Bayer Carbon Program

FAQs

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**GENERAL**

**What are the benefits of Bayer's program?**
- Flexible and simple: You choose which practices you enroll in, then it's our turn to do the rest. Bayer takes care of practice validation, soil sampling and beyond.
- Partners in results: We’re committed to our growers and want you to benefit from expanding carbon markets. If carbon prices increase, your rewards may increase too.
- Certainty for you: You’re rewarded for the verified and validated practices you adopt, period. There’s no need to worry about how many tons of carbon you generate.

**Who benefits from my sequestered carbon?**
You, your soil and future generations will all benefit from sequestering carbon, through increased soil health, improved soil fertility and reduced erosion.

Reduced tillage and cover crops typically increase yields in the long run by improving soil health and increasing organic matter levels. When adopting different agronomic practices, a holistic approach is required to optimize the yield of each field. Multiple variables come together in a field to determine the final yield of crops including soil type, equipment settings, nutrient management, pest management, planting date, harvest timing and more.

In addition, carbon credits generated from your practices will help create a more sustainable future for everyone, as large organizations may buy your credits to meet their long-term sustainability goals.

**What are cover crops? Are there limitations to what qualifies as a cover crop in the program?**
Cover crops are species of grass, small grains, legumes or brassicas grown for seasonal protection and/or soil improvement. Cover crops provide valuable biomass to the soil when left on the field. To maximize the soil health benefits and carbon capture of this practice, crops that are grazed, baled, or harvested as a cash crop (or for any other reason) would not qualify as a cover crop at this time.

**What are the benefits of cover cropping? Reduced tillage?**
Reduced tillage and cover crops are effective ways to support your yield potential, soil health and nutrient management over time. These practices will also create lasting, positive environmental effects by reducing soil erosion, allowing for enhanced weed control opportunities and promoting healthier soils for future generations.

**What flexibility do I have in this program?**
You have the flexibility to choose which climate-smart practices you implement and which fields you enroll. If you are seeing success in the program, you can request to add fields each year you are in the program (subject to Bayer’s approval). If you do not implement the selected practices (e.g. due to environmental conditions) on the enrolled fields, you should notify Bayer. You will not receive payment for those years, and Bayer may choose to terminate the agreement following a review of the circumstances. However, if despite your best efforts to implement a cover crop practice, your cover crop fails due to factors outside of your control (such as a weather event), you will still qualify for payment, but may need to provide additional evidence showing your efforts.
ELIGIBILITY

Which states are eligible for enrollment?
Eligible states include: IN, IL, IA, KS, WI, ND, SD, NE, MN, MO, MI, OH, AR, MS, LA, MD, and DE.

Which practices do I need to implement on my fields to be eligible for enrollment?
Fields that have adopted or will be adopting at least one eligible practice (no-till, strip-till or cover crop) starting on or after January 1, 2012 will be eligible for 2021 enrollment.

What is the minimum field size that’s eligible to participate?
Fields must be at least 10 acres in size to participate in the program.

Which crops can I have in my rotation to be eligible?
At this time, the eligible primary cash crops for fields enrolled in our program are corn and soy (but you may intermittently rotate to wheat).

For 2021 Enrollment, when do the practices have to take place?
For the 2021 Enrollment, we will verify and reward you for practices implemented from Fall 2021 through Spring 2022.

What if I adopted one or both practices before January 1, 2012 but took a break since?
You may be eligible. We consider adoption to mean continuous (every year) use of these practices beginning at the year of adoption.

I have never done cover crops or no-till/strip-till on my fields before, can I enroll them in the program?
Yes. Fields are eligible if you are adopting these practices on them for the first time, if they meet other eligibility criteria (such as being located in an eligible state).

I am already doing one of these practices in my fields (no-till/strip-till or cover crop). Will these fields be eligible?
Yes, if the practice(s) began on or after January 1, 2012 and your fields meet other eligibility criteria (such as being located in an eligible state).

I am already doing both practices (no-till/strip-till and cover crops) in my fields, will these fields be eligible?
Yes, if the practice(s) began on or after January 1, 2012 and your fields meet other eligibility criteria (such as being located in an eligible state).

Am I able to “stack” the Bayer Carbon Program with other government programs that compensate for sustainable practices?
Yes, you can participate in state and federal programs that support climate-smart practices as long as they do not generate greenhouse gas reduction assets.
For how long will I need to adopt or maintain these practices?
In order to guarantee that carbon stays sequestered in the soil, practices should be maintained for 20 years (the 10-year program term, plus an additional 10-year retention period after the program term). While this may seem like a long time to commit to changing practices in the field, you can expect to see overall soil health and other benefits become stronger each year of practice adoption. This long-term commitment ensures that the soil benefits are not reversed, and provides the best land for future generations.

