



AGRICULTURAL CLIMATE SOLUTIONS ON FARM CLIMATE ACTION FUND

2022-2024

PROGRAM GUIDELINES

Sept 13, 2022



OFCAF Program Guidelines

PURPOSE of the GUIDELINES

These guidelines will:

1. Help you determine if you may be eligible for funding from the New Brunswick Soil and Crop Improvement Association Inc. (NBSCIA) a third-party delivery Recipient for the Agriculture and Agri-Food Canada **On-Farm Climate Action Fund** (OFCAF) in the Province of New Brunswick.
2. Provide instructions and explanations to assist you as the Ultimate Recipient in completing an application for the OFCAF program to the NBSCIA.

NOTE: The NBSCIA reserves the right to change program delivery processes, eligibility requirements, funding levels, assessment criteria, and reporting requirements. Please ensure you are using the most current version of the Program Applicant Guidelines as shown in the page footer.



OFCAF Program Guidelines

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PROGRAM DESCRIPTION

The On-Farm Climate Action Fund (OFCAF) is an initiative to help farmers tackle climate change. The Fund is part of the Government of Canada's Agricultural Climate Solutions initiative, which falls under the \$4 billion Natural Climate Solutions Fund, a program managed by Natural Resources Canada, Environment and Climate Change Canada, and Agriculture and Agri-Food Canada.

The New Brunswick Soil and Crop Improvement Association is a delivery partner distributing OFCAF program funding to non organic farmers and groups in New Brunswick. ECOCERT Canada (<https://www.ecocert.com>) is delivering cover cropping and nitrogen management BMPs to certified organic farmers in New Brunswick.

PROGRAM OBJECTIVE

The objective of the On-Farm Climate Action Fund is to support farmers in adopting beneficial management practices that store carbon and reduce greenhouse gases, specifically in the areas of:

1. nitrogen management
2. cover cropping
3. rotational grazing practices

These practices also provide other environmental benefits such as improved biodiversity and soil health.

Other activities to support the adoption of beneficial management practices will be considered, such as outreach, education and training.

The expected result of the OFCAF program is a resilient food production system in Canada that:

- helps Canada meet national emissions reduction targets
- protects the environment and improves soil health
- builds the strength and competitiveness of our agricultural businesses and economy

! Note: The OFCAF program will only fund implementation of new BMPs, **including expansion of BMPs to a farm area where these BMPs have not been previously employed** in order to significantly reduce greenhouse gas emissions and improve carbon sequestration. The program will not fund ongoing practices on existing acreage.

WHO IS ELIGIBLE TO APPLY

All agricultural producers, groups of agricultural producers or cooperatives with a New Brunswick Registered Professional Agricultural Producer (Ex: NB004576) number are eligible for a maximum contribution based on gross farming income as reported on your most recent Income Tax and Benefits Return (line 9659 on T2042 - Statement of Farming Activities) or T2 Corporation Income Tax Return (line 9659 on Schedule 125).

The Maximum Funding amount (see table to right) is the most an Ultimate Recipient may receive for the sum of all projects during the two-year period of the OFCAF program, which ends February 29, 2024. *“Ultimate Recipient” means an individual, body corporate, sole proprietorship, partnership or unincorporated organization, capable of entering into a legally-binding agreement.*

Gross Farm Income	Maximum Funding
Under \$10,000	\$10,000
\$10,000 - \$49,999	\$25,000
\$50,000 - \$99,999	\$35,000
\$100,000 - \$249,999	\$50,000
\$250,000 or more	\$75,000

Groups of producers must provide a list of partners and ensure that an individual recipient does not exceed the maximum eligible individual contribution of \$75,000.

OFCAF contributions are considered taxable income by the Canadian Revenue Agency, therefore Ultimate Recipients must provide a valid Canadian Revenue Agency Corporate Income Tax Number (Ex. 123456789RC0001) or a Social Insurance Number (SIN).



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Cost Sharing

Unless otherwise stated eligible costs related to a project will be shared between the OFCAF program and the successful applicant at a ratio of 70:30 (program:applicant). Cash and in-kind contributions will be counted in ultimate recipient (applicants) funding for the cost-sharing ratio.

Applicants must clearly indicate all sources of funding for the project. Sources of funding can include contributions from:

- Applicant directly (your organization)
- Federal government programs
- Provincial/territorial government programs
- Municipal government programs
- Other sources of funding (loans, non-governmental grants, etc.)

Funding from federal, provincial, territorial and municipal government sources for activities within the scope of an Ultimate Recipient’s project (individual or group) is limited to 85% of total eligible costs of the Project during the two-year period of the OFCAF program.

Applicants are encouraged to apply for funding for more than one BMP area (nitrogen management, cover cropping, rotational grazing) and element.

PLANNING YOUR PROJECT

Projects are the activities carried out at your farm or location to meet the program objectives. Projects must have clear start dates and end dates with measurable outcomes. Eligible project costs may be retroactive to April 01, 2022.

For the purposes of the OFCAF program, each project must be completed and claimed within a fiscal year (either April 1, 2022 to February 28, 2023 or April 1, 2023 to February 29, 2024). You can plan multiple projects and apply for funding for projects in both program years.

