



## Regenerative Agriculture Rebate Program Agreement

Producer: \_\_\_\_\_ Phone: \_\_\_\_\_ Cell: \_\_\_\_\_

Organization: \_\_\_\_\_ Address: \_\_\_\_\_ Date: \_\_\_\_\_

Farmers Business Network (“FBN”) is excited to offer this Regenerative Agriculture Rebate Program to its farmer members. FBN farmer members growing corn, soybeans, and/or wheat who enroll in the Program and meet prescribed soil health and nitrogen efficiency standards will be eligible to receive an interest rebate on their operating lines of credit with FBN’s affiliate, FBN Finance, LLC. By participating in the Regenerative Agriculture Rebate Program (“Program”) you agree to the following Terms and Conditions. The words “you,” “your,” and “yours” mean those producers who sign the Agreement. The words “we,” “us,” and “our” mean FBN.

### Program Eligibility

To be an “Eligible Farmer” you must (i) be an FBN Member, (ii) enter into a line of credit with FBN Finance, LLC (excluding agequity, margin lines, and input financing products), and (iii) be an agricultural producer located in the continental United States.

If you are an Eligible Farmer, complete the Required Activities, and successfully meet the environmental standards outlined in Appendix B (attached), you will earn a 0.5% discount from your base rate on the interest paid on the line of credit through the full and timely payment of the line of credit (“Discount”). For example, if you have an average outstanding balance of \$650,000.00 for 365 days, and your base rate is 3.5% and as a result, you pay a total of \$22,750.00 in interest throughout the life of the line of credit, your rebate would then be \$3,250.00.

### Required Activities

Eligible Farmers must satisfy all of the following “Required Activities”:

- 1) You must apply for and receive a line of credit with FBN Finance, LLC, and comply with all terms and conditions of the line of credit throughout the life of the line of credit, without instances of default, including its full and timely payment.
- 2) You must be an agricultural producer growing corn, soybeans, and/or wheat.
- 3) You must submit required data, including accurate and detailed records of required agricultural practices described in Appendix A by no later than **December 16, 2022**.
- 4) If you are selected for data validation, you must share individual data and survey responses with a 3rd-party service provider for the purposes of validating submitted data.

### Timing

The Program begins as of the date above and runs through the completion of all obligations of the parties, unless earlier terminated in accordance with the terms and conditions on the reverse side hereof. At our discretion, the final date for the Program may be adjusted. You will receive the Discount within thirty (30) days following the successful completion of the Required Activities and validation of environmental standards outlined in Appendix B.

### Farmer Data

By participating in the Program, you agree to us generating your individual environmental score based on certain sustainability criteria including Nitrogen Balance, water quality and sustainability farm management (“Environmental Score”). In addition, you agree to us sharing aggregate and anonymized data with third-party validation services, the Environmental Defense Fund, and potential future funding partners.

The signature below indicates that you have read this Agreement in its entirety and that you agree to be bound by its terms and conditions.

**FBN**

By:

Name:

Title:

**PRODUCER**

By:

Name:

Title:

**Additional Terms and Conditions****1. Data submission requirement**

The data requirements have been designed to be simple and non-intrusive. Required data will be collected from your precision files as well as your fertilizer invoices and coverage maps of fertilizer applications, if available. In addition, you will be required to fill out a brief 30-minute recorded survey about cultivation and business practices (collectively “**Farm Data**”). Appendix A is expected to be a complete list of data required; however, changes may occur throughout the Program. In the case of data collection changes, Members will be notified in advance. We have sole discretion to determine data completeness. Our staff will reach out to collect Farm Data via the phone. Farm visits may be available upon grower request. In-person farm meetings are at our sole discretion and not guaranteed. Please note that you must make yourself reasonably available to provide the required data. Should we not be able to reach you via email or telephone in a timely manner, you may be dropped from the Program. You agree to not provide us with any false or misleading information. The provision of any false or misleading information may result, in our discretion, in your disqualification from the Program, the termination of your right to receive any payments under the Agreement, and the immediate termination of the Agreement without any liability of us to you.

You will need to submit any precision data, Farm Data and answer any relevant survey questions for the current crop year and submit harvest data by December 16, 2022.

