

Agricultural Climate Solutions Program

On-Farm Climate Action Fund (OFCAF)

PROGRAM GUIDE

July 27, 2022



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Agri-Food Canada

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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 help de-risk new initiatives, while expanding, sustaining and documenting activities that may not occur without this funding. The program is delivered 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 will deliver OFCAF in three activity categories:

1. Improving nitrogen management
2. Enhancing soil health with cover crops
3. Strengthening 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 will operate from August 4, 2022, to March 31, 2024.
- Funding will be allocated for new practices completed between April 1, 2022, and March 31, 2023.
- New applications will be needed to fund practices planned for completion between April 1, 2023, and March 31, 2024.
- As applications are reviewed, some BMPs and eligible expenses may be closed as targeted outcomes are reached.

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

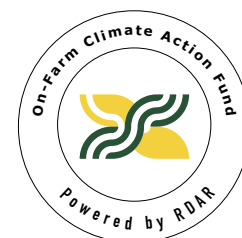
IMPORTANT DATES

Topic	Activity	Year 1	Year 2
Applications	Open	August 4, 2022	February 13, 2023
Applications	Close	November 7, 2022	November 30, 2023
Invoices	Submitted	January 6, 2023	January 31, 2024
Payments	Sent by	March 31, 2023	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 including 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 \(rdar.ca/ofcaf/access-recs\)](https://rdar.ca/ofcaf/access-recs)) to develop a BMP Action Plan that also identifies the cost difference from usual practices.
- Complete an application that includes a recommended BMP Action Plan and a funding request.
- Provide permission for post-project inspections.
- The minimum project size is \$2,500. Applicants must pay 100% of the costs upfront, with no in-kind payments. All payments will be considered taxable income.
- Only applications that have been approved by OFCAF in writing will be eligible for program funding.
- Landlords whose only interest is in the land and not raising crops or livestock are not eligible.

HOW MUCH FUNDING AM I ELIGIBLE TO RECEIVE?

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

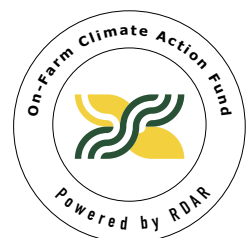
Applicants are eligible for a maximum 85% reimbursement of eligible cash expenditures across the three BMP activity categories.

Multiple projects for costs of 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).



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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)*.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> BMP Action Plan development*, or specialized agronomic support provided by a PAG or CCA Costs of soil testing, soil mapping, and tissue testing*** Higher cost*** of the portion of nitrogen fertilizer switched from the fall to the spring application window Cost of fertilizer application equipment (rental or custom) to allow for banding***, side dressing and injection Price difference between standard nitrogen fertilizer and nitrogen fertilizer with nitrification inhibitor Custom application costs*** of synthetic nitrogen fertilizer replacements (manure, compost, or digestate amendments) on cultivated land where it has not been applied in the past 10 years If transitioning to manure, rental or custom costs*** associated with spreading, using hoses or equipment for shallow incorporation (to avoid volatilisation) Seed and planting costs*** (custom or equipment rental) to increase perennial legume crops in rotation 	<ul style="list-style-type: none"> Costs related to the management of nutrients other than nitrogen are not eligible In the case of transitioning to better manure management, only activities that incorporate manure in the soil are eligible. Injection is the preferred application method for liquid manure. However, if equipment for this is not available, other methods of incorporation as soon as possible after application are also eligible (Agricultural Operations Practices Act, open.alberta.ca/publications/a07) Determination of costs for using equipment and the associated fuel and labour required for the additional fertilizer application needs to be in line with typical regional rates BMPs used on a specific farm area before April 1, 2022, are ineligible. However, an expansion of a BMP to a different farm area where these BMPs have not been used is eligible

* [Templates are available \(rdar.ca/ofcaf\)](https://rdar.ca/ofcaf) 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 the new practice(s), to a maximum of \$2,000.

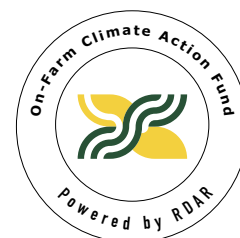
** The minimum soil sampling depth required is 12" (30 cm). Soil analysis for nitrogen content must use recognized analysis protocols in accredited laboratories (see: Soil Testing and Mapping Templates LINK). Eligible costs for analysis: \$50-\$100/sample to multiple depths; for third party sampling and analysis: \$200-\$300/field; for mapping or soil testing/mapping services: \$2-\$8/ac.

***Eligible costs for the portion of actual N-fertilizer switched from fall to spring: \$0.03/lb; custom rate for banding: \$15-\$25/ac; for in-crop surface applied N: \$7-\$12/ac; for drill or air seeder: \$20-\$30/ac; for broadcast seeding \$7-\$12/ac; for hauling and application of amendments: up to \$75/ac.



