

# Agricultural Climate Solutions Program

## On-Farm Climate Action Fund (OFCAF)

# PROGRAM GUIDE

*January 16, 2023*



Agriculture and  
Agri-Food Canada

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Agroalimentaire Canada

# PROGRAM INFORMATION

## WHAT IS THE ON-FARM CLIMATE ACTION FUND (OFCAF)?

OFCAF is designed to help producers tackle climate change by supporting new actions to lower greenhouse gas emissions. This is intended to reduce the risk of new practices, while expanding, sustaining and documenting activities that may not occur without this funding. The program is delivered by Results Driven Agriculture Research (RDAR) with funding from the Agricultural Climate Solutions initiative managed by Natural Resources Canada, Environment and Climate Change Canada, and Agriculture and Agri-Food Canada.

OFCAF provides financial support to producers to accelerate adoption of beneficial management practices (BMPs) that reduce greenhouse gas emissions and support increased production efficiency, sustainability, and resiliency on their farm operations.

RDAR is a program delivery partner that will administer OFCAF in Alberta, for Alberta's producers. RDAR is delivering OFCAF in three activity categories:

1. Improved nitrogen management
2. Enhanced soil health with cover crops
3. Strengthened rotational grazing systems

## QUICK FACTS ABOUT OFCAF

- Activities to support the adoption of BMPs, like outreach, education, and training are part of the initiative.
- The program operates from August 4, 2022, to March 31, 2024.
- For 2023, new applications will need to be completed and approved in order to be eligible for funding for activities planned for implementation after April 1, 2023, with paid invoices submitted before January 31, 2024.
- Project activities must be pre-approved by RDAR in writing **before** starting projects.
- Invoices must be dated after April 1, 2023, and not before your approval date.
- As applications are reviewed, some BMPs and eligible expenses may not be funded as targeted outcomes are reached.
- Maximum limits are set within some categories to allow more producers to try new practices.

Costs and program details may be updated over the term of the program. Please [subscribe to the OFCAF newsletter to receive monthly updates and notifications of program changes](https://bit.ly/3PDLITd) (https://bit.ly/3PDLITd).

## IMPORTANT DATES

Topic	Activity	Year 2
Applications	Open	February 13, 2023
Applications	Close	November 30, 2023
Paid invoices	Submitted	January 31, 2024
Payments	Sent by	March 31, 2024



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# FUNDING ELIGIBILITY

## WHO IS ELIGIBLE TO RECEIVE FUNDING?

To receive funding, applicants must meet these conditions:

- Be an active producer (includes a proprietorship, corporation, or registered partnership) that can demonstrate a minimum of \$25,000 of gross farm income in Alberta.
- Work with a Professional Agrologist (PAG) or Certified Crop Advisor (CCA) (See: [Guide to Accessing Agricultural Recommendations in Alberta](#) ([rdar.ca/ofcaf/access-recs](http://rdar.ca/ofcaf/access-recs))) to develop a BMP Action Plan that is based on agronomic advice and identifies the cost difference from usual practices.
- The BMP Action Plan must include labelled maps of project field boundaries on air photos or images. Any method may be used, or see: [Guide to Locating and Labelling BMP Action Plans](#) ([rdar.ca/action-plan-guide](http://rdar.ca/action-plan-guide)).
- Complete an online application using RDAR's Agriculture Research Grant Organizer (ARGO) that describes current practices and planned improvements ([rdar.smartsimple.ca](http://rdar.smartsimple.ca)).
- Document pre- and post-project conditions with date-stamped GPS-located photographs (typically automatic on digital photos in a jpg format).
- Provide permission for post-project inspections.
- Be headquartered in Alberta and apply funds only to lands in Alberta.
- Have a minimum eligible project cost of \$2,500.
- Pay 100% of the costs upfront (no in-kind). All payments will be considered taxable income.
- Pre-approval is required to be eligible for program funding.

*Landlords whose only interest is in the land and not raising crops or livestock are ineligible.*

## HOW MUCH FUNDING AM I ELIGIBLE TO RECEIVE?

OFCAF provides funds for new activities to lower greenhouse gas emissions that are not already a routine part of normal farming or ranching operations.

Applicants are eligible to receive a maximum 85% reimbursement of eligible cash expenditures across the three BMP activity categories.

BMPs must be new to the field or new to the farm.

