

Frequently Asked Questions: 2025 Truterra[®] Carbon Program

PROGRAM OVERVIEW

What is the 2025 Truterra® carbon program?

The 2025 Truterra[®] carbon program aims to help eligible farmers offset some of the technical and financial risk associated with the transition to conservation agriculture practices and potentially reward them for the environmental impacts produced by improved land stewardship.

Where is this program available?

This program is available in the states listed within the following regions: **Region 1:** IA, IL, IN, NE **Region 2:** Al, KS, KY, MI, MN, MO, OH, TN **Region 3** (open to re-enrollments only): AR, GA, LA, MD, MS, ND, OK, PA, SD, TX, WI

Why are there regions established for this program? How were those regions selected?

These regions were established to help ensure the program is developing a supply of carbon assets which appropriately meet the market demand for specific crop types and sourcing areas.

How can a farmer get involved in the Truterra® carbon program?

- If farmers do not already have a Truterra[®] MyPortal account, they may start by completing the pre-enrollment form at <u>www.Truterraag.com/enroll</u>. Once the form is complete, farmers will receive an email invitation to create a Truterra[®] MyPortal account.
- Farmers or Truterra network providers may enter field boundaries and field-level data within Truterra[®] MyPortal to determine if the farmer has fields that may be eligible for any of the current Truterra[®] sustainability programs.
- Once field data is entered, farmers may select programs and complete enrollment for eligible fields within Truterra[®] MyPortal.

When is program enrollment for the 2025 Truterra® carbon program?

- Eligible farmers who are re-enrolling may begin enrollment on December 4, 2024.
- Farmers who are not enrolled in the 2024 Truterra[®] carbon program may begin enrollment on December 11, 2024.

Enrollment for both groups will remain open until March 31, 2025, or until the program enrollment caps have been met.

How long is the commitment?

The Vintage Year Enrollment Schedule obligates the farmer to provide services to Truterra for the

years identified in the schedule and to provide data to Truterra for the next five years (the "reporting tail"). The Vintage Year Enrollment Schedule does not obligate a farmer to provide services beyond the reporting tail or sell carbon benefits to Truterra in future years.

What data is required for participation in the Truterra® carbon program?

Eligible farmers must provide crop and other data from 2019-2025 for all enrolled fields. Please see the program tech sheet at <u>www.truterraag.com/program-resources</u> for a list of required data points.

Is a farmer that participates in the 2025 Truterra[®] carbon program eligible for other Truterra programs?

Depending on eligibility and program parameters, some fields may be enrolled in this program plus the Truterra® early adopter – a USDA-supported program or the Cedar River Regional Conservation Partnership Program. Fields must meet eligibility requirements for each program they are enrolled in.

What is the timeline for this program?

- Enrollment: Dec 4 (eligible re-enrollments) or Dec 11 (new enrollments), 2024 through March 31, 2025 or until program enrollment caps have been met
- Historical (2019-2024) data due: April 2025
- Crop year 2025 data due: Dec 1, 2025
- Data validation due: Dec 30, 2025
- Estimated payment: Q2 2026

ELIGIBILITY REQUIREMENTS

Are long-term adopters eligible for the 2025 Truterra® carbon program?

No, only recent adopters are eligible for the 2025 Truterra carbon program. Truterra is exploring future opportunities targeted for long-term adopters in summer 2025.

Why is there a minimum field size of 10 acres?

The decision to implement the minimum field size requirement was made to increase efficiency and strengthen the value proposition for our network providers who service Truterra programs.

Can fields smaller than 10 acres enroll if they have previously contracted in the Truterra® carbon program?

No, all fields must meet the minimum field size requirement to enroll in this program.

What crops are eligible for the Truterra® carbon program?

Corn (grain), soybeans, or wheat (grain) present in crop years 2023-2025. Additionally, fields may not show more than 2 years of fallow between crop year 2019 and crop year 2025.

Why isn't there a lookback for this year's carbon program?

Current year assets from recent practice changes are in high demand in the carbon market today.

Truterra is committed to bringing programs to market that deliver meaningful value back to our network and the participating farmers, which is why for the 2025 Truterra[®] carbon program we will be transacting crop year 2025 only.

What tillage practices specifically are eligible for the 2025 Truterra® carbon program?

Strip/no-till on eligible crops in 2023-2025*. For this program, no-till includes a single tillage pass that disturbs no more than 1/3 of the surface area (strip till), or a single pass (1-3 inches deep) of either seedbed preparation, post-planting cultivation, or fallow tillage. Speak to your Truterra representative if you have additional questions on qualifying tillage practices.

