practice activities:

- Preseason we will discuss pros and cons of the reduced tillage practice you want to adopt and assess your equipment; i.e., whether your current planter is capable of implementing the practice change, and if not, what needs to be modified.
- During season you will check to make sure the planter is planting properly. We will have specialists available to answer questions as they come up.
- After season we offer optional advice if you want to discuss yield outcomes and any potential need for practice modifications.

PRACTICE IMPLEMENTATION AND OPERATIONS

Can I apply manure to the acres enrolled in the program?

Organic inputs such as manure or compost are allowed under reduced tillage practices, so you can apply manure during the practice, but emissions associated with the application of manure need to be measured.

If the quantities of organic matter spread on the field are increased from previous practices (baseline), on-field emissions from manure would have to be accounted for when calculating the benefits.

Leakage, such as off-site emissions caused by the removal of the manure to be applied on another farm, also needs to be considered if the manure is replaced elsewhere, e.g., with a mineral fertilizer.

What will happen if I cannot plant a cover crop due to bad weather?

Inability to plant a cover crop due to bad weather may not destroy the value of the previous use of cover crops. Agoro Carbon will calculate a 5-year average, rather than per harvest year. This means bad weather occurring in only one season could affect one credit year, but not the whole term of your contract.

Can I use chemicals to terminate cover crops?

The acceptability of using chemicals to terminate cover crops is still under review. If you plan to use this method, please advise us before starting the practice.

What data do I need to collect and share for program participation?

At your request, Agoro Carbon will provide support in collecting the following necessary data.

Ownership and personal identification:

- Proof that you are owner or renter of the land, e.g., your name on a bank account statement
- Personal identification, e.g., driver license or passport
- Shape files exported from your farm management system (every field boundary of the enrolled fields in the program) if available; we will import the shape files into our system
- If you don't use a farm management tool, we will work with you to define your field boundaries from maps or plats
- Soil organic carbon levels at the start of the practice change (via soil sampling we will provide through your local advisor/partner/consultant)

Data points we need from the past five years and for each year you participate in the program:

- Crop type(s) you grow
- Gross and net yield/Average annual crop yield: Calibrated yield maps, or manual input
- Tillage and/or cover cropping practices (timing of events, description of practices, cover crop species)
- Nitrogen fertilizer input/Manure/Liming: Composition, application rates, application method, emission inhibitors
- Irrigation: Number of irrigation events during the year, % of area irrigated, total water used
- Grazing information if using livestock: type of animal, stocking rate, grazing start and end date, as well as grazing resting period
- Soil organic carbon levels from past soil test reports if available
- Pesticide application: name of pesticide used, method of application and date of operations

Earnings and Payments

What is the price for carbon credits today, and what is the expected future value?

Future demand for carbon credits will determine the price you will receive for the practice changes, but we cannot predict today how much that will be. We ensure that you will receive a market-competitive price for all carbon credits generated. The market anticipates an increase in demand, which is expected to drive the price per ton upwards in the coming years. A key advantage of our program is its guaranteed fixed price per ton of carbon sequestered for the fourth year of your contract and beyond.

What happens to my earnings if the price of carbon credits increases over my committed 10 years?

Agoro Carbon intends to offer an annual price for carbon credits based on the market price in effect at that time. This will help protect everyone if the market goes up as expected or down if the demand does not materialize.

Agoro Carbon matches payment increases by key competitors: Indigo, Bayer, and Truterra.



What can I expect when it comes to payments?

Payments consist of two components:

- 1 Guaranteed annual payments, over the entire 10-year contract duration.
- 2 Additional variable payments based on verified carbon results, paid in three-year intervals.

How will Agoro Carbon pay me for the credit generation?

Agoro Carbon's offering builds on four pillars:

- 1 Flexibility in first three years: We pay \$50/t of CO₂ sequestered overall in the first three years. You can freely allocate this payment to the first 3 years (between a minimum payment of \$10 and a maximum payment of \$30 per year). Example:

Year	1	2	3
EX 1: Yearly payment (\$/t)	10	15	25
EX 2: Yearly payment (\$/t)	25	12	13

- 2 Security in Year 4 and onwards: We give you full payment security with a guaranteed fixed price per ton of carbon sequestered for Year 4 and beyond.
- 3 Payment increase matching: If throughout contract duration any key competitors (defined as being Indigo, Bayer, and Truterra) increase grower payments, we will match this price increase up to \$4/t. E.g., if Indigo increases payment per ton of carbon sequestered by \$2, Agoro Carbon will also increase your payment by \$2 per ton of carbon sequestered.
- 4 Incentive payment based on acres signed: You receive an additional incentive payment in the first year based on the acreage you enroll in our program:
 - \$4/acre signed up to 1,280 acres (minimum acreage to be contracted: 500 acres)
 - \$6/acre signed between 1,281 and 2,560 acres
 - \$10/acre signed > 2,561 acres

EARNINGS AND PAYMENTS

What happens if after I sign up I find a better payment rate from a different company?

Agoro Carbon is confident we will offer the best market value of carbon credits. We offer a minimum price guarantee of \$16.50/carbon credit, and will match competitive price increases.

It seems like my cost of conversion to cover cropping or improved/zero tillage will be more than the current carbon revenue I will receive. Why would I change?