BMPs funded in 2022 are not eligible for funding for the same BMP on the same field in 2023.

Costs of multiple new BMPs within each of the three activity categories can be combined to a maximum grant payment of \$75,000, from April 1, 2022, to March 31, 2024. This maximum includes funds from all OFCAF delivery partners and other government sources (municipal, provincial, and federal).

Total funds received by applicants may not exceed the \$75,000 OFCAF maximum from all government sources.



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# NITROGEN MANAGEMENT

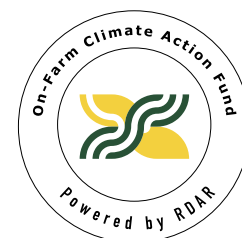
Support for adoption and on-farm implementation of nitrogen (N) management BMPs as recommended by a Professional Agrologist (PAG) or Certified Crop Advisor (CCA)\*. Soil testing provides the foundation for strategies to improve N use efficiency by optimizing timing, rate, placement and source to meet crop needs, while decreasing opportunities for N losses to runoff and leaching or emissions of ammonia or nitrous oxide.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> <li>BMP Action Plan development*, or specialized agronomic support provided by a PAG or CCA</li> <li>Costs** of increasing soil sampling intensity or depth; soil testing***; field zone mapping (if new to the field), sampling &amp; testing*** for variable rate N prescription; and tissue testing***</li> <li>Cost of N fertilizer application (rental or custom)** to allow for banding, or side dressing when the previous practice was broadcast applications of N fertilizer, <b>\$15,000 maximum</b></li> <li>Price difference between standard N fertilizer and N fertilizer with <b>both</b> nitrification and urease inhibitors</li> <li>Cost of N fertilizer application (custom or rental)** for split in-crop as side dressed, or broadcast with a dual N inhibitor</li> <li>Price difference between standard N fertilizer and Environmentally Smart Nitrogen (ESN)** <b>\$4,800 maximum</b></li> <li>Custom transportation and spreading costs** of synthetic N fertilizer replacements (manure, compost, or digestate amendments) on land where it has not been applied in the past 10 years.</li> <li>Costs** of injecting liquid amendments on perennial forage or annual crop land</li> <li>If transitioning to manure, rental or custom costs** associated with spreading or the use of drag lines</li> <li>Seed and planting costs** (custom application or equipment rental) to increase perennial legume crops in annual crop rotations (seed mix must have 50% legume and be planted by September 15 to allow adequate growth)</li> </ul>	<ul style="list-style-type: none"> <li>Fields currently mapped for variable rate N are not eligible for re-mapping</li> <li>Soil and tissue samples not tested using recognized analysis protocols in accredited laboratories</li> <li>Leased or rent-to-own equipment</li> <li>Amendments applied to native grassland</li> <li>Cost of amendments</li> <li>Cost to incorporate amendments</li> <li>Use of manure and compost that does not follow the Agricultural Operation Practices Act (AOPA, <a href="https://open.alberta.ca/publications/a07">open.alberta.ca/publications/a07</a>)</li> <li>Biological products e.g. inoculants</li> <li>Seeding only grass into perennial forage or into established hay</li> </ul>

\*[Templates are available \(rdar.ca/ofcaf\)](https://rdar.ca/ofcaf) to identify a Nitrogen Management BMP Action Plan for [Soil Testing and Mapping](#); [Fertilizers](#); and/or [Amendments](#). Consideration of the plan for funding requires endorsement by a PAG or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (total of 2022 + 2023).

\*\*Eligible cost limits are listed in a [summary table on page 7](#).

\*\*\*The minimum soil sampling depth required is 12" (30 cm). Soil analysis for nitrogen content must use recognized analysis protocols in accredited laboratories (see: [Soil Testing and Mapping Template](#)).



