



CARBON COOPERATIVE 2.0[©]

| Cooperation Works

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Farmers are not environmentalists.

What?

We have heard this for years and it is simply not true, the truth is, farmers take care of their soil and water because they have to. If they do not, they will not grow a good crop and will not survive to farm another year. We are asking farmers to lower their carbon footprint in order to remove and reduce overall carbon emissions in this country and around the world.

As with so many other regulations in the agricultural industry, the farmers are being asked to do this with the bulk of the reward going to third parties in the agricultural value chain. Some farmers do what is needed with regards to reducing carbon emissions; however, more would participate if they were able to reap rewards that are currently going to others.

Introducing Sustainable Farming, LLC. Carbon Cooperative 2.0[©]. The Carbon Cooperative 2.0[©] will be a farmer owned and farmer operated carbon aggregator working with farmers to reduce their carbon footprint to earn carbon credits that will be delivered to the Cooperative and then sold to customers wanting or needing carbon credits. The benefits of "carbon reduction farming" will go directly to the farmers who will be the owners of the cooperative. This is, by far, the best way to incentivize farmers to shrink their carbon footprints supporting the overall goal of reducing global carbon emissions.

Farmers, by nature, care about the soil they farm. When you add a dose of capitalism to that care it will result in a significant decrease in overall carbon emissions and benefit the rural American economy.

Please review the following information. Your feedback is vital to this becoming successful.

Thank you,

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I believe in the future of agriculture, with a faith born not of words but of deeds.

— Future Farmers of America Creed

The quote above is the opening line of the Future Farmers of America creed, of which many of us involved in agriculture are very familiar with. Agriculture is charged with producing food, fiber and in some cases fuel for the world. With the impending climate crisis, agriculture can also be a solution with proper farming methods (Regenerative Agriculture).

Agriculture is very diverse, but universally dependent on the forces of nature. Climate change is both a treat and an opportunity for farmers whose economic well-being is dependent on agriculture.

What needs to be done?

Step One: Engage policy makers.

Right now, in the ag community, it is a “rat race” with products, ideas, and promises thrown at us. We are not going to move the needle on climate solutions unless we have standards. Whether it is USDA, EPA, or other organizations, we need to have a set standard so that we can incentivize those that meet future proposed standards.

Two: We need to align the interest of all sectors of people.

Business leaders, educators, environmentalists, students, religious leaders, farmers, etc. We are in this together and talking about climate solutions is good, but we need to start taking action. Carbon Cooperative 2.0[©] is an example of walking the talk.

Three: Engage farmer stakeholders.

Vision • Cooperation • Commitment — the three steps to a successful project. If farmers are part of the vision – cooperation and commitment follow. Carbon Cooperative 2.0[©] is unique because farmers actually help create the vision (bottom up). Their voices, ideas and thoughts are important to create a vision of which they are rewarded and objectives obtained.

COOPERATION WORKS

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COOP MISSION

It is the mission of the Carbon Coop 2.0[©] to increase the profitability of its owners by educating, verifying and aggregating carbon credits through regenerative farming practices.

Why Do This as a Cooperative?

The reason for a grower cooperative includes:

Farmers will receive a majority of the economic benefit derived from their efforts to lower their carbon credits.

The best way to incentivize farmers to shrink their carbon footprint is to make sure that they receive those benefits.

The cooperative will be able, finally, to monetize for farmers their information and access to growers by suppliers looking for a willing and primed audience.

Farmers will get the benefit of reducing their carbon footprint, not a third party entity.

UNIQUE MODEL

Carbon Coop 2.0[©] is a “bottom up” model owned and controlled by its members to operate economically to the benefit of those same members. The members have a Shared Vision, Spirit of Cooperation and a Commitment to Succeed.

Why Do This Independent of any One Supplier?

Maximizing reduction of carbon footprint has to be bigger than one particular input or technology (like biologicals or tillage, etc.) in order for farmers to take advantage of what they are already doing and then build on it.

Need to utilize all carbon reducing approaches not just one.

Need to maintain credibility with farmers by being objective about suppliers.

There may be competing suppliers who all reduce carbon, we want to include all of them.

Functions of the Cooperative

Attain objectives that would be unattainable if acting alone

Help members gain marketing power

Fulfill an economic or service need

Educate members

Return all profits to its members on a pro rate basis

Maintain democratic control
(one member one vote)

Be financially viable, socially acceptable, and environmentally just (ES6)

Society

Reduce and remove carbon emissions nationwide.

Farmers

Accrue monetary benefits of lowering carbon footprint.

Customers

Buy certified carbon credits to reduce carbon levels or offset their own carbon producing activities. Ensure that those credits are certified and usable.

Suppliers

Gain access to a ready made and motivated market for their products and services.

Next Steps

Determine carbon credit criteria

Explore partnership with Third Party Certification Parties

Explore partnership with suppliers of carbon reducing technologies and inputs

Determine need for cooperative to have consulting services available.

Develop co-op structure and management, pricing and overall business plan; confirm feasibility

Make sure that the business makes sense and then put together offering documents

Explore the development of a Carbon Bank

Explore possible "offtake" agreements

1

Goal
Remove and Reduce Carbon Emissions

2

How
Lower the carbon footprint of farmers.

3

Vehicle
Form a farmers owned cooperative:
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4

Ownership
Farmer owned cooperative with corporate partners. Corporate partners will be members in order to gain access to the farmers in the cooperative and to promote their products.

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| Frequently Asked Questions

Why Do This as a Cooperative?

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural need and aspiration through a jointly owned enterprise. Cooperatives are democratically owned by their members, with each member having one vote in electing the board of directors.

Is the cooperative already formed?

Yes and no. It is structured and filed as a Minnesota Cooperative. However it is only beginning to form a steering committee. From there it will select leaders and a Board of Directors.

At what point are you now?

I am sending information out and introducing this idea to farmers, policy makers, environmentalists, business leaders, etc. Right now, we are looking for support and people, to not only be on the steering committee, but also have ideas to ensure the cooperative is successful.

What does it take to be a member?

The coop would issue membership stock. There is usually a fee to be a member, with those funds used to organize the coop (legal fees, etc). In order to be a member you will need to have a vested relation to the products of the coop. In this case, generating carbon credits or purchasing carbon credits.

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Where do you see the Carbon Cooperative 2.0 in two years?

As a visionary, I see many farmers working together and aggregating large numbers of credits. The next step would be to form a Carbon Cooperative 2.0 bank. It would be set up like a Credit Union. There would be multiple Carbon Coop banks set up. They could be built around a commodity or by region. I would hope that if we are serious about solving climate change that these credits, with government help, would be retired. If they are sold off as offsets, the price should be "painfully" high. With the profits shared among the members of the Carbon Coop bank.

What's Next?

I would like people and policy makers to weigh in on the idea. I don't have a monopoly on insight and wisdom but I would like the concept to move forward. Your input is vital!

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