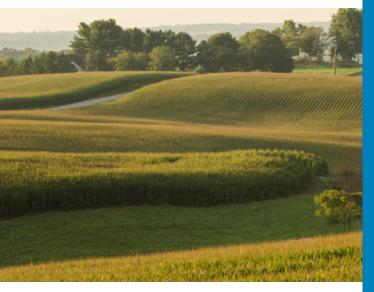


## ece-harvest



### 2023 Annual Report





#### **Key Accomplishments in 2023**

We are thankful to our governance, team, members, and partners who contributed to the remarkable strides in our program, reaffirming ESMC and our research arm, ESMRC as a leading nonprofit consortium achieving environmental stewardship via innovative market solutions.

At ESMC, our goal is to scale carbon and ecosystem markets for the agricultural supply chain. Our validated and verified Eco-Harvest program provides the necessary transparency, credibility, and integrity for corporates, producers, and all stakeholders across the supply chain. In 2022, we achieved program validation and verification under the SustainCERT Value Change Initiative for cropping systems in more than half the US regions. This initiative not only validated our approach but also equipped the program for a streamlined annual verification process.

In 2023, we completed another comprehensive audit and verification cycle for Eco-Harvest which continues to generate verified soil carbon removals and greenhouse gas reduction impacts for Scope 3 agri-food and supply chain reporting. Verified outcomes through Eco-Harvest align with science-based mitigation targets and the requirements of standard setting bodies. For ESMC-member reporting companies, Eco-Harvest offers a reliable metric to gauge environmental improvements and make valid claims towards achieving science-based commitments. Read more on Eco-Harvest accomplishments on the following page.

#### Non-Profit Trust and Integrity: Eco-Harvest's MMRV System

The verification process includes an in-depth review of Eco-Harvest's underlying digital architecture, including the end-to-end data flow and our measurement, monitoring, reporting, and verification (MMRV) system. The vision and rigor of Eco-Harvest's program sets it apart, reflecting years of meticulous work and unwavering dedication to the highest standards of environmental accountability.

#### Ag Data Transparent Certification Award

In December 2023, Eco-Harvest was awarded Ag Data Transparent Certification, underscoring our bedrock commitment to transparent program operations that protect producer data. The ADT certification confirms that data collected on the farm through Eco-Harvest is protected and used to benefit producers.



#### **Commitment to Inclusion and Racial Justice**

ESMC hired Doug Adams in 2023 to serve as the Manager for Diversity & Inclusion and lead ESMC's initiatives for inclusion & racial justice (IRJ). Doug relaunched ESMC's monthly IRJ Working Group that engages ESMC members & industry stakeholders. Through Eco-Harvest, ESMC enrolled 400 acres of cotton on Black-owned Bridgeforth Farms in partnership with Forum for the Future & the US Cotton Trust Protocol. Additionally, we launched partnership-driven underserved producer outreach efforts through strategic engagements with members including TAD Consulting, the National Black Growers Council, Freedmen Heirs Foundation, Latino Farmers and Ranchers International, and the National Indian Carbon Coalition.

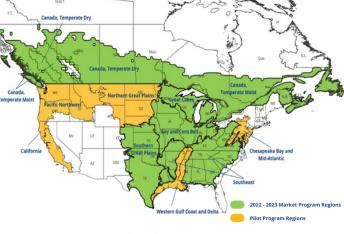
#### Science and Research Underpins our Work

2023 has been an eventful year for our research arm, Ecosystem Services Market Research Consortium (ESMRC). We launched four new technical working groups exploring soil, water, grazing, and biodiversity, engaging members, and exploring strategies to improve Eco-Harvest program offerings in these critical areas. We released eight new reports in 2023 which explore valuable ideas for soil sampling, conservation funding prioritization, and for supply and demand of ecosystem services in the Western Range. <u>Read these reports</u>.









27 States 163 Counties



To date: 33

Producers

2023: 202

To date: 354



Project Acres 2023: 150,511 To date: 220,031



Fields 2023: 1,924 To date: 3,201



Eco-Harvest 2021-2023 Validated and Verified Scope 3 Impact Units:

Greenhouse Gas Reductions: 4,432 tonnes CO<sub>2</sub>e

Greenhouse Gas Removals: 1,795 tonnes CO<sub>2</sub> e

From practice changes including:



**Cover Cropping** 



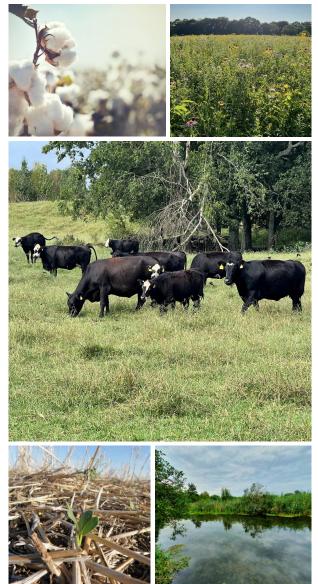
**Nutrient Management** 



#### **Looking Ahead**

Next steps for us in 2024 include expanding Eco-Harvest projects to include more regions, more crops, new production systems, and more practice change opportunities. Our 2023 participation in four current Climate Smart Commodities (CSC) projects - with the National Association of Conservation Districts, the Conservation Innovation Fund, the University of Tennessee, and the Farm Journal Foundation – allows us to work with a wider variety of partners, production systems, crops, and regions. We look forward to working with additional CSC projects moving forward, including with the New Jersey Resource Conservation & Development Program. And with these, we expand our project acres, producers, and increase the greenhouse gas emission reductions and carbon removals measured in Eco-Harvest projects. We are taking what we've learned from project developer and producer experiences to grow and improve our Eco-Harvest programmatic offerings and materials.