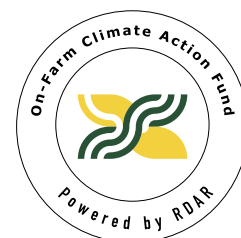
# COVER CROPPING

Support for adoption and on-farm implementation of new BMP activities that use regionally appropriate cover crops to provide live growth going into winter, as recommended by a Professional Agrologist (PAG) or Certified Crop Advisor (CCA)\*. Cover crops protect soil from erosion, help retain nutrients, and enhance soil health.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> <li>Costs related to BMP Action Plan development*, or specialized services provided by a PAG or CCA</li> <li>Seed costs for regional and commodity appropriate seed as recommended by a PAG or CCA</li> <li>Planting costs** (custom rates or equipment rental)</li> <li>Cover crops underseeded with the main crop or seeded following harvest of the main crop by September 15, to allow sufficient time for adequate growth prior to winter</li> <li>Full season cover crops in a rotation (e.g. non-marketable crops that will be terminated the following crop year so annual cropping can resume)</li> <li>If project is to include perennial legumes in annual crop rotations, check Nitrogen Management - Fertilizer BMP list. If improving pasture composition with legumes, check Rotational Grazing BMP list</li> <li>Cover crops that will leave more than 6 inches (15 cm) of growth over winter after harvesting or grazing</li> </ul>	<ul style="list-style-type: none"> <li>Costs for cover crops where growing and leaving cover crops undisturbed over winter is not new and has been a routine practice used by the farmer</li> <li>Costs related to mechanical or chemical termination of the cover crop</li> <li>Corn grown for grazing purposes, silage crops without live roots</li> <li>Swath grazing of a crop (unless seeded with a crop that will have a living root once swathed, e.g. turnip, brassica)</li> <li>Annual crop regrowth</li> <li>Fertilizer and crop protection costs</li> <li>Costs related to rejuvenation of existing forages, pastures, or hay land</li> <li>Crops that will be harvested or grazed leaving less than 6 inches (15 cm) of cover crop growth over winter</li> <li>Crops that can be harvested in the next growing season intended for market (e.g. winter cereals)</li> <li>Leased or rent-to-own equipment</li> </ul>

\* [Templates are available \(rdar.ca/ofcaf\)](https://rdar.ca/ofcaf) (see [Cover Cropping template](#)) to identify a BMP Action Plan to include with OFCAF applications. Consideration of the Plan for funding requires endorsement by a PAG or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (total of 2022 + 2023).

\*\*Eligible third party custom rates are listed in the [summary table on page 7](#).



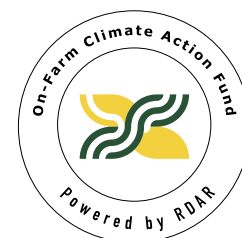
# ROTATIONAL GRAZING

Support for adoption and on-farm implementation of rotational grazing BMPs as recommended by a Professional Agrologist (PAG) or Certified Crop Advisor (CCA)\*. Rotational grazing strategies improve forage quality, increase soil health and improve resilience to changing climates.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> <li>BMP Action Plan*, grazing management plans, technical assessments or engineered designs</li> <li>Rotational grazing fencing materials and installation** (e.g. cross fencing, wildlife friendly fencing, temporary fencing, energizers).</li> <li>Shallow water distribution systems that are part of a rotational grazing strategy, including shallow water pipelines (maximum 2" (5 cm) diameter and less than 15" (38 cm) deep), and waterers, including remote watering systems when powered by renewable energy</li> <li>Custom installation and equipment rental</li> <li>Costs** for seed (alfalfa, sainfoin, etc.), custom planting or equipment rental to improve legume composition in pastures. The seed must include 50% legumes and be direct seeded by September 15</li> <li>Forage testing (fall or winter)</li> <li>All costs must be part of a rotational grazing strategy</li> </ul>	<ul style="list-style-type: none"> <li>Perimeter fences</li> <li>Maintenance or replacement of existing fences</li> <li>Smart collars for virtual fences</li> <li>Bush clearing</li> <li>Used fencing materials</li> <li>Fencing specific to wildlife management</li> <li>Texas gates</li> <li>Portable livestock corral panels</li> <li>Water systems without a rotational grazing plan</li> <li>In-yard or in-corral watering devices</li> <li>Trailers for hauling water</li> <li>Development of new water supplies such as springs, dugouts or wells</li> <li>Deep, buried water lines</li> <li>Non-renewable power sources such as generators</li> <li>On-going maintenance</li> <li>Seeding only grass into perennial forage or to establish hay</li> <li>Leased or rent-to-own equipment</li> </ul>

\* [Templates are available \(rdar.ca/ofcaf\)](https://rdar.ca/ofcaf) (see [Rotational Grazing template](#)) to identify a BMP Action Plan to include with OFCAF applications. Consideration of a BMP Action Plan for funding requires endorsement by PAG or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (total of 2022 + 2023).