Can I enroll the same fields in other carbon credit programs?
The same fields cannot be enrolled in multiple programs that generate greenhouse gas reduction assets (such as carbon credits). Please check the other programs' contracts for eligibility.

How do I enroll my fields?
You can enroll your fields by creating an account on our website at bayercarbon.com. As part of the signup process, you will sign the Bayer Carbon-Smart Practices Master Agreement and link your FieldView™ account and select eligible fields to enroll in the program.

If I enroll today, will I be locked into this program, or will I need to re-enroll?
Fields will be automatically re-enrolled on a continual basis throughout the program term. However, each year of the program, you may submit a request to Bayer to update your enrolled fields. After considering the circumstances (such as risk of carbon reversal), Bayer may approve the request.

Would fields added in the future (with Bayer's approval) go under the same original contract?
Fields added in the future (with Bayer's approval) will be subject to the same program as the original fields, as long as the program is still active and you have fields enrolled under the program. Adding fields with Bayer's approval will extend the length of the contract.

Can I remove a field from the program and add it back later?

Could I drop out of the program entirely?
Each field must remain enrolled in the Bayer Carbon Program for 10 years (minus any years for which the farmer receives payment for historical practices), plus an additional 10-year retention period after the program term where the practices must be maintained. This long-term commitment ensures that the soil benefits are not reversed, and provides the best land for future generations.

Removing fields is generally not permitted in order to protect the benefits of the practices. However, in exceptional circumstances, Bayer may approve requests to remove a field from the program. Bayer will evaluate such requests on a case-by-case basis.

Dropping out of the program is permitted. While we are looking for long-term enrollment, we understand that circumstances change. There is no penalty for leaving the program, but you must provide written notice to Bayer at least 30 days prior to the end of the current program year.
How long will the enrollment process take?
The length of the enrollment process will vary based on the number of fields you have. It will only take a few minutes to set up your account in the Digital Marketplace, sign the Bayer Carbon-Smart Practices Master Agreement and link your Climate FieldView™ account. From there, our field enrollment process will ask a few questions per field to determine your eligibility, which should take 35-45 minutes total.

What is the deadline to enroll for 2021?
Enrollment is on a rolling basis. For the 2021 enrollment, sign up prior to harvest to secure your spot.

What if I am not a landowner?
Is the Bayer Carbon Program contract with the tenant or with the landowner?
The Bayer Carbon Program contracts directly with growers, and payment for practices that are implemented are awarded to the grower. By signing the contract, you agree that you have the appropriate permissions from the landowner to participate in the program. Additional information will be required upon our request.

REWARDS FOR 2021 ENROLLMENT

How much can I get paid?
Bayer will pay you $3 per acre for reduced tillage (strip-till or no-till), $6 per acre for cover crop adoption, and $9 per acre for adopting both practices, per year. Payment is subject to you adopting and maintaining practices, and verification and validation by Bayer. In addition, there may be a potential one-time payment for historical practices (determined on a case-by-case basis).

What is the reward for historical practices?
Rewards for historical practices are dependent on the sale of carbon credits generated. These will be paid out at the same rate as future practices. Note that only practices that were adopted between 2017 and 2021 are eligible for this one-time payment. Each field will be considered on a case-by-case basis.

How long does the program last?
Each field must remain enrolled in the Bayer Carbon Program for 10 years (minus any years for which the farmer receives payment for historical practices), plus an additional 10-year retention period after the program term where the practices must be maintained. Carbon credit buyers require that emission reductions be long-lasting. The length of our contract is standard across the industry. You can expect to see overall soil health and other benefits become stronger each year of practice adoption. This long-term commitment ensures that the soil benefits are not reversed and provides the best land for future generations.

Does the price per acre include the cost of cover crop seeds?
No, the rewards per acre do not include cover crop seeds.
What support is available to me after I enroll?

Bayer will match you with dedicated agronomic support via email and phone. Additionally, you will have access to a number of webinars, how-to guides and up-to-date training materials to support you in your practices.

Who can I contact to find out more?

You can contact your local Bayer sales representative, or our Customer Success Team either by email (carbonprogram@bayer.com) or phone (833-877-7934).

How do you verify that the practices have been implemented?

How are my historical practices verified?

Bayer will verify execution of practices utilizing various methods, including the Climate FieldView™ platform and Operational Tillage Information System (OpTIS) technologies. OpTIS is an automated system that uses remote sensing satellite-based data to monitor conservation practices in agricultural systems, including various forms of reduced tillage and the planting of winter cover crops. These systems use publicly available satellite images taken throughout the season and interpret the results to evaluate the presence of tillage or cover crops. More information on OpTIS can be found at https://www.ctic.org/OpTIS_Information.