**2. Data Validation**

This Project may require an on-site validation of data collected. This validation will be conducted by a 3rd-party service provider. As a part of this contract, you agree to share individual data and survey responses with this 3rd-party service for the purposes of validating information. Validation happens only for a subset of all participants in the program. If you are selected for validation, advanced warning will be given at least two weeks ahead of time. The third-party validation provider is required to execute a confidentiality agreement and to adhere to FBN’s privacy policy regarding the use of your data.

**3. Leaving the program**

This Program is voluntary and at will. Leaving the Program will not affect any other obligations you may have with FBN including, but not limited to, your obligations under your operating loan with FBN Finance.

**4. FBN’s Privacy Policy and Terms of Service**

We know you care about how your data is used and shared, and we take your privacy seriously. Unless otherwise stated in this Agreement, this Agreement is governed by FBN’s Terms of Service (TOS) and Privacy Policy (PP). By signing below, you expressly consent pursuant to the TOS and PP to FBN sharing your anonymized and aggregated data with the Environmental Defense Fund and funding partners for purposes of this Program.

Terms of Service can be viewed here:

<https://www.fbn.com/page/show/tos>

Privacy Policy can be viewed here:

<https://www.fbn.com/page/show/privacy-policy>

**5. Representations and Warranties**

Each party represents and warrants that it has the legal power and authority to enter into this Agreement. We represent and warrant that we will provide the services outlined in this Agreement in a manner consistent with general industry standards reasonably applicable to the provision thereof. We represent and warrant that we will comply with the laws and regulations applicable to us in the performance of this Agreement.

**6. Warranty Disclaimer; No Guarantee**

ALL SERVICES PROVIDED BY US, OUR AFFILIATES, OR SUBCONTRACTORS HEREUNDER ARE PROVIDED “AS IS”. We in no way warrant or guarantee any of the following: (i) the success of your efforts to achieve improvements in practice adoption or reduce the environmental impact of your farm operation; (ii) the financial success of your business; or (iii) the work of any other third party that may perform services for us.

**7. INDEMNIFICATION**

You will indemnify, defend, and hold harmless FBN, its affiliates, employees, representatives and agents, and those of its affiliates, from and against any and all claims, actions,

demands, liabilities, judgments, losses, costs (including reasonable attorney's fees) and damages that are attributable to your acts or omissions in breach of the Agreement, including breach with respect to the truthfulness and accuracy of the representations and warranties and all documents provided to FBN.

#### **8. LIABILITY**

IN NO EVENT WILL FBN BE LIABLE UNDER OR IN CONNECTION WITH THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY (a) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES, (b) INCREASED COSTS, DIMINUTION IN VALUE, OR LOST BUSINESS, PRODUCTION, REVENUES, OR PROFITS, (c) LOSS OF GOODWILL OR REPUTATION, (d) USE, INABILITY TO USE, LOSS, INTERRUPTION, DELAY, OR RECOVERY OF ANY DATA OR BREACH OF DATA OR SYSTEM SECURITY, OR (e) COST OF REPLACEMENT GOODS OR SERVICES, IN EACH CASE REGARDLESS OF WHETHER FBN WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. THE ABOVE LIMITATIONS OF LIABILITY REFLECT AN ALLOCATION OF RISK BETWEEN THE PARTIES IN VIEW OF THE FAVORABLE INCENTIVES

PROVIDED BY FBN RELATIVE TO THE SERVICES DESCRIBED HEREIN, AND ARE MATERIAL TERMS HEREOF.

#### **9. Relationship**

The relationship between you and us created by this Agreement is that of independent contractors, and we are not and shall not be deemed to be your employee for any purpose.

#### **10. Applicable Law; Submission to Jurisdiction.**

This Agreement is governed by and construed in accordance with the internal laws of the State of Illinois, without regard to conflict of law provisions. Any legal suit, action, or proceeding arising out of or related to this Agreement shall be instituted exclusively the courts of the State of Illinois in each case located in the city of Chicago and Cook County, and each Party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. If any one or more of the provisions of this Agreement should be held to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired.



