



## 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

**“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 “**CO<sub>2</sub>e**”) 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 EcoHarvest 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: [found here](#). This Agreement and the information exchanged or developed under this Agreement are subject to ESMC's **Producer Privacy Policy** found at this location: [found here](#); 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 this Producer Agreement, this Producer Agreement will continue in full force from the Effective Date until the later of March 31 of the first calendar year following the Effective Date, or such later-date on which the parties' respective obligations hereunder have been completed (the "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 (EcoHarvest 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 December 31 of the prior calendar year. ESMC will send email notifications to all Producers when any changes are posted to ESMC's website: [here](#). No changes made to the payments 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 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 any resulting Environmental Benefit outcome(s) will be verified (via data entry and/or satellites). Minimum payment for practice changes implemented during the first Program Year are as follows:



**Table 1: Payment for Practices**

<b>EcoHarvest Practice-Based Payments (per acre)</b>	
<b>Enrollment Incentive Payment (paid in Year 1 after initial enrollment only)</b>	
Enrollment Incentive <ul style="list-style-type: none"><li>• Paid within 90 days of completion of enrollment in EcoHarvest</li></ul>	\$10/acre
<b>Conservation Practice Based Payments (paid annually)</b>	
Conservation Tillage: <ul style="list-style-type: none"><li>• No Till (no tillage of any kind)</li><li>• Reduced Tillage</li></ul>	\$5/acre (minimum)
Nutrient Management <ul style="list-style-type: none"><li>• Reduction in synthetic fertilizer use (Nitrogen Use Efficiency)</li><li>• Split application</li><li>• Use of N inhibitor</li><li>• Use of manure</li></ul>	\$5/acre (minimum)
Cover Cropping <ul style="list-style-type: none"><li>• Planting of a cover crop prior to commodity crop</li></ul>	\$5/acre (minimum)

(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 newly enrolled in the Program (the **Enrollment Incentive**). Enrollment Incentive payments will not be available or made with respect to acreage enrolled in prior Program Years, whether under this Agreement or other agreements with ESMC. The Enrollment Incentive, if due to be paid to the Producer for acres newly enrolled in the Program, shall be paid within 90 days after the execution of this Agreement, subject to completion of all actions required to complete enrollment (submission of forms and data, among other things).

(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: [found here](#). 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. The Practice Change Payments in Table 1 are minimums; additional payments may be available under Section 6(e).

(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. ESMC will make additional payments to Producers ("bonus payments") if the revenues from the sale or lease of Outcomes, net of transaction and administrative expenses not otherwise reimbursed, to the extent received by ESMC. The determination of the amount of any bonus payment to a Producer will be made by third-party buyers and will depend on multiple factors, such as the Producer's emission factors (per unit Outcomes), total tonnage of Outcomes generated and type of crop or type of practice change. No bonus payments are guaranteed to Producer and no projection of the amounts of potential bonus payments can be made by ESMC.

## 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: [found here](#). 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. Notwithstanding anything to the contrary in the General Terms and Conditions, ESMC may post modifications to the General Terms and Conditions that become effective with respect to this Producer Agreement when the Producer next logs onto the Portal.

**16. Sole Agreement**

This Agreement is the sole agreement between the parties concerning the subject matter hereof, superseding and terminating by mutual consent any prior or existing agreement (including any agreement renewed automatically) between the parties concerning the subject matter hereof.

\* \* \* \* \*

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".

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