\*\*Eligible materials and third party installation costs are listed in [the summary table on page 7](#). Applications to install permanent features on land that is not owned must declare that they have permission from the landlord.

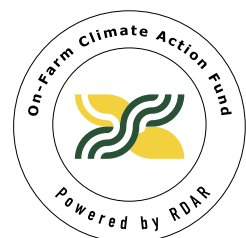


# SUMMARY OF BENEFICIAL MANAGEMENT PRACTICE (BMP) COST LIMITS

These costs represent the difference between usual practices and practices that are new to a field or to a farm. Costs and program details may change as new information becomes available.

BMP	Eligible Cost	Unit	Notes
Soil testing - producer	up to \$100	\$ / sample	To multiple depths
Soil testing - third party	up to \$300	\$ / field	Third party sampling and analysis
Field zone mapping, sampling & testing	up to \$8	\$ / ac	Variable rate N prescription services
Switch regular N-fertilizer to ESN	\$107 \$0.11	\$ / tonne ESN \$ / lb actual N	Costs subject to change, <b>maximum of \$4,800*</b>
Banding or side dressed applications of N	\$15 - \$25	\$ / ac	Custom rates** <b>maximum of \$15,000*</b>
Split applications of N	\$7 - \$12	\$ / ac	Custom rates**
Amendments	up to \$75	\$ / ac	Custom rates** for transportation and spreading only
Drill or air seeding	\$20 - \$30	\$ / ac	Custom rates**
Broadcast seeding	\$7 - \$12	\$ / ac	Custom rates**
4 strand permanent barbed wire	\$13	\$ / m	Includes materials and custom installation**
2 strand permanent electric wire	\$7	\$ / m	Includes materials and custom installation**
BMP Action Plan recommendation	up to 10%	Total cost of all eligible BMP(s)	<b>Maximum \$2,000*</b>

\*Per applicant (total of 2022 + 2023). \*\*In-kind costs and leased or rent-to-own equipment are not eligible expenses.



# WHAT'S NOT COVERED?

In addition to the ineligible activities/costs listed for each BMP category above, the following general activities and costs are not eligible for reimbursement.

- In-kind payment, including labour of farmer or family members
- Invoices not issued in the applicant's name
- Any cost not specifically required for the implementation of the approved project
- Multi-use items that can reach beyond the scope of the project (e.g. computers, printers, cell phones, weather stations, drones, software, etc.)
- Typical farm equipment (e.g., seeding equipment, tractors, skid steers, combines, livestock trailers, trailers to haul water) and related accessories or attachments
- Fabricated items, equipment or materials not purchased from a recognized dealer. For the purpose of the program, a recognized dealer is typically defined as a business where manufacturing is a key service or the business is an authorized dealer for certain item(s)
- Expenses considered regular replacement, repair or maintenance
- Materials from the applicant's inventory
- Normal commercial expansion costs
- Subscriptions
- Costs claimed for expenses/activities which may receive other government grant, rebate, or assistance program
- Products or compounds without peer reviewed and published efficacy data
- Costs of basic research
- Activities not aligned with legislation in Alberta, e.g. Agricultural Operation Practices Act, Water Act
- Tile drainage systems
- Carbon offsets for greenhouse gas emissions generated with OFCAF support may not be claimed in regulatory carbon offset systems, but may be claimed in voluntary offset credit programs.
- Normal operating costs associated with carrying out or expanding a business's current operations
- Permits and approvals
- Annual service fees of any type
- New building construction
- Purchase or sale of land, buildings or facilities or associated taxes or fees (e.g., land transfer tax)
- Taxes, legal fees, financing charges, loan interest payments, bank fees
- Any costs, including a tax that is eligible for a rebate, credit or refund (e.g. refundable portion of the GST)
- Lease of land, buildings and facilities for the purpose of starting up a new business or as part of normal operation or costs for rental of facilities, equipment or machinery
- Costs of training and skills development that fulfill any academic requirements towards completion of a professional certificate, diploma or degree program
- Costs of sponsorship of conferences and learning events or initiatives
- Costs of travel, hospitality, meals and accommodations
- Gifts and incentives
- Costs related to activities that directly influence or lobby any level of government





# CONTACT

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Producers interested in the program are encouraged to [subscribe to the OFCAF newsletter](https://bit.ly/3PDLITd) (https://bit.ly/3PDLITd) for updates.

