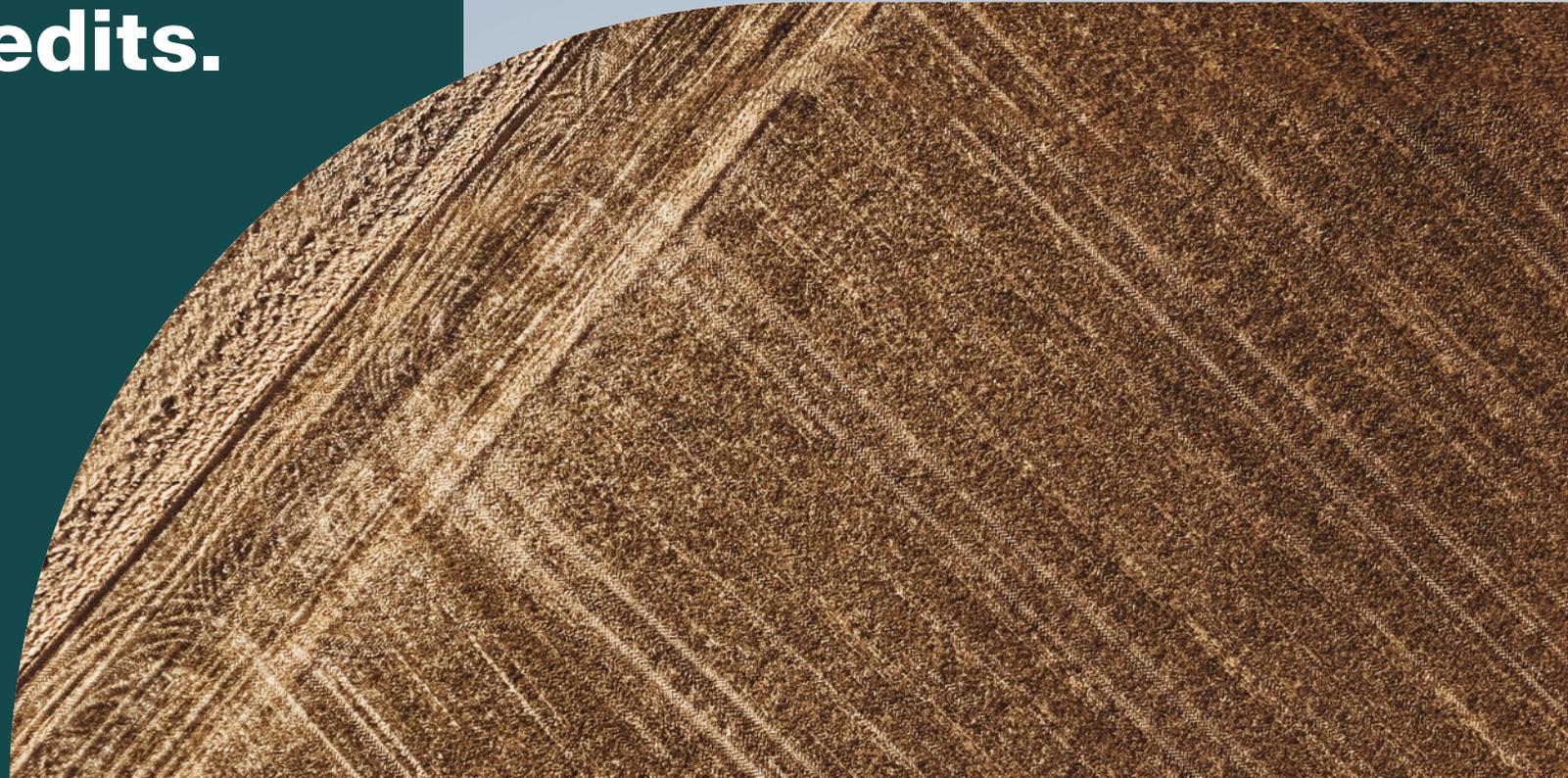


Your Land. Your Credits.

Landowner Services Info Pack

December 2021



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Snapshot

A “do-it-yourself” carbon farming model that delivers more profit to landowners.

The Opportunity

Tactical integration of carbon projects within productive agricultural systems can increase profitability and farm resilience.

Carbon farming is on its way to becoming a \$50B new opportunity for landowners, the carbon price has doubled in 12 months and markets are searching for carbon neutral products.

The Problem

Misinformation is rife, existing delivery models are high-cost and favour third-parties, red-tape is substantial and there are significant liabilities to consider. It's hard to know who to trust and where to start.

The Solution

We support you to setup and actively run your own carbon project.

