



United States Department of Agriculture

PARTNERSHIPS FOR  
**CLIMATE-SMART**  
COMMODITIES



FARM PRODUCTION AND CONSERVATION  
FSA | NRCS | RMA | Business Center

# Before We Get Started

- **One-direction broadcast.** Generally, you won't be able to share audio/video feed.
- **Closed captioning.** Click "cc Live Transcript" at bottom of your screen to enable.
- **Meeting recording.** This event is being recorded. The recording of the formal presentation will be posted at [www.usda.gov/climate-smart-commodities](http://www.usda.gov/climate-smart-commodities) .
- **Chat Disabled.** The chat function has been disabled for this webinar.
- **Submit Questions through the Live Event Q&A window.** Submit Questions through Q&A window. Click on the Q&A button at the bottom of your screen to open the Q&A window and type in your question. We will call on some participants who have submitted questions through the Q&A and allow them to unmute and ask the question.
- **Questions not answered Today.** Please note, we cannot answer project-specific questions due to the competitive nature of this funding opportunity. All other questions submitted through Q&A today will be answered during or after the webinar. Submit questions after today's webinar to [climate-smart-commodities@usda.gov](mailto:climate-smart-commodities@usda.gov) .



United States Department of Agriculture

# Partnerships for Climate-Smart Commodities

*Building Markets and Investing in  
America's Climate-Smart Farmers,  
Ranchers & Forest Owners to  
Strengthen U.S. Rural and  
Agricultural Communities*



Fiscal Year (FY) 2022  
Partnerships for Climate-Smart  
Commodities

National Funding Opportunity (NFO)  
Number: USDA-NRCS-COMM-22-  
NOFO0001139

Assistance Listing No. 10.937

# Market Opportunities

- Markets are demonstrating demand for commodities produced using climate-smart practices
- Consumers are increasingly interested in how their products are produced
- **This opportunity is about leveraging that demand to create new revenue streams for producers**



# Funding Opportunity Designed through Feedback

- In September 2021, USDA published a **Request for Information** seeking public comment and input.
- USDA received nearly 400 comments, which informed the design and structure of this funding opportunity.

**54149**

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## Notices

This section of the FEDERAL REGISTER contains documents other than rules or proposed rules that are applicable to the public. Notices of hearings and investigations, committee meetings, agency decisions and rulings, delegations of authority, filing of petitions and applications and agency statements of organization and functions are examples of documents appearing in this section.

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DEPARTMENT OF AGRICULTURE

**Submission for OMB Review; Comment Request**

The Department of Agriculture will submit the following information collection requirement(s) to OMB for review and clearance under the Paperwork Reduction Act of 1995, Public Law 104-13 on or after the date of publication of this notice. Comments are requested regarding: whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; the accuracy of the agency's estimate of burden including the validity of the methodology and assumptions used; ways to enhance the quality, utility and clarity of the information to be collected; and ways to minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. Comments regarding these information collections are best assured of having their full effect if received by November 1, 2021. Written comments and recommendations for the proposed information collection should be submitted within 30 days of the publication of this notice on the following website [www.reginfo.gov/public/do/PRAMain](http://www.reginfo.gov/public/do/PRAMain). Find this particular information collection by selecting "Currently under 30-day Review—Open for Public Comments" or by using the search function.

An agency may not conduct or sponsor a collection of information unless the collection of information displays a currently valid OMB control number and the agency informs potential persons who are to respond to the collection of information that such persons are not required to respond to

the collection of information unless it displays a currently valid OMB control number.

**Agricultural Marketing Service**

*Title:* Accounts Payable Information Request.

*OMB Control Number:* 0581–New.

*Summary of Collection:* The Agricultural Marketing Act of 1946 (AMA) (7 U.S.C. 1621–1627) directs and authorizes USDA to develop and improve standards of quality, grades, grading programs, and certification services which facilitate the marketing of agricultural products. To provide programs and services, section 203(h) of the AMA (7 U.S.C. 1622(h)) directs and authorizes the Secretary of Agriculture (Secretary) to inspect, certify, and identify the class, quality, quantity, and condition of agricultural products under such rules and regulations as the Secretary may prescribe, including assessment and collection of fees for the cost of service. The regulations in 7 CFR 54, 56, and 70 provide a voluntary program for grading, certification and standards of meats, prepared meats, meat products, shell eggs, poultry products, and rabbit products. The regulation in 7 CFR 62—Quality Systems Verification Programs provides for voluntary, audit-based, user-fee funded programs that allow applicants to have program documentation and program processes assessed by AMS auditor(s) and other USDA officials.