## APPENDIX A: DATA REQUIREMENT OVERVIEW

### Data: requirements for how producers will submit planting, harvest, and fertilizer application data

At the field level:

- Precision data:
  - Planting-
  - Fertilizing-
  - Harvest-
  - Coop/Custom application-
- or FSA maps (Must include field name)-
- Evidence of soil sampling

**Supporting documents:** These will only need to be collected if needed for validation purposes depending on submitted data type

- Crop insurance report and/or scale tickets if no precision yield file-
- Any Coop/Custom applied fertilizer receipts not captured by precision file-
- Manure analysis and receipts of application if applied-

### Program Survey:

#### General

- **Farm Overview**
  - Field boundaries
  - Crops
- **Yield**
  - For each cash crop

#### Fertilizer

- **Type**
  - Urea-
  - 28%-
  - 32%-
  - AMS-
  - MAP-
  - DAP-
  - Potash-
  - MESZ (12-40-0-10S-1ZN)-
  - Other-
- **Timing of Nitrogen Applications**
  - Spring-
  - Summer-
  - Fall-
- **Primary Fertilizer Application Method**
  - Injected-
  - Broadcasted-
  - Broadcasted and Incorporated-
- **Nitrogen Inhibitors**
  - Type-
  - Total amount used-
- **Lime Application**
  - Yes
  - Rate/ac-
  - Frequency of applications-
  - No
  - Lime applied to any other crops-

#### Tillage

- **Tillage Practices (in a % across all acres)**
  - Conventional Tillage-
  - Minimum Tillage-
  - No-Till-
  - Strip-Till-



**Cover Crops**

- **Acres with cover crops**
  - % of acres with cover crop-
  - % of Preventive Plant acres with cover crop-
  
- **Type**
  - Brassica (mustard, rapeseed)
  - Grass ( Rye, Oats, Wheat, Sudan)
  - Legume (Vetch, Peas, Beans, Clover)
  - Radish
  - Turnips
  - Mix/Other-Please specify blend-
  
- **When Planted**
  - On “PP” acres-
  - After Harvest-
  - Interseeded-
  
- **Termination of Cover Crops**
  - Sprayed-
  - Grazed-
  - Chopped and Baled-
  - Winter Kill-

**Manure**

- **Acres**
  - % of acres with manure applied-
  
- **Type**
  - Beef
  - Dairy
  - Hog
  - Poultry Litter
  
- **Application Method**
  - Broadcasted
  - Broadcasted and Incorporated
  - Injected
  
- **Application Rate (verified with receipts)**
  - Pounds/acre-
  - Gallons/acre-

## APPENDIX B: ENVIRONMENTAL ELIGIBILITY

### Overview of Environmental Eligibility

Producers must agree to the following:

- Data sharing and privacy terms outlined above and in Appendix A;
- Satisfy requirements of environmental eligibility and remain in good standing through annual audits; and
- Enroll all active fields<sup>1</sup> in the environmental eligibility

The environmental eligibility requires the following criteria are met (for all criteria, historical data can be used if confirmed with machine data or satellite imagery):

1. **Crop eligibility:** Farmer is growing corn, soybeans, and/or wheat.
2. **Data sharing:** Farmer provides data to calculate N balance for all enrolled fields for at least three years.
3. **N balance safe zone:** 80% of fields achieve an Environmental Defense Fund N balance score between 25 - 75 lbs on a 3 year average. [Learn about N Balance scoring.](#)
4. **Soil conservation:** On at least 70% of farmed acres, Farmer utilizes one or more of the following practices:
  - Ground is minimally disturbed (strip till, no-till – [as defined by the NRCS](#))
  - Crop rotation has live roots (cash crop, cover crop, perennials) in the soil for at least 70% of the year
  - other regionally appropriate soil conservation practices outlined by the NRCS (e.g. riparian buffers, wind breaks) and approved by the program
5. **Soil sampling:** High density soil sampling (at least every ten acres) completed on all acres at least once in the last four years

### Calculating N Balance

FBN will calculate annual field-level N balance scores for each participating farmer's fields<sup>2</sup> and indicate if they are within the safe zone. Field level nitrogen input (fertilizer, manure, legumes) and nitrogen output (grain and stover harvest) data is critical to ensuring credible calculations. Farmers must share data on these points, with additional information, such as tillage or cover crop, to verify improved management (See Appendix A).