This common-sense approach values local knowledge and cuts out unnecessary costs, leaving 95% of the carbon credits in your hands.

We have skin-in-the-game, share the risks of project failure and are incentivised to perform over the long-term.

Your land. Your credits.

We're putting carbon projects back in the hands of Australian farmers.

Carbon farming is a huge opportunity for farmers and the land, but it is hard to know where to start. Farmers deserve honest advice, a fair deal and to be rewarded for their hard work.

When done right, carbon projects boost the bottom-line and increase the productivity of the land. The key is carefully integrating carbon farming projects within an existing production system.

We are a registered Australian charity supporting farmers to launch profitable carbon projects on a million hectares of Australian farmland by 2030. Let's put some cards on the table up-front, we believe that:

- Locking-up huge tracts of good farmland makes no sense.
- No one understands a farm better than the people currently managing it.
- Farmers can run their own carbon projects at a fraction of the normal cost.
- Farmers deserve to retain the lion's share of carbon credits from their land.

We guide farmers along a clear pathway towards running their own carbon project.

This do-it-yourself model provides simple tools, practical resources and long-term support. We also connect farmers to trusted contractors, project funding and carbon trading opportunities.

We strip things down into a step-by-step process, providing tools and support for the long-haul. Our low-cost and transparent model is the fairest deal in the market, ensuring farmers get the carbon credits they deserve



The Opportunity

Diversification and resilience.

A new revenue stream is just the beginning.

When done right, carbon projects increase farm profitability and resilience by:

- capitalising on underutilised land,
- diversifying revenue streams,
- accessing carbon-neutral market opportunities,
- reducing input costs,
- enhancing soil health, and
- increasing water retention.

The key is carefully integrating carbon farming within an existing production system by choosing the highest-and-best-use for each land area on a farm.

Not by blanket planting wall-to-wall trees or taking valuable farmland out of production.

A tactical 'mosaic' approach is needed.





The Problem

Navigating a carbon project is a minefield.

Misinformation

We know that there is a lot of confusing and inconsistent information out there. The real-world economics of carbon projects is closely guarded knowledge. Feasibility studies are expensive and can come with long exclusivity periods.

Red-tape burden

Carbon Credits are a financial product and come with all the expected compliance and reporting obligations. Carbon methodologies are constantly changing, and the level of technical knowledge needed to safely navigate the red-tape, tax issues and legalities is significant.

High costs

Under the most common carbon farming models, third-party carbon project developers earn a 20-50% share of carbon credits for managing a carbon project. They are directly involved in hands-on management of projects, incurring associated travel and staff costs. Coordination fees and sub-contractor margins start to stack up. The result is a 'full-service' model where landowners have very little involvement in the project, but this convenience can come at a high cost.

Liability

If risks are not properly managed, it is possible that you may need to pay-back some carbon credits to the regulator (if they've been sold, then they need to be bought back at market prices!).

In many of the standard carbon project developer agreements in the market, the landowner is left with this long-term risk (the project developer keeps their share of the carbon). This means more risk for you to consider.

The Solution

A DIY Carbon Farming Partnership

We guide you along a clear pathway towards running your own carbon project.

We have created a do-it-yourself carbon farming model, where we support you and your locally based advisors from start to finish as you navigate the red-tape of carbon accreditation.

LANDOWNER

Runs the farm enterprise and on-ground project activities. Provides the land and funds the project. Owns the project.

Option to enter into funding agreements or forward contracts.

Retains 95% of carbon credits.

CFF

Compliance, red-tape, technical support, training, guidebooks and templates. Our software provides an easy project management, monitoring and verification system, with one-click reporting. We connect you to opportunities and vetted service providers as needed.

Paid modest service fees + 5% of Carbon Credits as a success incentive.

Optional add-on

CFF Delivery Partner Program:

For those who prefer some extra support. We can partner with local agronomists or farm advisors to do the heavy lifting of project admin and coordination. Leaving you to focus on core business.





Our approach

A farmer-first delivery model

A fair deal

We spell everything out in black-and-white. There are no sneaky legal clauses or hidden costs. The more you contribute, the more you are rewarded. We never ask for more than is fair and don't have lock-in contracts.

Making it easy

The carbon farming game can be a confusing minefield for a new player. We break things down into a simplified step-by-step process. The entire project can be managed in our easy-to-use software tool.

With you for the long haul

We go to bat for farmers, working to navigate red-tape and regulation for the life of a project. We share the risk of project failure. When you succeed, we succeed.

Real results

Most of our team grew up farming, so we understand that practicality comes first. We thrive on finding real world solutions to avoid and overcome any hurdles to project success. Our science-based approach will help you to translate the project plan into solid results.

