



EcoHarvest Producer Agreement

Contract Number: _____

“Producer”:

Name of Entity Receiving Payments: _____

Address: _____

Phone: _____ or _____

Email: _____ @ _____

“Property”:

Field Names: See Appendix A: Field Enrollment

Initial # Acres Enrolled in Project: _____

“Effective Date”: Month, Day, Year

“Term”: One (1) Program Year, renewable (subject to Section 4 below)

“Producer Representative”:

(Individual name if not provided above)

Contact Information: _____

* * * * *

This **Producer Agreement** (this “**Producer Agreement**”) is a legally binding agreement entered into by the **Ecosystem Services Market Consortium** (“**ESMC**”), a Virginia nonstock corporation, and the Producer identified above (the “**Producer**”) for participation in a program (the “**Program**”) designed to generate marketable environmental outcomes based on reductions in emissions or removal of carbon dioxide or other greenhouse gases (on a carbon dioxide equivalent basis, or “**CO₂e**”) from the atmosphere, increased biodiversity, reduced water usage and/or improved water quality (“**Environmental Benefits**”), at the Property identified above and represented electronically in the Ecosystem Services Market Consortium’s Eco-Harvest Producer Portal (the “**Portal**”). This Producer Agreement is subject to and incorporates General Terms and Conditions, and together the General Terms and Conditions and this Producer Agreement constitute a single agreement (this “**Agreement**”) with respect to the subject matter



hereof. Capitalized terms used but not defined in this Producer Agreement shall have the meanings set forth in the General Terms and Conditions.

The **General Terms and Conditions** [may be found at this location](#). This Agreement and the information exchanged or developed under this Agreement are subject to ESMC's [Producer Privacy Policy](#); and the further requirements set forth below.

As further described in this Agreement, ESMC will undertake the administrative, logistical and regulatory measures intended to generate marketable environmental outcomes (“**Outcomes**”) on the basis of the Producer’s operational modifications that generate Environmental Benefits and the related data recorded in the Portal, and Producer will undertake operational modifications for the purpose of generating Environmental Benefits and Outcomes to be sold pursuant to the Program and receive compensation as described in this Agreement.

ESMC and Producer therefore agree as follows:

1. **Purpose:** The purpose of the Program is to collect and analyze data related to operations on the Property to assess and quantify the Environmental Benefits resulting from the implementation of agricultural management practices approved by ESMC. The Program will monetize the Environmental Benefits through the creation of Outcomes representing reportable carbon emissions reductions, water quality improvements and/or biodiversity improvements (the “**Outcomes**”).
2. **ESMC’s Responsibilities:** ESMC will perform some of its obligations under this Agreement through contractors, which will include an Implementation Partner working with the Producer to collect data relating to the Producer’s agricultural management practices and site conditions. ESMC will analyze such data and additional data available from public sources or observations performed by contractors or ESMC personnel to evaluate the completeness and accuracy of the data and provide any necessary corrections. ESMC will then use the data to identify Environmental Benefits for purposes of generating Outcomes, and for the purpose of evaluating the opportunities for generating future outcomes under an addendum to this Agreement.
3. **Producer’s Responsibilities:** The Producer agrees to implement eligible agricultural management practices approved by ESMC and to use the Portal to accurately record data that documents Environmental Benefits associated with the Producer’s use of the Property. Producers will not pay to participate in the Program or be required to purchase any inputs to participate in the Program. Producer understands and acknowledges that participation in the Program requires compliance with ongoing requirements to enable ESMC to generate Outcomes and to sell them at favorable market values. Producer will fully cooperate with and allow ESMC representatives and its Implementation Partner(s) access to Producer’s farm and records, as needed, to complete the verification audit of data or Outcomes, and consents to the collection of data regarding the Producer’s operations using Implementation Partner(s) products and services and/or from general observation, public sources or aerial surveys.

4. **Term:** Unless a different Term is identified on the cover page of the Producer Agreement, each Producer Agreement will continue in full force from the effective date of such Producer Agreement until the later of March 31 of the first calendar year following the effective date of such Producer Agreement, or such later-date on which the parties' respective obligations hereunder have been completed (the "**Initial Term**"). Thereafter, each Producer Agreement will automatically renew for successive one-year renewal terms (each, a "**Renewal Term**", and together with the Initial Term, the "**Term**") up to a maximum Term ending March 31 of the sixth full calendar year following the Effective Date, unless the Producer or ESMC shall have given written notice of termination to the other party on or before the date that is 180 days prior to the termination of the Initial Term or any Renewal Term. A "Program Year" is the 12-month period commencing on April 1 of a calendar year and terminating on March 31 of the following calendar year.

5. **Sale and Outcomes**

The data recorded by the Producer and obtained by ESMC from other sources regarding Environmental Benefits are expected to generate Outcomes. Outcomes generated from such data will be deposited and maintained in an account that is managed by ESMC. ESMC will seek to arrange sales of Outcomes or license the rights to use Outcomes to third parties to effectuate the purposes of this Agreement, including providing compensation to the Producer. Producer shall not sell or license the Environmental Benefits recorded or documented through the Program, or any other rights or outcomes associated with such Environmental Benefits, except pursuant to the Program under this Producer Agreement or otherwise with ESMC's written consent.

