



## GreenTrees Duration and Land Use FAQ

*Why is the GreenTrees lease for 70 years?*

Basically, to ensure the carbon stored in the trees remains stored for a meaningful period of time. After entering the carbon market, carbon credits, also called offsets, are eventually 'retired' by a final buyer towards a voluntary target or regulatory, mandated ceiling. Because the credit is offsetting an atmospheric emission, the offset must have atmospheric impact. For a carbon credit to have atmospheric impact, duration of time must be guaranteed. The typical duration is from 50 years up to a permanent conservation easement.

*Why did you choose 70 years?*

We chose 70 years for one core reason - it takes 70 years to grow a mature stand of mixed hardwoods in the Mississippi Alluvial Valley. Once a stand is mature, forest reversibility is extremely rare due to the cost of conversion to agriculture and the value of the income from a sustainable working forest. Further, the 70 years period is reflective of the natural life cycle of the forest and covers the critical timeframe wherein science tells us substantial carbon reductions must occur to avoid the most dangerous impacts of climate change.

*How does a carbon credit (offset) apply to the GreenTrees project?*

- Growing trees removes carbon dioxide (CO<sub>2</sub>) from the atmosphere. The denser the volume of trees, the more carbon dioxide absorbed. About one half of the dry weight of wood is carbon dioxide like that being released when a power plant burns coal.
- The greenhouse gases being removed are called an "offset", because the volume of gases removed can be used to offset volume emissions occurring elsewhere.
- There is debate about how long carbon must remain stored to count as offset.





Economic Benefits - Lifestyle Benefits - Environmental Benefits

- A clear cut of all the trees during a 70-year period would release sequestered gases back into the atmosphere. Because of this release, any carbon sequestration credits that had been sold would become void.
- The practice of sustainable forestry, whereby harvest occurs under a professionally managed forestry harvest process, is not in conflict with the marketing and retirement of carbon credits. Such harvest activity will reduce the amount of carbon that can be marketed by the investor because only the average amount of carbon that is found in the trees that remain following each harvest can be marketed as a carbon credit.
- Only the amount of carbon that remains following each managed timber harvest is being used or marketed by the investor.

*What about my current and future rights?*

Landowners who decide to plant trees on their land generally do so with the intent of managing those lands for long term recreation and timber values and estate planning. If a landowner has a more short-term goal, such as returning the land to agricultural production as soon as their CRP contract expires, then the landowner should not enroll in GreenTrees. If the establishment, stewardship and legacy of a valuable hardwood forest fit with the landowner's goals, this project would only have minimal interference with the landowner's rights to manage the forest as he/she wishes:

- The lease enables the landowner to receive government funds from the CRP *and* to receive any reforestation and conservation tax benefits that may be available in the respective state.
- The landowner has complete control over hunting, fishing and other recreational activities as long as the trees are not cut down.
- The lease provides a sustainable harvest regime for the landowner to benefit from the growth and sales of cottonwood and hardwood timber. The landowner decides whether or not to harvest.





Economic Benefits - Lifestyle Benefits - Environmental Benefits

- An upfront cash payment is provided in exchange for giving GreenTrees the right to sell the carbon credits. Depending on the level of success that the investor has in selling the carbon, the landowner may be eligible to receive one or more carbon bonus payments in the future.
- The landowner owns the land and the trees and has the right to manage and harvest trees in a sustainable manner as described in the lease. If the value of the trees increases even further as a result of future markets for cellulosic ethanol or biomass fuel production, the landowner gets 100% of these economic benefits.
- At the end of the 70-year period, the landowner has the independent option to continue managing the land as a commercially valuable forest or can then make other land use decisions.

*What are the ecological benefits GreenTrees is trying to provide?*

The long-term goal of GreenTrees is to reforest a large acreage of marginal farmland in the Lower Mississippi River Valley to an ecologically viable and economically valuable hardwood forest. By utilizing the cottonwood/hardwood inter-planting approach, the forest will produce conservation values, carbon sequestration – atmospheric values, and fast growing and valuable timber.

This planting will make it possible for the landowner to receive the hunting lease benefits and the managed timber harvest benefits much quicker than would be possible in a regular 302-hardwood planting. Also, the amount of carbon that can be offset and marketed from the forest will be available earlier than would be the case for the regular hardwood forest planting.

The 70-year duration, which includes the landowner's right to harvest the timber stand, is the amount of time needed to allow the forest to reach a stage of maturity that is needed to provide optimum ecological benefits. This is also the time line at which the forest will be mature and capable of producing exceptionally high quality hardwood timber for harvest. Under a managed harvest approach, it is possible to harvest





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hardwood timber throughout the lease period and still sustain conservation values. Standing timber value estimated at more than \$10,000 per acre will exist at the end of the lease period. Once the forest reaches this stage of maturity, it is likely that the enrolled acres will be maintained as an ecologically and economically valuable managed forest for many years beyond the end of the lease. And it is this sustainable forest that is the cornerstone of the conservation goal for the project.



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