Example 1

300 Hectare Reforestation Project in Northwest Victoria – ACCU FullCAM Methodology.

3,000Ha property, with 25-year FullCAM carbon yields varying paddock-to-paddock from 100 – 300 Tons CO₂e per hectare.

The project found 300 hectares for shelter-belts and wildlife corridors across the farm, with an average carbon yield of 200 Tons Ha.

The landowners can do site-prep (deep ripping) themselves and secured a grant for fencing costs.

We support the landowners to administer the project using our easy-to-use software platform.

Landowner:	<ul style="list-style-type: none">• \$195,500 up-front project costs.• Earns 49,000 carbon units over 25 years*, worth \$2.2M at a \$45 carbon price**.• Generates \$2M gross profit, over 25 years.<ul style="list-style-type: none">• Equates to \$267 per hectare, per annum (after all fees and direct costs).
CFF:	<ul style="list-style-type: none">• Up front fees: \$2,800 for carbon yield heatmap, feasibility and setup fees.• Lifetime fees: \$30,000 for software, support and credit issuance.• Earns 2,700 carbon units, worth \$121,500 at a \$45 carbon price.

* Factoring in 10% tree failure rate and shares given to the CFF

** Average carbon price over 25 years. See www.accus.com.au to make your own price assumptions.

Example 2

1,700 Hectare Soil Carbon project in the Eastern Wheatbelt of WA – ACCU Measured Methodology

Through our Certified Delivery Partner Program, the farmer chose an independent agronomist with extensive local experience to support the project.

The farmer and the agronomist worked together to design a new farm management program. Shifting from high input cereal cropping, towards a rotational grazing enterprise with multi-species perennial pasture. A biological inputs program was also implemented.

Given the heavy reliance on long-term agronomic strategy, the farmer negotiated to pay the agronomist her normal fees + a 5% long-term share of the carbon credits.

The project estimates that over 25 years it can increase SOC levels from 0.7% to 1.2% in the top 30cm.

- This equates to 21 tons SOC per Ha, or 0.84 tons SOC per annum.
- This converts to 3.08 Carbon Credits (CO2 equivalent) per hectare per annum.

<p>Landowner:</p>	<ul style="list-style-type: none"> • \$120,000 up-front to cover soil baselining, mapping, registration, consultancy and third-party costs. • \$400,000 over the first three years for pasture renovation (\$235 ha), <ul style="list-style-type: none"> • ongoing pasture improvement and other costs factored into farm OPEX. • Earns 82,467 carbon units* worth \$3.7M at a \$45 carbon price**. • Generates \$2.6M gross profit over 25 years. <ul style="list-style-type: none"> • Equates to \$61.50 per hectare, per annum.
<p>CFF:</p>	<ul style="list-style-type: none"> • Up front fees: \$2,800 for feasibility and project setup fees. • Lifetime fees: \$30,000 for software, support service and credit issuance. • Earns 4,581 carbon units, worth \$206,145 at a \$45 carbon price.
<p>CFF Delivery Partner: Agronomist</p>	<ul style="list-style-type: none"> • Up front fees: \$15,000 for project design and coordination. • Ongoing fees: All usual hourly rate farm agronomy fees and an ongoing monthly \$1000 retainer for providing strategic and coordination services to the project. • Earns 4,581 carbon units, worth \$206,145 at a \$45 carbon price (though chooses to hold these credits as a long-term asset).

* Factoring in permanence buffers, variability buffers and shares given to other partners.