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COVER CROPPING

Support for adoption and on-farm implementation of new BMP activities that use regionally appropriate cover crops to protect soil from erosion, retain nutrients, and enhance soil health (e.g. soil organic matter, nutrient cycling) as recommended by a Professional Agrologist (PAG) or Certified Crop Advisor (CCA)*.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> • Costs related to BMP Action Plan development*, or specialized services provided by a PAG or CCA • Seed costs for regionally- and commodity- appropriate seed as recommended by a Professional Agrologist or Certified Crop Advisor • Planting costs (custom rates** or equipment rental) • Cover crops underseeded with the main crop or seeded following harvest with sufficient time for adequate growth prior to winter • Full season cover crops (annual, biennial or perennial in a rotation, e.g. non-marketable crops that do not take land permanently out of production), or underseeded within a main crop • An expansion of a BMP to a different field where it has not been used before is eligible 	<ul style="list-style-type: none"> • 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 • Costs related to mechanical or chemical termination of the cover crop • Fertilizer and crop protection costs • Costs related to rejuvenation of existing forages, pastures, or hay land • Crops that will be harvested or grazed leaving less than 6 inches (15 cm) of cover crop growth over winter • Crops that can be harvested in the next growing season intended for market (e.g. winter cereals)

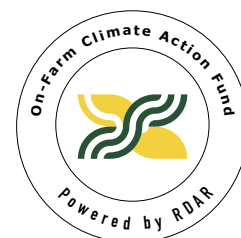
* [Templates are available \(rdar.ca/ofcaf\)](http://rdar.ca/ofcaf) to identify a BMP Action Plan to include with OFCAF applications. Consideration of the plan for funding requires endorsement by a PAG or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of the new practice(s), to a maximum of \$2,000.

**Eligible custom rates for drill or air seeding: \$20 to \$30/ac; for broadcast seeding: \$7 - \$12/ac.



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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)*.

Eligible Costs	Ineligible Costs, Limitations and Explanations
<ul style="list-style-type: none"> BMP Action Plan*, grazing management plans, technical assessments or engineered designs Rotational grazing materials and installation** (e.g. cross fencing, wildlife friendly fencing, temporary fencing, energizers, shallow water pipelines less than 15" (38 cm) and waterers, including remote watering systems when powered by renewable energy) Improved pasture composition, e.g. seed (alfalfa, sainfoin, etc.) custom planting*** or equipment rental costs Forage testing (fall or winter) An expansion of a BMP to a different field where it has not been used before is eligible 	<ul style="list-style-type: none"> Perimeter fences Removing or replacing old or existing fences Non-renewable power sources such as generators Used fencing materials Texas gates Portable livestock corral panels On-going maintenance

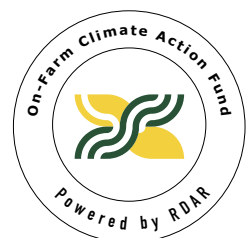
* [Templates are available \(rdar.ca/ofcaf\)](http://rdar.ca/ofcaf) to identify a BMP Action Plan to include with OFCAF applications. Consideration of a BMP Action Plan for funding requires endorsement by PAG or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of the new practice(s), to a maximum of \$2,000.

**Eligible materials and installation costs for permanent 4 barbed wire: \$13/m; for permanent 2 wire electric fence: \$7/m. Applications to install permanent features on land that is not owned must include written permission from the landlord.



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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 sampling	\$50 - \$100	\$ / sample	To multiple depths
Soil analysis	\$200 - \$300	\$ / field	Third party sampling and analysis
Soil mapping	\$3 - \$8	\$ / ac	Soil testing / mapping services
Fall to spring nitrogen (N)	\$0.03	\$ / lb actual N	Portion of N switched from fall to spring
Banding N	\$15 - \$25	\$ / ac	Custom rates*
Split applications of N	\$7 - \$12	\$ / ac	Custom rates*
Ammendments	up to \$75	\$ / ac	Custom rates for hauling and application*
Drill or air seeding	\$20 - \$30	\$ / ac	Custom rates*
Broadcast seeding	\$7 - \$12	\$ / ac	Custom rates*
Barbed wire - permanent 4	\$13	\$ / m	Includes materials and installation*
Electric wire - permanent 2	\$7	\$ / m	Includes materials and installation*
Action plan recommendation	up to 10%	Cost of new BMP(s)	Maximum \$2,000 per activity category

*In-kind is not an eligible expense



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WHAT'S NOT COVERED?

In addition to 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 execution 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, etc.)
- Typical farm equipment (e.g., seeding equipment, tractors, skid steers, combines, livestock trailers) 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
- Costs claimed for expenses/activities which may receive funding under other On-Farm Climate Action Fund programs, or any 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 Operations Practices Act, Water Act
- Tile drainage systems
- Carbon offsets for greenhouse gas emissions generated with OFCAF support may not be claimed 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 services 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)



WHAT'S NOT COVERED? CONTINUED...

- 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.



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