AMS also provides other types of voluntary services under these regulations, including contract and specification acceptance services and verification of product, processing, further processing, temperature, and quantity. Because this is a voluntary program, respondents request or apply for the specific service they wish, and in doing so, they provide information. To assist AMS billing administration for providing voluntary services, AMS intends to create a new form to request respondents accounts payable contact information. The new form, LP-109A: Accounts Payable Information Request will increase accuracy and efficiency in billing administration by having the applicable contact responsible for receiving billing statements and submitting payment for services rendered.

*Need and Use of the Information:* The information collected is used only by authorized representatives of USDA

Federal Register  
Vol. 86, No. 187  
Thursday, September 30, 2021

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AMS, Livestock and Poultry Program's QAD national and field staff and is used to administer services requested by respondents. The information collection requirements in this request are essential to carry out the intent of AMA, to provide the respondents the type of service they request, and to administer the program.

*Description of Respondents:* Individuals or Households.  
*Number of Responses:* 164.  
*Frequency of Responses:* Annually.  
*Total Burden Hours:* 40.  
Dated: September 27, 2021.

**Levi S. Harrell,**  
*Departmental Information Collection Clearance Officer.*  
FR Doc. 2021-21310 Filed 9-29-21; 8:45 am | BILLING CODE 3410-02-P

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DEPARTMENT OF AGRICULTURE

**Commodity Credit Corporation**  
[Docket ID: USDA-2021-0010]

**Climate-Smart Agriculture and Forestry Partnership Program**

**AGENCY:** Commodity Credit Corporation, Farm Production and Conservation Mission Area, Office of Chief Economist, and Department of Agriculture (USDA).

**ACTION:** Request for information.

**SUMMARY:** As part of our (USDA) broader efforts on climate change, we are requesting information (comments) from the public on a Climate-Smart Agriculture and Forestry Partnership Program. In response to the Executive Order titled Tackling the Climate Crisis at Home and Abroad, we published a **Federal Register** notice on March 16, 2021, to request comments on a Climate-Smart Agriculture and Forestry (CSAF) strategy. Based on public comments received and our ongoing stakeholder engagement activities, we published a progress report in May 2021 on the CSAF strategy. As one element of the CSAF strategy, we are considering actions to expand the use of climate-smart farming practices and aid in the marketing of agricultural commodities. The term "climate-smart commodity" is used to refer to an agricultural commodity that is produced using farming practices that reduce greenhouse gas (GHG) emissions or

FARM PRODUCTION AND CONSERVATION

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## Key Principles

- Focused on creating new opportunities and markets for agriculture and forestry
- Focused on partnerships
- Voluntary and incentive-based
- Farmer, rancher, and landowner-led
- Accessible to small and/or underserved producers
- Accessible to early adopters

# Notice of Funding Opportunity Summary

- Up to approximately \$1 billion will be made available for the **Partnerships for Climate-Smart Commodities** projects through this funding opportunity, which will build markets and invest in America's climate-smart farmers, ranchers and forest owners to strengthen U.S. rural and agricultural communities



## Two funding pools - Today's focus is the 2<sup>nd</sup> pool

- **First Funding Pool – April 8, 2022, by 11:59 p.m. ET**  
Proposals from **\$5 million to \$100 million** should include pilot projects that emphasize the greenhouse gas benefits of climate-smart commodity production and include direct, meaningful benefits to a representative cross-section of production agriculture, including small and/or historically underserved producers
- **Second Funding Pool – May 27, 2022, by 11:59 p.m. ET**  
Proposals from **\$250,000 to \$4,999,999** are limited to particularly innovative pilot projects. These projects should place an emphasis on:
  - Enrollment of small and/or underserved producers, and/or
  - Monitoring, reporting and verification activities developed at minority-serving institutions.



# Why have this 2<sup>nd</sup> funding pool?

A key theme we heard in public comments and stakeholder feedback last year is that this opportunity needs to be inclusive of all of American Agriculture. That includes small and historically underserved producers.

We also heard that entities that might be able to execute projects that provide a greater focus on small and/or historically underserved producers may more successfully participate if we met a few key needs:

- A longer application period to assemble projects
- An option for smaller-sized grants
- A way to ensure that smaller projects aren't compared to significantly larger projects

The 2<sup>nd</sup> funding pool in particular is responsive to this feedback.