In addition to carbon, we see increased biodiversity plantings and enhanced biodiversity practices (such as edge-of-field practices) as key to true regenerative agricultural systems. Our members signal strong interest in **biodiversity**, **grazing systems**, **water quality**, **and water use efficiency**. We are finalizing a new water quality and water use efficiency tool for our 2025



projects. Through these projects, our technical working groups, and our research, we are developing science-based protocols for additional project opportunities for these non-carbon ecosystem services outcomes.

We continue to prioritize our investment in a **sophisticated**, **secure**, **and well-functioning MMRV platform** to input data, track outputs, and verify results. The MMRV platform is an important infrastructure investment we've made to reduce the data burden on producers, and it reduces costs and increases program efficiency to create high-quality scope 3 quantified outcomes annually.

The IRJ working group is expanding **BIPOC and underserved producer opportunities** to participate in Eco-Harvest in coordination with the CSC projects, our members working in Inclusion and Racial Justice, and new project initiatives.





#### **ESMC/ESMRC** Funding

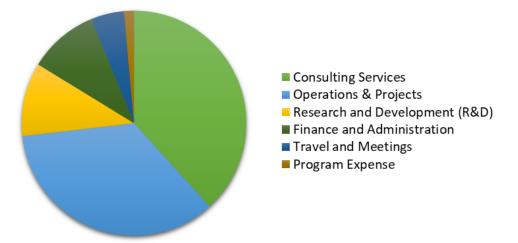
#### **Sources of Organizational Support**

ESMC/ESMRC receives funds from diverse sources, including public and private foundations, the award of competitive and philanthropic grants, and dues from our members. Under ESMC/ESMRC's second FFAR grant, FFAR continues to release research and development funds when cash or in-kind matching funds are provided from our members or via other non-federal sources – so these matching funds are included as a funding source.

# In-kind (R&D, TWG and probono legal support) Public and Private funding ESMC/ESMRCMembership Dues Competitive Grants

#### **Expenses**

ESMC/ESMRC expenses are for research, development, demonstration, and deployment efforts to test and refine our dynamic program, implement Eco-Harvest market projects, hire and retain staff and technical contractors, make producer payments, and participate at meetings and conferences.



\*Consulting Services include contractor support for technical and research development, certification, and verification, MMRV platform, as well as legal and accounting support.

\*\*Finance and Administration costs include financial support, software and subscription services, insurance, office supplies, filing fees, bank charges, and advertising.





#### **Our Funders**

We thank the following funders for their generous support in 2023:

- Foundation for Food and Agriculture Research •
- General Mills, Inc •
- Walton Family Foundation
- United States Department of Agriculture (USDA) • Natural Resources Conservation Service (NRCS)
- USDA Climate Smart Commodity grants
  - National Association of Conservation Districts 0
  - University of Tennessee 0
  - Farm Journal Foundation 0
  - **Conservation Innovation Fund** 0

#### **Our Members**

In 2023, our public-private partnership included over 60 members representing the full spectrum of the agricultural supply chain and value chain, including agriculture commodity organizations, technology providers, food and beverage companies, agribusinesses, research institutions, project developers, and environmental and conservation NGOs. Thank you for your ongoing support & participation.





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by ESMC

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#### **Our Staff**

We could not achieve our progress and successes without the work of our dedicated team. Our staff throughout 2023 included: Debbie Reed, Alana Pacheco, Isidora Jimenez, Austin Arrington, Doug Adams, Margarita McIntosh, Thayer Tomlinson, Lizzie Rose, Damaris Canales, Laura Shutack, Paige Meyer, Jake Deutmeyer, Nicole Capizzi, Jack Jeworski, William Lytle, Amanda Raster, and Chris Smallwood. Sincere thanks and kudos to our dedicated team. <u>Read more about our staff</u>.

#### **Our Board**

We thank members of our board of directors during 2023, which includes:

**Board Chair: Chad Ellis**, Chief Executive Officer of the Texas Agricultural Land Trust

**Board Vice-Chair**, **Kris Johnson**, **Ph.D.**, Director, North America Agriculture Program of The Nature Conservancy

*Mary Jane Melendez*, Chief Sustainability and Social Impact Officer, General Mills

*Emily Johannes*, Head of Sustainable Sourcing, Nestlé USA

**Rattan Lal, Ph.D.**, Distinguished University Professor of Soil Science and Director of the CFAES Rattan Lal Center for Carbon Management and Sequestration, The Ohio State University

*Ashley McKeon*, Director of Regenerative Agriculture, Cargill

Debbie Reed, Executive Director, ESMC