What specific criteria is being verified to show performance of practices?

Generally, conservation tillage practices (no-till or strip-till) can be verified through residue covering the surface of enrolled fields, and utilization of cover crops can be verified through biomass on the enrolled fields. The presence or absence of the residue or biomass can typically be determined through OpTIS technology, using multiple images taken throughout the season from fall/winter and spring.

What happens if I selected both practices, but I can't deliver on one or both practices?

What flexibility do I have?

Payment is not locked in to “all or nothing”. You will be paid for the verified practice that did occur on the field should you not be able to execute both. If you do not implement one of both of the selected practices (e.g. due to environmental conditions) on the enrolled fields, you should notify Bayer. You will not receive payment for those incomplete practices, and Bayer may choose to terminate the agreement following a review of the circumstances. However, if despite your best efforts to implement a cover crop practice, your cover crop fails due to factors outside of your control (such as a weather event), you will still qualify for payment, but may need to provide additional evidence showing your efforts.

What happens if I encounter germination issues?

Will the verification methods still credit me for seeding a cover crop?

If a cover crop is planted but, despite your best efforts, it does not germinate, you will still qualify for payment, but may need to provide additional evidence.
Do I need to have a Climate FieldView™ account? Does this require consent?
Yes. To participate in the program, you will need to have and maintain a subscription to Climate FieldView™ PLUS throughout the program term. This platform enables the collection of data that will be used to calculate carbon sequestration. As with all Climate FieldView™ digital ag platform initiatives, you will always own your data and be able to control who you choose to share that data with. You will be required to share fields for enrollment.

Am I required to use Bayer products in order to participate?
No. While Bayer has a broad selection of industry-leading crop protection, seed and seed treatment products, you are not required to purchase Bayer products to participate in the program.

Why is there a 10-year retention period in the contract?
The 10 year retention period is required to meet the requirements of carbon credit buyers, who are looking for longevity of carbon soil storage. Not only does this help ensure the integrity and quality of these carbon credits, but it is essential for securing a premium market price.

Will I receive payment for the 10-year retention period?
In addition to the potential soil benefits of the program, we expect that carbon credits will continue to be generated for at least the first 10 years that practices are performed. If carbon credits continue to be generated after that, we will give you the opportunity to share in that value.

How will Bayer share additional value if the price of carbon increases?
Carbon Credit markets continue to evolve. Today, average carbon credit prices range from $15-$20/ton. However, if carbon prices substantially increase during the term of the agreement, we will update our offer.

How will I know what carbon credits are selling for?
We are committed to developing a transparent process to share information with our growers, including the market price of carbon credits. Once enrolled, you will receive regular newsletters with carbon market updates and exclusive information about the program.

DATA

How much record keeping will I have to do?
We ask that you keep (and provide Bayer with) accurate information on data related to your practices on the enrolled fields or otherwise related to enrollment in the program. Bayer needs this data to—for example—verify the performance of practices or calculate carbon credits. We hope to obtain the necessary data with limited effort from you through technologies like the Climate FieldView™ platform and remote sensing. However, there will be times where data available through these tools is not accessible or reflective of what occurred in the field. In those instances, we may ask you to provide additional supporting documentation of your practices (such as receipts for cover crop seeds, as-applied maps, etc.).
Will I need to share receipts for anything?
We recommend that you save all receipts related to your practices on the enrolled fields, just in case additional verification is needed. This would include receipts for purchases directly related to enrollment in the program, such as receipts for purchases of cover crop seeds, and receipts for purchases that are not directly related to enrollment in the program, such as receipts for nitrogen applications.

How do you record and share my data?
Our access to (and use of) the data you provide under this program is governed by the terms of your Bayer Carbon-Smart Practices Master Agreement and the Privacy Statement. Bayer will only access and use your data for the purposes stated by the agreement, such as to verify the performance of the practices, calculate the number of carbon credits, and similar purposes. Bayer will not share your data with third parties except in confidence for the purposes listed by the agreement. For more information about how Bayer handles your personal data, see our privacy statement at https://www.cropscience.bayer.us/privacy-statement.

AGRONOMY

Where can I learn more about climate-smart practices and management?
For more information, you can access the External Carbon Agronomic Resources (E-CAR) site located on Seismic. https://bit.ly/3qxhlIA

Both internal and external users can access these resources, but new external users will need to reach out to our Customer Success Team via carbonprogram@bayer.com to request access to the site.