

AI-DRIVEN CARBON CREDITS: 3DEGREES AND LWR UNLOCK NEW REVENUE STREAMS FOR DAIRY FARMERS

FOR IMMEDIATE RELEASE

(San Francisco, CA) March 25th, 2025 – <u>3Degrees</u>, a leading global climate solutions provider and certified B Corporation, and <u>Livestock Water Recycling</u> (LWR), the market leader in nutrient optimization and water recovery, are proud to announce the successful sale of carbon credits from the Skyridge Farms manure management and carbon project. By leveraging Al-powered analytics and machine learning, this groundbreaking initiative is transforming manure management and enabling America's food producers to access verified voluntary carbon markets.

About the Project

Through LWR's First Wave System, Skyridge Farms (now operating as Western Valley Farms) has significantly reduced methane emissions from manure management—a major contributor to global agricultural emissions. The system also enhances operational efficiency by improving water quality for irrigation, optimizing nutrient separation and application, and increasing soil health, which leads to higher crop yields. Additionally, by removing solid waste from the lagooning process, the system has improved cow comfort. This has resulted in increased milk production, a healthier farm environment, and a more sustainable operation overall.

Beyond on-farm benefits, the project has positively impacted surrounding communities by improving air quality and reducing odors commonly associated with traditional manure management practices. Since installation, it has prevented approximately 46,000 metric tons of CO2 emissions, setting a new benchmark for sustainable dairy operations. "The LWR First Wave System transformed our manure management, delivering both environmental and financial benefits," said Dan DeGroot, former owner of Skyridge Farms (now Western Valley Farms). "The system proved its value right away as an operational and commercial win, and carbon finance has only strengthened its long-term impact on the dairy."



Innovative Carbon Finance Model

Beyond the operational and environmental benefits, the Skyridge project has tapped into verified carbon markets, creating a recurring revenue stream that significantly improves return on investment. By working with 3Degrees' industry-leading carbon finance team, the project has attracted investment from major consumer food brands committed to reducing emissions within agricultural supply chains.

The result was a blended approach to carbon finance, reflecting the evolving landscape of voluntary carbon markets for agricultural interventions. 3Degrees managed the Monitoring, Reporting, and Verification (MRV) process, securing a first-of-its-kind approval from Verra in May 2023. This approval underscores the project's alignment with the highest standards for carbon credit issuance, ensuring credibility and transparency in emission reductions.

"We are proud to see this project deliver real value to the dairy while making a meaningful impact on methane reduction," said Karen Schuett, CEO of Livestock Water Recycling. "The success of this carbon finance model demonstrates how technology, data, and climate investment can come together to create a profitable sustainable agricultural sector."

Corporate Investment in Verified Agricultural Carbon Credits



A clear separation: The LWR First Wave System efficiently removes manure solids, reducing methane emissions and unlocking new revenue streams for dairy farmers through verified carbon markets.

One of the project sponsors is a leading consumer packaged goods (CPG) brand that invests in verified emission reductions within the agricultural supply chain in an effort to reach its ambitious climate goals. 3Degrees delivered the Skyridge project as part of a diversified portfolio of dairy supply chain reduction projects. Beyond verified emission reduction credits, 3Degrees worked closely with the buyer to provide traceability and milk production data to refine its reporting of impacted dairy products.

Another major North American food company has also financially supported the project as part of its broader commitment to greenhouse gas avoidance and removal initiatives. With methane emissions from manure management being a key contributor to its Scope 3 footprint, the company's investment reflects a strategic effort to address emissions associated with its supply chain.

"In today's rapidly changing greenhouse gas markets, we see a wide range of buyer preferences and requirements. The Skyridge project is a great example of 3Degrees' expertise tapping diverse markets to benefit farmers and the environment, while ensuring the projects are kept to the highest standards included accredited 3rd party verification and safeguards to ensure no double counting," said 3Degrees Senior Director of Agriculture, John Bourne.

By leveraging multiple greenhouse gas funding sources, 3Degrees and LWR are enabling livestock producers to significantly reduce methane emissions while unlocking new financial opportunities through verified carbon markets. This initiative showcases how innovative financing models can drive meaningful climate action in agriculture. For more information about Livestock Water Recycling and the First Wave and PLANT system, visit manure.ai.

About Livestock Water Recycling (LWR)

LWR is an award-winning global innovator of the on-site fertilizer PLANT[™]. This patented technology platform provides hog, dairy, anaerobic digester, and food processing operations the ability to selectively extract particles from biosolid stream allowing for the best use of the liquids - recycled clean water, fertilizers, biogas feedstock. LWR's approach to water treatment achieves triple-bottom-line outcomes: meeting the growing demand for food, increasing farmer profitability, and protecting the environment and public health. LWR's fertilizer PLANTs save farmers time and money by providing them with a cost-effective solution to manage manure and bioliquids in a sustainable manner. LWR has systems operating throughout North America, the Middle East, and the United Kingdom. For more information, visit: www.manure.ai

About 3Degrees

3Degrees, a Certified B Corporation, makes it possible for businesses and their customers to take urgent action on climate change. We help organizations around the world achieve decarbonization goals through our work with global Fortune 500 companies, utilities, and other organizations that want to join the fight against climate change. Over the last 15 years, 3Degrees has supported over 100 agricultural projects in North America, and is responsible for over 33% of all carbon credits issued from livestock projects during that time. Together with our customers, 3Degrees helps develop and implement creative solutions that ensure environmental integrity and make good business sense. To learn more, visit us at 3Degreesinc.com.

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