** Average carbon price over 25 years. See www.accus.com.au to make your own price assumptions.

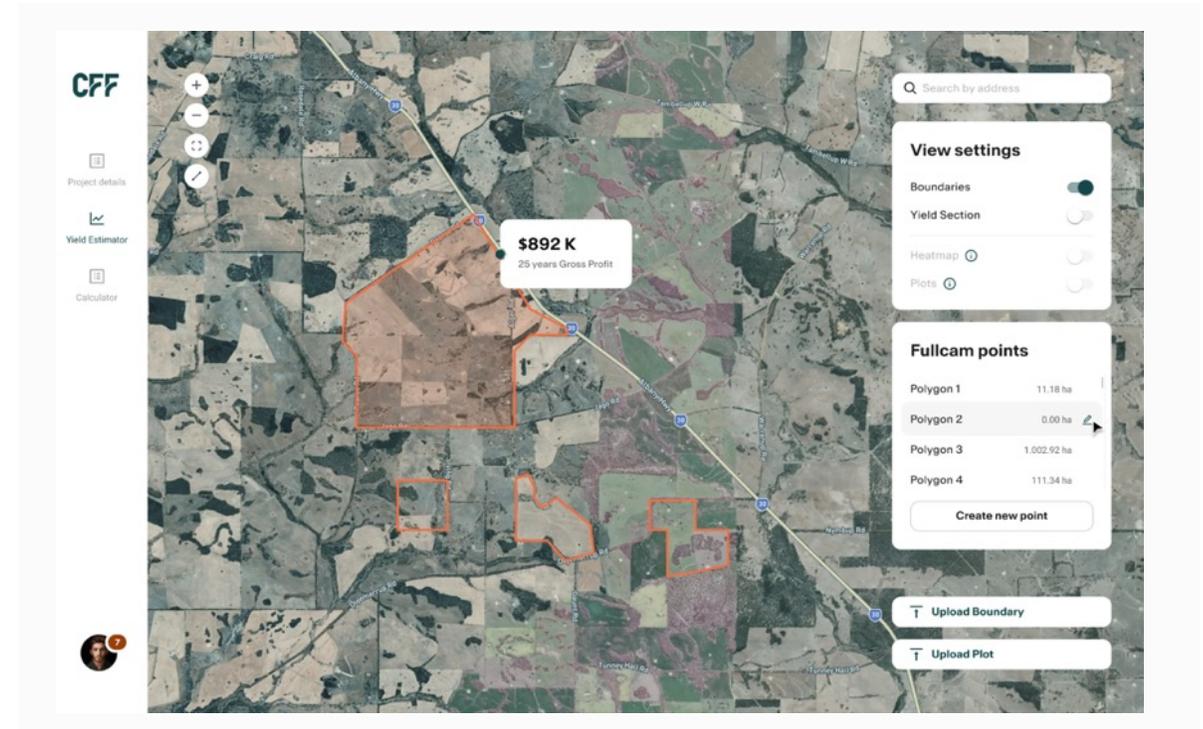


What we bring

Everything you need in one place. Our software breaks a carbon project down into bitesize step-by-step workflows.

A cloud-based platform that streamlines the entire process from start to finish:

- Scope your options with free feasibility and farm assessment tools.
 - Easily compare scenarios to uncover 'sweet spots' for profitability.
 - Verified project costs based on real quotes and market analysis.
 - A heatmap tool to visualize carbon yield potential across a property.
 - Scout the carbon potential of new acquisitions.
- Simple mapping tools (no need for GIS specialists).
- Management alerts and compliance calendar.
- Integrates with a range of existing software, sensors and farm management tools for data capture and analytics.
- Integration with accreditors, for 1-click reporting.
- Tools to secure project funding, engage sub-contractors, purchase inputs and trade carbon.
- Seamlessly manage your portfolio of carbon projects within one easy to use platform.



What we bring

Do what you do best, leave the technical carbon knowledge and networks to us.

Knowledge and education:

We keep our finger on the pulse, so you don't have to. Throughout the lifespan of a project, we provide:

- Industry news and updates on new opportunities in the sector or methodology changes.
- Peer-to-peer training platform with exclusive learning content, training opportunities and resources (co-branded for delivery to your clients).
- Video tutorials with simple 'how to' demonstrations for specific carbon farming practices and activities (e.g., tree planting).
- Toolkits, guidebooks and field resources for landowners.

Templates.

- Standard contracts and legal agreements.
- Reports, land management strategies and other project documentation.

Technical support.

- A dedicated team available for all your compliance and project support needs.
- Working across multiple-methodologies and certification standards.

Funding and trading partners:

Embedded within our digital platform, we provide connections to Australia's most reputable brokers of:

- Forward contracting opportunities.
- Project funding (debt and profit share-based finance).
- Spot-market and private trading to secure the best price for carbon credits.

Vetted service providers.

We are building a national network of certified product and service providers:

- Easily generate multiple quotes.
- Standard contactor briefs and service contract templates.
- Ratings, reviews and quality assurance.
- Group purchasing power and CFF discounts.