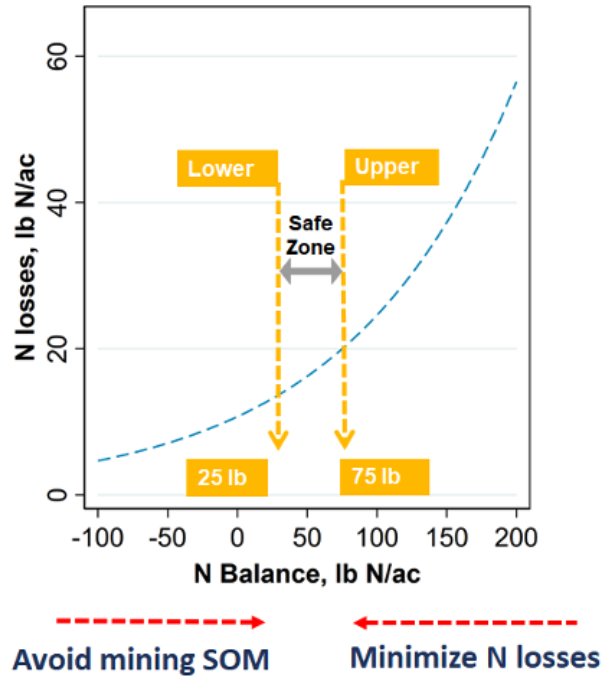
The safe zone provides valuable context for understanding N balance scores. N balance scores that fall within the safe zone range — 25 to 75 lbs. N/acre — indicate that a farmer is optimizing yields, using N additions efficiently, minimizing N losses to the environment and protecting long-term soil health (Figure 1). Fields with high levels of excess N are those that fall above the N balance safe zone (e.g., fields with scores greater than 75 lbs. N/ac) which have the highest risk for high N losses and also have the greatest room for improvement.

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<sup>1</sup> A field is a contiguous area unit (may vary in acreage) with consistent management (e.g., crop, nutrition, planting date, tillage, pest and disease protection) and a unique field ID.

<sup>2</sup> Detailed instructions can be found in the N Balance Calculation Guide and complementary N Balance Data Workbook available at [edf.org/n-balance](https://edf.org/n-balance).

Figure 1: The N Balance safe zone



Alternatively, when N balance scores fall below 25 lbs. N/acre, the N provided from outside sources is insufficient to replace N mineralized from the soil during the growing season and used by the crop. If plants must rely on N mineralized from soil organic matter that is not replenished, long-term productivity and soil health may suffer.

**Soil Conservation Practices**

Farmers must demonstrate implementation of soil conservation practices on at least 70% of their total field area over the course of a three-year rotation. This criterion is designed to allow maximum flexibility for participants while building soil health and ensuring that the soil remains undisturbed. This can be achieved through reduced tillage practices or live root coverage. Evidence can be provided through FBN’s data platform (see Appendix A).

**Soil Sampling Results**

High density soil sampling (at least every ten acres) must be completed on all acres at least once in the last four years. These results should be shared with FBN and used to advise nutrient applications. N rate applications that exceed ranges suggested by results should be accompanied by subsequent soil or tissue tests.

**Maintaining Eligibility**

Farmers must submit three years of relevant data to determine eligibility. This represents a commitment by the farmer to long-term sustainability while providing cushion for unexpected situations that may adversely affect N balance scores, such as weather or pest events.

Farmers must maintain 80% of their fields within the safe zone over a rolling three-year average. For example, if a farmer has five active fields, they must calculate N balance annually for each field for at least three years. Table 1 provides a hypothetical scenario. In this example, Fields A, D and E were consistently within the safe zone. Field B exceeded the safe zone in year 2,

which may happen in the case of extreme weather events, but based on a three-year average score of 70, is still eligible. Field C was consistently above the safe zone, and thus not eligible. However, overall the farmer has reached the 80% threshold (4 of 5 fields are within the safe zone over a three-year average) and would be recommended for eligibility if these fields also satisfy the additional requirements (i.e., practice implementation and soil sampling).

*Table 1. Simplified example of N balance score averaging and eligibility.*

	<b>Year 1 Score (lbs. N/ac)</b>	<b>Year 2 Score (lbs. N/ac)</b>	<b>Year 3 Score (lbs. N/ac)</b>	<b>3-Yr Average (lbs. N/ac)</b>
<b>Field A</b>	65	70	72	69
<b>Field B</b>	60	90	60	70
<b>Field C</b>	79	85	82	82
<b>Field D</b>	45	55	62	54
<b>Field E</b>	54	58	51	54
<b>Percentage of fields in safe zone:</b>				80%