6. **Compensation**

(a) Subject to the terms and conditions of the entirety of this Section 6, ESMC shall pay to the Producer the payments set forth in Table 1 below (Practice Based Payments) with respect to the Producer's participation in the Program during the first Program Year. Compensation for each subsequent Program Year shall be set forth in a modified form of Table 1 that is posted on the ESMC website on or before October 31 of the prior calendar year. ESMC will send email notifications to all Producers when any changes to Table 1 are posted to ESMC's website: [here](#). No changes made to Table 1 will reduce Producer compensation below the initial amounts set forth in Table 1 below.

(b) Payments will be made annually for practice change(s) enacted and Environmental Benefit outcome(s) generated by the Producer's participation in the Program, including all data entry and satisfaction of such Producer's obligations under this agreement. Prior to payment, practices and Environmental Benefit outcome(s) will be verified (via data entry and/or satellites). Minimum payment for practice changes enacted during the first Program Year of the Term and for outcomes generated during the first Program Year are as follows:

Table 1: Payment for Practices and Outcomes

Price Floor: Practice Based Payments (per acre)	
Enrollment incentive; paid in YR 1 only; paid within 90 days of completion of enrollment in program	\$5/acre
Conservation Tillage: tillage reduction, strip-till, no-till	\$5/acre
Nutrient Management: Nitrogen reduction, use of select nitrification inhibitors	\$5/acre
Cover Cropping: planting of a cover crop prior to commodity crop (per acre)	\$5/acre
Price Floor: Carbon Outcomes Payment (per tonne CO₂e)	
Carbon Removals and/or reductions	\$12/tonne
Price Floor: Water Outcomes Payment (reduction in lbs)	
Water Quality Improvements (reduction in sediment, phosphorus and nitrogen)	\$2/lbs

(c) With respect to the payments set out in [Table 1](#) in Section 6(a),

(i) **Enrollment Incentive:** ESMC will compensate the Producer for participating in the Program through a one-time enrollment incentive payment equal to the amount set forth in Table 1 for each acre enrolled in the Program (the **Enrollment Incentive**). The Enrollment Incentive shall be paid within 90 days of the execution of this Agreement.

(ii) **Practice Change Payments:** Payment set forth in Table 1 for implementation of Practices Changes A, B and/or C are paid on a per-acre basis for acreage enrolled in the Program and with respect to which the Producer has implemented such practice changes in accordance with the requirements of the [EcoHarvest Producer Guide](#). All such payments are conditioned upon Producer's compliance with this Agreement, including all required data entry, and may be subject to verification by ESMC as provided in this Agreement.

(iii) **Carbon Outcome Payments:** ESMC will seek to sell or license Outcomes on terms and conditions to be negotiated with third-party buyers of Outcomes. ESMC will not sell Outcomes at a price of less than \$12/tonne CO₂e (adjusted for inflation as provided below) without the prior written consent of the Producer. If ESMC is able to sell or license Outcomes to buyers for prices in excess of \$12/tonne, the Producer will receive all of such additional amount. If ESMC is unable to sell Outcomes for \$12.00 or more per tonne CO₂e (adjusted for inflation), ESMC will notify the Producer and seek Producer's consent to sell Outcomes generated from Producer's Environmental Benefits at prices that third parties have indicated they would be prepared to offer to buy Outcomes. In such event, Producers would receive such lower price in lieu of the \$12/tonne price set forth in Table 1. ESMC cannot guarantee that Outcomes will be sold to third parties or that it will be able to sell or license Outcomes generated under this Agreement for a price at or above the minimum of \$12.00/tonne CO₂e, adjusted for inflation.

(d) ESMC expects to incur costs and expenses in the administration of the Program. ESMC may receive from third parties or buyers of Outcomes cost recovery fees to cover ESMC's costs of performing its obligations under this Agreement, including program administration, the quantification, verification, and certification of Outcomes, coordinating soil sampling or arranging for the sale or licensing of Outcomes. Producers will not have any rights with respect to such third-party transactions or any right to share in the proceeds received by ESMC as a result of such reimbursements.

(e) ESMC will use reasonable commercial efforts to arrange for the sales or licensing of Outcomes generated by the Producer to third-party buyers on terms equivalent to sales or licensing of other outcomes generated by other producers. Producer acknowledges and agrees that third-party buyers will substantially control such purchases and sales, and that ESMC may not be able to arrange for sales or licensing of the Producer's Outcomes or other producers' outcomes. The ability to sell or license Outcomes and the prices received from such sales or licensing will be determined by market demand and cannot be predicted or guaranteed by ESMC.