# Overview of 2<sup>nd</sup> Pool

- Project sizes of \$250,000 to \$4,999,999
- Proposals in the second funding pool are limited to particularly innovative pilot projects with a focus on:
  - enrollment of small and/or underserved producers, and/or
  - monitoring, reporting, and verification activities at minority serving institutions.
- Projects are encouraged to include plans for all of the elements required for the first funding pool. However, USDA recognizes that projects of this size may face limitations in the capacity to execute on all elements and will take these limitations into account during project evaluation

NOTE: Meaningful involvement of small and/or historically underserved producers is a requirement for BOTH funding pools. We're taking equity seriously across all of the projects.

# Partnerships for Climate-Smart Commodities

- Through the Partnerships for Climate-Smart Commodities, USDA will support the production and marketing of climate-smart commodities through a set of pilot projects that provide voluntary incentives through partners to producers and landowners, including early adopters, to:
  - a. implement climate-smart production practices, activities, and systems on working lands,
  - b. measure/quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices, and
  - c. develop markets and promote the resulting climate-smart commodities.

# Proposals

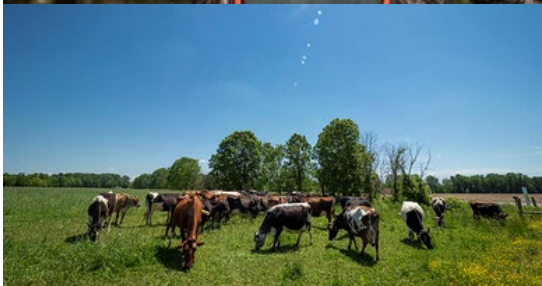
- Proposals must provide
  - a plan to pilot implementation of climate-smart agriculture and/or forestry practices on a large-scale, including meaningful involvement of small or historically underserved producers, consistent with spirit of the Justice40 initiative;
  - a quantification, monitoring, reporting, and verification plan; and
  - a plan to develop markets and promote climate-smart commodities generated as a result of project activities.

# Markets for Climate-Smart Commodities

- All projects must be tied to the development of markets and promotion of climate-smart commodities
  - For the purposes of this funding opportunity, a “climate-smart commodity” is an agricultural commodity that is produced using agricultural (farming, ranching, or forestry) practices that reduce greenhouse gas emissions or sequester carbon
  - Markets for climate-smart commodities may include
    - companies or processors sourcing climate-smart commodities to meet internal targets or other supply chain goals,
    - biofuel and renewable energy markets,
    - companies seeking to sell branded consumer products, or
    - other opportunities that could provide a premium or additional revenue for participating producers and land owners.

# Incentives for Producers

- Sufficient incentives to encourage producer participation, as well as, generation of verifiable greenhouse gas reductions and carbon sequestration are critical to project success and will be considered in the evaluation criteria.



# What is a Climate-Smart Commodity?

For the purposes of this funding opportunity, a “climate-smart commodity” is any agricultural commodity that is produced using agricultural (farming, ranching, or forestry) practices that reduce greenhouse gas emissions or sequester carbon.

Commodities broadly include many different crops including:

fruits

vegetables

grains

cotton

peanuts

oilseeds

livestock

dairy

forage crops

timber

forestry products

specialty crops

organic crops

indigenous

crops



# Practices

- Highly competitive projects will include agricultural and forestry practices or combinations of practices, and/or practice enhancements that provide GHG benefits and/or carbon sequestration
- Notes:
  - All practices must demonstrate GHG benefits
  - Practices and enhancements to existing practices are not limited to those under existing USDA practice standards
  - However, compliance and reporting activities will likely be more complex for practices without existing standards
  - Projects may include digesters only in limited circumstances, with additional documentation; see the Project Narrative section



# Practices (cont.)

- Cover crops
- Low-till or no-till
- Nutrient management
- Enhanced efficiency fertilizers
- Manure management
- Feed management to reduce enteric emissions
- Climate-smart pasture practices
- Agroforestry and afforestation on working lands
- Afforestation/reforestation and sustainable forest management
- Planting for high carbon sequestration rate
- Maintaining and improving forest soil quality
- Alternate wetting & drying on rice fields
- Increase on-site carbon storage through Forest Stand Management
- Soil amendments, like biochar
- Buffers, wetland & grassland management & tree planting on working lands



## Who is Eligible to Apply?

- Grants will provide support to entities that are working with multiple producers and landowners applying climate-smart practices on farms, ranches, and forest lands.
- Eligible partners include a wide range of public or private entities, such as farm groups, states, nonprofits, businesses, Tribal governments, and higher education institutions.