What crops are ineligible for the Truterra® carbon program?

Any crop that is not listed above is ineligible for the program for that year of eligibility. Cotton, popcorn, corn silage, sweet corn, alfalfa, sugar beets, kidney beans, and pumpkins are all examples of ineligible crops for this program.

What practice(s) are required to be eligible for the Truterra® carbon program?

Strip/no-till and/or use of cover crops on eligible crops in crop year 2025. The eligible practice must have been first adopted on the enrolled field(s) between crop years 2023-2025*.

Does the initial practice change date impact eligibility?

Yes, eligible practices must have been adopted between crop years 2023-2025 for new enrollments. Re-enrolling fields may enroll if eligible practices have been adopted between crop years 2022-2025. Data collection is 2019-2025 for all enrolled fields, regardless of practice change year.

Does a field have to include the practice every year after adoption?

Yes, once a practice change is adopted, the field must include the practice to be eligible. Practices adopted within the eligible practice change period which show reversals between crop years 2023 and 2025 are not eligible. Fields contracted in crop year 2024 with reversals in crop year 2025 are not eligible. A reversal occurs when the practice is no longer present on the field. Example field 1:

Crop Year	Crop Type	Tillage	Cover Crop	Eligibility
2019	Soybeans	Conventional	No	
2020	Corn	Conventional	No	
2021	Soybeans	Conventional	No	
2022	Wheat	Conventional	No	
2023	Soybeans	No-till	Yes	No-till + cover crops adopted in an eligible year
2024	Corn	No-till	No	Cover crops reversed, no-till maintained
2025	Soybeans	No-till	Yes	No-till maintained, cover crops used

This field is **eligible** because an eligible practice was adopted and maintained during the eligible practice change timeframe. Since no-till is maintained, the cover crop reversal is irrelevant.

Crop Year	Сгор Туре	Tillage	Cover Crop	Eligibility
2019	Soybeans	Conventional	No	
2020	Corn	Conventional	No	
2021	Soybeans	No-till	No	No-till adopted prior to eligible practice change years, so not an eligible practice for this program.
2022	Corn	No-till	No	
2023	Soybeans	No-till	Yes	Cover crops adopted in an eligible year
2024	Corn	No-till	No	Cover crops reversed
2025	Soybeans	No-till	Yes	Cover crops used

Example field 2:

This field is **NOT eligible** because no-till was adopted outside the eligible practice change year, and cover crops show a reversal.

*Re-enrolling fields may be eligible to enroll with practices adopted between crop years 2022-2025.

PAYMENTS

What is the payment for eligible farmers participating in this program?

Eligible farmers may earn up to \$30/metric ton* with a \$2/acre minimum for the program. The \$2 per acre minimum payment applies at a whole-farm level, not for individual fields.

What are the eligible payment years for this program?

Eligible farmers may receive payment for carbon tonnage from crop year 2025 only.

Is the \$2/acre minimum a one-time payment?

Yes, the \$2/acre minimum is a one-time payment for crop year 2025. Minimum payments are calculated at a farm level, not a field level.

*Metric tons qualified for payment will be further identified in your vintage year enrollment schedule.

RE-ENROLLMENTS

What does it mean to be a re-enrolling farmer?

Farmers who have enrolled and are contracted or moving toward contracting in the 2024 Truterra[®] carbon program are considered re-enrolling farmers for the 2025 Truterra[®] carbon program.

Can re-enrolling farmers in region 3 add new fields to the program?

No, farmers in region 3 may only enroll fields currently enrolled and moving toward contracting in the 2024 Truterra® carbon program.

Are re-enrolling fields/farmers required to meet all program criteria?

Yes, all fields enrolled in the 2025 Truterra[®] carbon program must meet all program eligibility criteria, regardless of previous contracting status.

Will farmers still be eligible for the 2025 Truterra® carbon program if they contract crop years 2022 & 2023 as part of the 2024 Truterra® carbon program, but do not sign a contract for the crop year 2024?

While continuous contracting is not currently an eligibility requirement for the 2025 Truterra® carbon program, we highly encourage farmers to maintain continuous contracting on all fields. Continuous contracting helps to streamline and maintain reporting tail obligations, while potentially providing early access to future program re-enrollment. Please note that program eligibility requirements are subject to change, and we cannot guarantee that continuous contracting will not be an eligibility requirement of future carbon programs.