(f) Dollar figures that are expressly subject to adjustment for inflation pursuant to this Section 6 shall be adjusted annually by increasing such amounts by a percentage equal to the percentage increase in the Consumer Price Index calculated as follows: For each year, the percentage calculated by (a) subtracting the CPI for prior year from the CPI for the current year, (b) dividing the remainder by the CPI for the prior year, and (c) multiplying the result by 100 to obtain a percentage rounded to the nearest .01%. For purpose of this Agreement, "CPI" shall be the Consumer Price Index for All Urban Consumers, Midwest Region, all items less energy and food, not seasonally adjusted, using 1982-1984= 100.

7. **Representations of Producer.** The Producer understands that the Program and the value of Outcomes generated under the Program depend upon the integrity of the data and ESMC's ability to convert Environmental Benefits to Outcomes. Producer therefore confirms and represents to ESMC the factual matters set forth in the General Terms and Conditions, including that the Producer (a) is authorized to enter into this Agreement, (b) owns or leases the Property, (c) owns the data being uploaded into the ESMC Portal, (d) has provided or will provide accurate information to ESMC in connection with the Program, and (e) confirms that the Property is not subject to any agreement with another program that generates outcomes, offsets, assets, supply chain reporting, or claims related to soil carbon sequestration, changes in greenhouse gas emissions, improvements in water quality, and/or water use efficiencies that could conflict with the creation of or result in double counting of the Outcomes that are subject to the Program (excluding regulations, easements or contracts that restrict the Property to agricultural uses).

8. **Change of Ownership.** In the event that the Producer is the owner of the Property and intends to sell the Property, or is the tenant operator of the Property and expects to vacate the Property, Producer shall notify ESMC in writing of such changes at the Producer's earliest opportunity, and shall use reasonable commercial efforts to cause this Agreement to be assigned to and assumed by a subsequent owner or operator. If such assignment and assumption is not concluded, ESMC may terminate this Agreement as provided in the General Terms and Conditions.

9. **Data Privacy:** The Producer authorizes ESMC to utilize a Producer’s data for the administration of the Program, including the generation and sale or licensing of Outcomes, for research purposes, and for the further development of the Program, the Portal, and associated technologies. Information that is personal to the Producer or identifies the Producer (such as e-mail address, data, and model results) is not sold or disclosed to third parties by ESMC, except when required to administer the Program or for other purposes described in ESMC’s Producer Privacy Policy, [which is available at this location](#). ESMC requires all its contractors, suppliers and vendors to execute confidentiality agreements for the purpose of maintaining the security and confidentiality of such information.
10. **Taxes.** The Producer shall be responsible for the payment of any sales, use, value-added, or other taxes based on the transfer to ESMC of the right to use Environmental Benefits to generate Outcomes. ESMC shall be responsible for the payment from the proceeds of the sale of Outcomes of any such taxes due on the sale of Outcomes to third parties.
11. **Termination:** In the event of a material breach of this Agreement by either party, the other party may give notice to such breaching party of such breach. If the breaching party fails to cure such breach within thirty (30) days, the non-breaching party may terminate this Agreement by written notice. A “material breach” by the Producer shall include (but not be limited to) failure to record data using the Portal, recording of inaccurate data and failure to respond to communications from ESMC for a period of greater than 180 days. Any damages payable by either Party to the other Party for breach of this Agreement shall be limited to the value payable to the Producer from revenues received from the sale of Outcomes generated from the Environmental Benefits and sold or licensed by ESMC to a buyer prior to the date of such termination.
12. **Indemnification.** Under the General Terms and Conditions, each party indemnifies and agrees to defend and hold harmless the other party and certain third parties from losses, costs, claims, expenses or damages to the extent arising from such party’s breach of any provision of this agreement or otherwise arising from the gross negligence or willful misconduct of such party.
13. **Disputes:** Any disputes arising under this Agreement will be resolved by the Parties directly in discussions involving the principals or, if not resolved informally, shall be submitted to mediation before a neutral third party in the relevant state where the Producer’s operations occur. If such mediation is not successful, the Parties shall have the additional remedies available under the General Terms and Conditions.
14. **Third-Party Beneficiaries:** No person other than a party to this Agreement may make any claim against either party based upon a breach of this Agreement by either party.
15. **General Terms and Conditions.** Nothing in this Agreement shall be interpreted to limit the applicability of the General Terms and Conditions. Additional rights and responsibilities of the parties under this Agreement, and important limitations on such rights and obligations, are set forth in the



General Terms and Conditions. This Agreement and the General Terms and Conditions shall be interpreted in a manner that allows compliance with both agreements to the extent possible, but in the event of inconsistency, the General Terms and Conditions shall prevail.

* * * * *

Intending to be legally bound by this Agreement, including the General Terms and Conditions and ESMC policies incorporated into this Agreement, the respective parties have caused this Agreement to be signed by an authorized representative:

Ecosystem Services Market Consortium

Producer Named Above:

A handwritten signature in black ink, appearing to read "Alana Pacheco", is written over a horizontal line.

Alana Pacheco
President

Name: _____
Title: _____



Appendix A: Field Enrollment

The Appendix lists fields enrolled in the EcoHarvest program. The list is generated from Ecosystem Services Market Consortium's EcoHarvest Producer Portal using data provided by the enrolling Producer.

Field Name	Acreage of Field