As with all practice changes you need to consider all benefits, including yield benefits. Long-term studies have shown that the soil health benefits associated with improved soil organic carbon should lead to yield increases that often more than cover any cost of implementing a new practice. Due to the way soil organic carbon accumulates after a practice change it may take a few years to see the yield benefits.

The real benefits are in the long-term soil health, but we know that implementing change can be expensive and risky, so the payments you receive will help protect you through the adoption of new practices.

Our offering

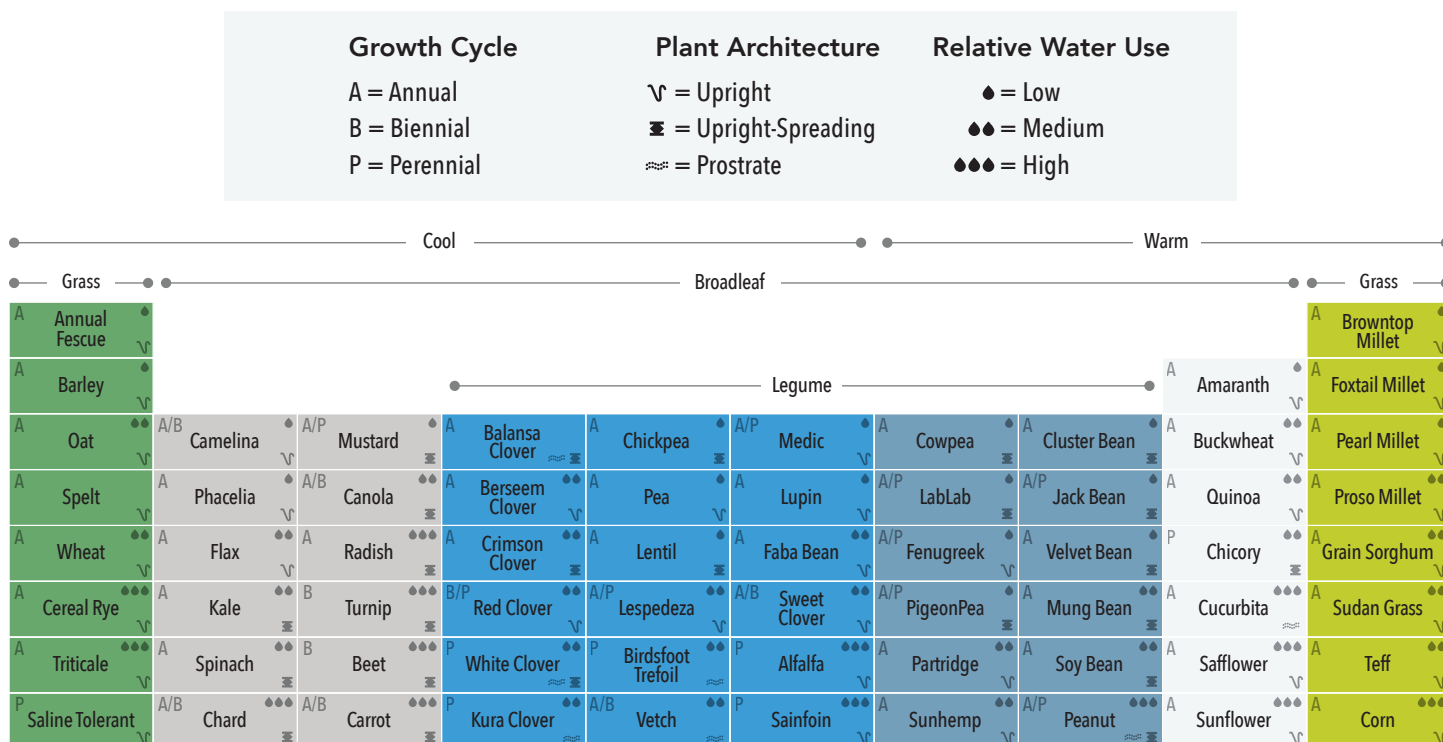
Year	1	2	3	4	5	6	7	8	9	10
• Yearly payment (\$/t)	—	50	—	17	18	18	19	19	20	20
┌ One-time payment up to 1,280 acres signed (\$/acre)	4									
• One-time payment 1,281-2,560 acres signed (\$/acre)	6									
└ One-time payment > 2,561 acres signed (\$/acre)	10									
• Payment increase matching (\$/acre)							2	2	2	2

Example farm: 2,000 acres signed for Agoro Carbon program

Year	1	2	3	4	5	6	7	8	9	10	Sum
Yearly revenue (\$)	16,000	16,000	8,000	13,600	14,400	14,400	15,200	15,200	16,000	16,000	
One-time revenue (\$)	12,000										
Price increase matching (\$)							1,600	1,600	1,600	1,600	
Overall revenue (\$)	28,000	16,000	8,000	13,600	14,400	14,400	16,800	16,800	17,600	17,600	160,640

Appendix

Overview of cover crop species



Natural Resources Conservation Service chart overview of cover crop species

Learn more or register today!

Web: agorocarbonalliance.com

Email: contactus@agorocarbon.com



Disclaimer

Information provided in this FAQ document is correct given our current knowledge. It is subject to updates as new information becomes available.

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