# Eligible Applicants

- County, city or township governments
- Special district governments
- State governments
- Small businesses
- For-profit organizations other than small businesses
- Native American tribal governments (Federally recognized and other than Federally recognized tribal governments)
- Nonprofits having a 501(c)(3) status (other than institutions of higher education)
- Nonprofits that do not have a 501(c)(3) status (other than institutions of higher education)
- Private institutions of higher education
- Public and State-controlled institutions of higher education.

# Cost Sharing or Matching

- There is not a specific match requirement for this Funding Opportunity.
- However, applications will be evaluated, in part, on the relative contribution of non-Federal resources to the project.
- Cost sharing may be achieved with contributions of cash, services, materials, equipment, or third-party in-kind contributions.



# Federal Award

- USDA plans to award grant agreements pursuant to this opportunity. USDA will provide general oversight of the grant and reporting requirements
- However, in general, any on the ground technical assistance will need to be provided by the recipient (except for Highly Erodible Land (HEL) and Wetland Compliance (WC) determinations)
- Start Dates and Performance Periods
  - Projects may be between 1 and 5 years in duration, with up to two years of no- cost extensions considered on a case-by-case basis
  - Anticipated start dates are Summer 2022

# Project Narrative

- Proposals in the first funding pool must include all of the following:
  - Executive Summary of Pilot Project
  - Plan to Pilot CSAF practices on Large Scale
  - MMRV Plan
  - Plan to Develop and Expand Markets for Climate-Smart Commodities
- Proposals in the second funding pool are limited to particularly innovative pilot projects with a focus on:
  - enrollment of small and/or underserved producers, and/or
  - monitoring, reporting, and verification activities at minority serving institutions.

Proposals in the second funding pool are also encouraged to include plans for all of the elements listed above for the first funding pool. However, USDA recognizes that projects of this size may face limitations in the capacity to execute on all elements and will take these limitations into account during project evaluation

# Executive Summary of Pilot Project

- Includes at minimum a high level description of the project, the issues it is seeking to address and how the project will contribute to the goals in this funding opportunity, including:
  - Contact Information
  - List of Project Partners
  - List of underserved/minority-focused project partners
  - Compelling need for the project
  - Approach to minimize transaction costs associated with project activities
  - Geographic Focus
  - Approach to reduce producer barriers to implementing CSAF practices for the purpose of marketing climate-smart commodities
  - Project management capacity of partners, including a description of existing relationship with and/or prior experience working with producers or landowners, promoting climate-smart activities and marketing climate-smart commodities.

# Plan to Pilot CSAF Practices

- A description of CSAF practices to be deployed,
- Plan to recruit producers and landowners, including estimated scale of the project (e.g., number of landowners, acres targeted, head of livestock, etc.)
- Plan to provide technical assistance, outreach, and training, including who will be conducting these activities, qualifications and projected timeline,
- Plan to provide financial assistance for producers/landowners to implement CSAF practices, and
- Plan to enroll underserved and small producers, including estimated number of underserved and small producers participating and associated dollar amounts anticipated to go directly to producers, in the form of technical and financial assistance.





# Digesters

- Under the first funding pool
  - Projects may include digesters as part of broader project
  - Planning for, materials for, & construction of digesters **not** funded
- Under the second funding pool
  - May be funded as a part of a project to help fund proving out technologies and building infrastructure on farm
  - Large digesters with high capital costs should plan to leverage other innovative financing as part of their applications
  - Small-scale digesters that can build off manure management strategies and community digesters where one system serves multiple farms may be included
  - Funding for the digester(s) when combined with other sources may not exceed the cost of the digester(s)
  - Applications requesting funding for digesters as part of the project **MUST** complete Appendix D and Appendix E



# MMRV Plan

- Approach to greenhouse gas benefit quantification, including methodology approach consistent with the section titled “Quantification Requirements“
- Approach to monitoring of practice implementation, including the anticipated number of farms and acres reached through project activities,
- Approach to reporting and tracking of greenhouse gas benefits including the anticipated GHG benefits per farm, per project, per commodity produced, per dollar expended, and the anticipated longevity of GHG benefits,
- Approach to verification of greenhouse gas benefits, and
- Agreement to participate in the Partnerships Network (see entry below in “Considerations for Successful Projects”).

