



## Carbon Credit Program Overview

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As a responsible farmer and land manager, you have taken important steps toward conserving our nation's valuable natural resources. Do to these conservation-based land management decisions; you might also be eligible to earn additional income from your farm or forest parcels by selling carbon credits.

Landowners earn these payments for storing carbon in their forests and soils through Dogwood Carbon's linkage with the Chicago Climate Exchange (CCX) and other carbon buyers. Right now, three categories of eligible practices are available for participation in the available carbon markets:

- Grasslands that have been seeded into former croplands since 1999
- Rangelands under sustainable grazing plans (with NRCS approved grazing plans)
- Trees that have been planted into former crop or pastureland since 1990.

As a voluntary program in the private sector, carbon credit payments align perfectly with government incentive programs such as the Conservation Reserve Program, Environmental Quality Incentive Program and Wildlife Habitat Incentive Program. **Carbon payments DO NOT disqualify participants from any government payment programs.** In fact, one of the largest segments of the carbon market thus far is CRP grass acres in the West.

To enroll in this program, fill out the attached landowner profile, parcel application page and Project Checklist. Then send them to us at Dogwood Carbon Solutions, P. O. Box 30020, Columbia, MO 65205. More information is available at [www.dogwoodcarbon.com](http://www.dogwoodcarbon.com) or by calling our toll-free enrollment line at 1-888-829-0084. We look forward to working with you.

**If you enroll by August 5<sup>th</sup>, 2008, your credits will be marketed by the spring of 2009. This is your last chance to cash in on carbon credits for 2008. Please send in the paperwork quickly to ensure that you are part of this unique opportunity.**

We look forward to working with you.

## Project Profile: Montana Grassland Restoration

Dogwood Carbon recently sold a large group of carbon credits from grassland seeding under CRP contracts. One of the participants was a farmer from Havre, Montana. He had enrolled in CRP in 2003 by seeding grasses on 1654.4 acres of former cropland. By enrolling in 2007, he was awarded carbon credits for 2006 and 2007 during the 2008 marketing year. **When the credits were sold at an average of \$5.35, this farmer earned \$12,500 by participating in the Dogwood Carbon trading system.**

## Grassland Restoration Carbon Income Estimator:

For an estimate of income opportunities available from carbon credits on your farm, you can use the following process to explore the options. Remember, this is only a tool to estimate your carbon income opportunity. The actual price of carbon fluctuates on the Chicago Climate Exchange, and your income would be determined by this price:

**STEP #1**—Enter the number of acres you have enrolled in CRP or the number of acres of former cropland you have converted to grassland since January 1, 1999: \_\_\_\_\_

**STEP #2**—Convert the number of acres entered above into a number of credits. Some areas of grassland seeding are worth one credit per acre; drier areas are worth .4 credits per acre. To check the rate in your area, call Dogwood Carbon at 1-888-829-0084: \_\_\_\_\_

**STEP #3**—Multiply the number of credits from Step #2 times 80%. 20% of your credits are retained in a reserve account to ensure compliance with the program until the end of the contract period: \_\_\_\_\_

**STEP #4**—Calculate the price per ton of carbon by taking the price which ranges from \$3 to \$6 per credit minus \$0.12 for verification. Then subtract the 10% transaction fee Dogwood Carbon retains. The balance is the landowner share per credit:  
(Example  $\$5.25 - \$0.12 - 10\% = \$4.62$  per credit) \_\_\_\_\_

**STEP #5**—Multiply the annual sellable credits (from step 3) times the price of carbon (from step 4). This is the amount you can earn per year for your participation in the carbon credit trading system: \_\_\_\_\_



## Grassland Project Enrollment Requirements

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To enroll your grassland acres, please take a few minutes to review the list of documentation required to be issued your carbon credits. Any parcel that has been converted to permanent grassland from cropland since January 1st, 1999 is currently eligible. These include tracts currently under CRP, EQIP or Grassland Reserve Program contracts through USDA. Once we receive these documents, we will issue you a carbon credit contract and you will be ready to earn carbon income.

### Application Material Checklist

- 1.) I have completed a Client Information Form (see enclosed)
- 2.) I have completed and attached Tract Description Form/s (see enclosed)
- 3.) I have included a copy of my FSA annual reporting form (Form 578 at the local FSA office).
- 4.) I have included Original and Current CRP or EQIP contracts if applicable (Form CP-1 at the local FSA office)
- 5.) I have included a copy of the areal FSA map and legal land descriptions for each tract
- 6.) I have included proof of grass seeding since January 1st, 1999 (CRP/EQUIP cost share forms or invoices)

**Return Completed Application by August 5th, 2008, to**

Dogwood Carbon

P.O. Box 30020 Columbia, MO 65205

Fax: 888 829 0084



## Client Information Form

<b>Name:</b>		<b>Company Name:</b>	
<b>Name(s) To Appear on Contracts</b>			
<b>Mailing Address:</b>			
<b>City:</b>		<b>State:</b>	
		<b>Zip:</b>	
<b>Phone:</b>		<b>Fax:</b>	
<b>Email:</b>		<b>Mobile Phone:</b>	
<b>Notes</b>			

<b>FOR OFFICE USE ONLY</b>			
<b>Date Received</b>		<b>Client Number:</b>	
Contracts			
Issue Date:	Contract Number:	Acres Under Contract:	Return Date:



## Tract Description Form

Tract					
<b>FSA Farm Number:</b>		<b>FSA Tract Number:</b>			
<b>Township: (82N)</b>	<b>Range: (21W)</b>		<b>Section (45)</b>		
<b>County:</b>			<b>State:</b>		
<b>Grass Seeded after 1/1/1999</b>	Total Acres	Year Seeded	<b>Trees Planted after 1/1/1990</b>	Total Acres	Year Planted
<b>Rangeland (Sustainably Grazed)</b>	Total Acres	Grazing Plan Type		Stocking Rate	
<b>Species of Tree Planted (for tree planting only)</b>				<b>Species % of total planting</b>	

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**Please Copy This Form For Additional Tracts**