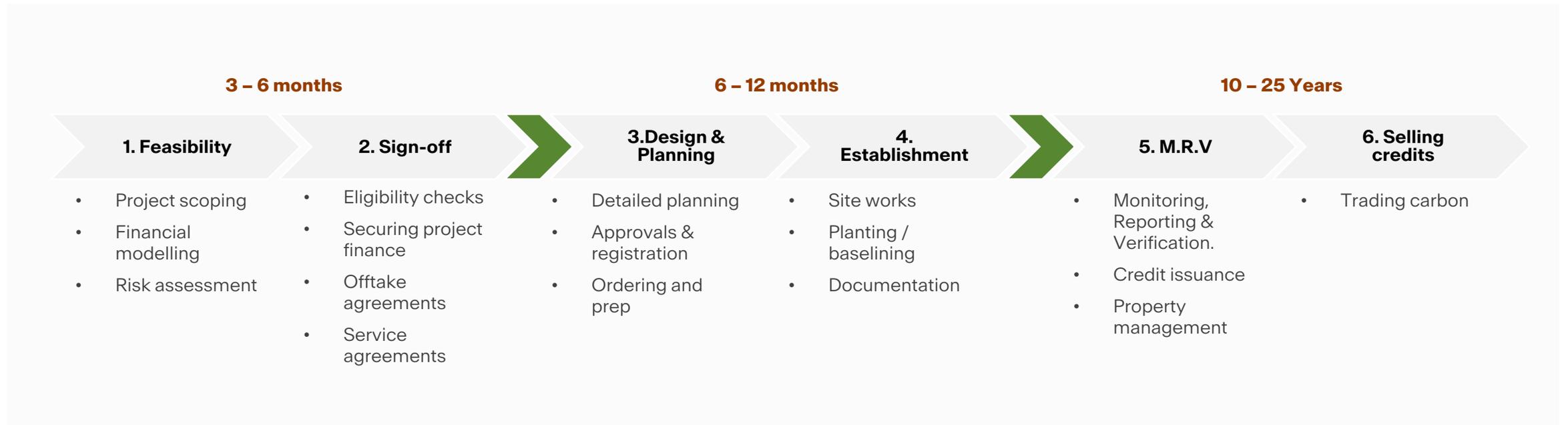
Certified Service Providers

We partner with agronomists, foresters, reforestation consultants, advisors, seed collectors, nurseries, machinery operators, tree planting crews, soil samplers and more.

Project Stages

We break things into a simple step-by-step approach

The chart below shows the stages of a carbon project. Prior to contract signing (stage 1 and 2), The CFF 's services are delivered on an obligation free fee-for-service basis. The % success fee share of carbon credits only comes into play after contract signing, for stages 3 – 6.



More Detail

Leaving the lion's share with the landowner.

We firmly believe that control of the carbon credits belongs in your hands.

A Carbon Credit is a long-term asset with two possible uses: You can 'retire' it – to achieve carbon neutrality status, or it can be sold for a profit to a third-party (who uses the credit to offset their own carbon footprint).

Under our standard partnership-based model:

- You incur all project costs, own the project and retain 95% of the Carbon Credits.
- Project finance or forward contracts on carbon credits are options at your discretion.
- We provide services to the project on a discounted fee-for-service basis, with the addition of being transferred 5% of any carbon units as a success incentive.
- Of course, we are also happy to work purely on a fee-for-service basis, leaving you with 100% of the carbon credits.

Sharing risks and not getting locked-in.

It makes sense to align all partners to the long-term goals of the project with success-based incentives. Our standard contracts also ensure that each party bears any carbon liability risks or project failure risks associated with their own % share of the carbon credits. Fair is fair.

We don't think long term lock-in contracts are reasonable, so our agreements give you transparent exit pathways to cancel the project or our services at any time. There is some reasonable compensation paid to partners for a voluntary project cancellation.

Want someone else to do the admin?

The DIY Carbon Farming Model needs someone on the ground who can oversee project admin and drive the software program. While it is simple and easy to use, in some instances the farmer may prefer not to manage the software or project.

In this case, you have two options:

Certified Delivery Partners:

You can engage a locally based Delivery Partner for strategic support and coordination over the project lifetime. This is an in-depth role. Normally we would expect the Delivery Partner to earn service fees and/or a 5% share of carbon credits as a success incentive. But really it is up to you.

Certified Service Providers:

If ad-hoc support is a preference, a range of Certified Service Providers are available who can provide admin assistance on an hourly rate basis to the project. We are training a whole team of regional bookkeepers to administer our software and provide phone-based support to CFF carbon projects.

Our Clients



"CFF gave advice that was in the interests of our business and the planet - without high pressure sales tactics. They are helping us jump the hurdle to get our projects going."

Adam Laitt - Milne Agrigroup

"It was really refreshing to get carbon farming advice that was so honest and clear. CFF's carbon heatmap gave me a quick helicopter understanding of the genuine carbon opportunity on my farm"

**Stuart McAlpine - Regenerative Farmer,
Northern Wheatbelt, Western Australia.**

Thank you

Please reach out to us via:
hello@carbonfarming.org.au

CFF Carbon
Farming
Foundation