# Plan to Develop and Expand Markets for Climate-Smart Commodities

- Any partnerships designed to market resulting climate-smart commodities,
- A plan to track climate-smart commodities through the supply chain, if appropriate,
- Estimated economic benefits for participating producers including market returns, and
- Post-project potential, including anticipated ability to scale project activities, likelihood of long-term viability beyond project period, and ability to inform future USDA actions to encourage climate-smart commodities.



# Considerations for Successful Projects

- Proposals in the second funding pool are limited to particularly innovative pilot projects with a focus on:
  - enrollment of small and/or underserved producers, and/or
  - monitoring, reporting, and verification activities at minority serving institutions.
- All projects must be tied to the development of markets and promotion of climate-smart commodities.
- Sufficient incentives to encourage producer participation, as well as, generation of verifiable greenhouse gas reductions and carbon sequestration are critical to project success and will be considered in the evaluation criteria.

# Quantification Requirements

- To help ensure comparability of project results, funded projects should use COMET-Planner, where applicable, to determine common estimates of the GHG impacts of activities.
- Projects are encouraged to use USDA's Entity Scale Methods when GHG benefit estimates are not available in COMET-Planner.
- Applicants are also encouraged to use innovative quantification methodologies in addition to those mentioned above
- The outcomes of the alternative methods should be compared against the Entity-Scale Methods and/or COMET-Planner, as appropriate.
- Alternate methodologies should be documented transparently, be based in peer-reviewed literature whenever possible, be replicable by third parties, and be available for other projects to implement.

# Monitoring & Verification Requirements

- USDA is not prescribing monitoring and verification methodologies, and is seeking proposals that include innovative, rigorous and cost-effective approaches.
- Innovation in approaches to monitoring and verification will help to facilitate the deployment of climate smart agriculture and forestry at scale and provide information critical to adapting quantification models in the future.
- Proposed monitoring and verification approaches should ensure the integrity of the GHG benefits and resulting climate-smart commodities, while also ensuring that transaction costs are not a barrier to participation.
- Additional requirements for quantification, monitoring and verification may be provided at the time of award.

# Application checklist



- Application for Federal Assistance (SF-424)
- Project Narrative (refer to Funding Opportunity for detailed requirements)
- Budget Information for Non-Construction Programs (SF-424A)
- Budget Narrative (use guidance attached to Funding Opportunity)
- Grants.gov Lobbying Form
- Support Letters
- Resume of lead project Administrator
- Negotiated Indirect Costs Rate Agreements (if applicable)
- SF-LLL, Disclosure of Lobbying Activities (if applicable)
- Disclosure of Potential Conflicts of Interest (if applicable)

# Partners and Projects

- Grant agreements under this funding opportunity will be with a single entity, i.e., “partner”
- However, USDA encourages multiple partners to coordinate on projects
- A range of public and private entities are eligible to apply
- Funding will be provided through two funding pools
- USDA intends to fund a diverse set of projects and will not discriminate based on size of the project





## Partnership Network

- USDA will establish a **Climate-Smart Commodity Partnership Network** to provide lessons-learned
- Topics may include approaches to quantification, measurement, monitoring and verification; options for supply chain traceability; approaches to marketing
- Lessons-learned will be documented and shared publicly

# Key Dates

Applicants must submit their applications via Grants.gov by 11:59 p.m. Eastern Time on:

- April 8, 2022 for the first funding pool  
(proposals from \$5 million to \$100 million)
- May 27, 2022 for the second funding pool  
(proposals from \$250,000 to \$4,999,999).

Free training via <https://www.cfo.gov/grants-training/> .

View and submit funding opportunity at Grants.gov (includes important steps prior to application including SAM.gov registration which takes time).



# Highlights for 2<sup>nd</sup> Pool

- Proposals in the second funding pool are limited to particularly innovative pilot projects with a focus on:
  - enrollment of small and/or underserved producers, and/or
  - monitoring, reporting, and verification activities at minority serving institutions.
- For the Project Narrative, proposals in the second funding pool are also encouraged to include plans for all of the elements listed for the first funding pool. However, USDA recognizes that projects of this size may face limitations in the capacity to execute on all elements and will take these limitations into account during project evaluation
- Digesters may be funded as a part of project to help fund proving out technologies & building infrastructure on farm & additional application requirements apply.
- Deadline May 27, 2022 (applications \$250,000 to \$4,999,999).
- With respect to Merit/Technical Criteria - For applications in the second funding pool (under \$5 million), equity and outreach criteria will be weighted more heavily.

# More Information

Visit [www.usda.gov/climate-smart-commodities](http://www.usda.gov/climate-smart-commodities)

- Details about program
- Resources to support application