Project examples:

- Interseed silage corn in Field 23
- Install cross fencing in west pasture to create paddocks
- Install cross fencing in south pasture to create paddocks and install solar panels for waterer
- Plant winter cover crop after annual crop harvest on 130 acres 2022, 150 acres 2023
- Purchase manure injector

It is recommended that you discuss your plan with a BMP Program Advisor prior to applying.

HOW TO APPLY

OFCAF registration forms can be accessed here: <https://www.nbscia.ca/ofcaf-program-registration/> or from a regional NBSCIA Coordinator. An OFCAF application form with appropriate Appendices will be emailed to all registrants. If not received contact a regional NBSCIA coordinator or the NBSCIA OFCAF Program Administrator by email ofcafadmin@nbscia.ca or phone 506-276-3311.

Completed applications may be submitted by email to ofcaf.facf@nbscia.ca or mail to the Program Administrator.

Hard copy OFCAF applications are available from the NBSCIA OFCAF Program Administrator or the regional NBSCIA Coordinator.

Completed registrations and applications can be submitted as follows:

- In person to: Regional NBSCIA Coordinator



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- emailed to: ofcaf.facf@nbscia.ca
- mailed to NBSCIA OFCAF Program Administrator:
150 Woodside Lane Unit 2
Fredericton NB; E3C 2R9

For additional Information Contact a regional NBSCIA Coordinator.

Ray Carmichael (506) 276-3311 carleton@nbscia.ca	Andrew Sytsma (506) 245-2220 central@nbscia.ca	Joseph Graham (506) 567-0224 kings@nbscia.ca
Zoshia Fraser (902) 220-9147 moncton@nbscia.ca	Jean Mars Jean Francois 1-506-273-1674 nwno@nbscic.ca	Nadler Simon 1-438-933-0411 northshore@nbscia.ca

Or an OFCAF Program Advisor: David Walker (506) 461-6046 Stephen London (506) 392-0408

Applicants must submit a complete application to be considered for funding. The application package consists of the application form and the corresponding Appendix A, B or C for each BMP (A. nitrogen management, B. cover cropping, C. rotational grazing), as well as any project details (such as supplier quotes and estimates) required for each BMP.

Applications will be accepted from June 1 2022 to November 30, 2022 for projects funded in the fiscal year ending March 31,2023.

Deadline for the first intake of applications is July 31, 2023 for projects funded in the fiscal year ending March 31,2024.

Subject to the availability of funding the deadline for the second intake of applications is November 30, 2023 for projects funded in the fiscal year ending March 31,2024.

ADDITIONAL REQUIREMENTS

! Note: Each BMP appendix management plan must be certified by a Professional Agrologist (PAg), Professional Agronomist or Certified Crop Advisor (CCA).

All applications must include a georeferenced aerial photo map with farm and field identification at a 500-meter zoom scale or georeferenced field location polygons, prior to approval. ArcGIS shape (shp) files are available from service providers (consultants, lime and fertilizer spreaders, JD Operations Center).

KMZ files can be digitized and exported from Google Earth Pro.

NBARMS georeferenced aerial photo maps are available from the NBDAAF website:
<https://www2.gnb.ca/content/gnb/en/departments/10/agriculture/content/arms.html>



OFCAF Program Guidelines

A. Nitrogen Management BMP

Purpose: Activities will focus on appropriate nitrogen management practices to optimize and reduce the use of synthetic fertilizers to reduce GHG emissions. Reducing excess nitrogen can improve water and air quality and increase profit margins of farms. The design and implementation of a Nutrient Management Plan (NMP) will ensure that crop requirements are achieved through responsible management practices that will meet target yields and quality without applying nitrogen in excess. NMPs are effective for both environmental and economic sustainability on a farm when completed by an experienced agrologist or crop advisor.

Financial contributions will be provided for the following BMP elements (as recommended by a PAG or CCA).

Eligible Activities*	Eligible Costs	Ineligible Activities/Costs
<ul style="list-style-type: none"> • Planning, Technical Assessments or Engineered Designs (e.g., nutrient management plan, including crop diversification plans to increase legumes and pulses in rotation; engineering or technical design work by a qualified professional) • Soil testing and soil mapping • Use of nitrification and urease inhibitors; polymer coated urea (PCU) • Use of soil organic amendments and synthetic fertilizer substitutes (manure, compost, digestants) • Increasing legumes in rotations to account for N credit from legumes in subsequent crop • Split application of fertilizer with reduced rate as a result of increased crop use efficiency (change from application in spring at seeding only to application at spring and during crop development to better match plant needs and reduce nitrogen loss) • Fertilizer application equipment and equipment upgrades to allow for banding, side dressing and injection • Transitioning to better manure management with improved manure incorporation to avoid volatilization. 	<ul style="list-style-type: none"> a) Development of 3-year N-based Nutrient Management Plans will be funded at \$1,500 for first 100 acres, plus \$10 per additional acre; funded at 70% of actual costs to a maximum of \$4,000 per recipient over the full program. Development of 1 year N-based Fertility Plans will be funded at \$500 for first 100 acres plus \$5 per additional acre; funded at 70% of actual costs to a maximum of \$2,000 per recipient per year b) 70% up to \$18.00 per acre for geo-referenced soil testing and mapping to document OM and support variable rate application of amendments to enhance nitrogen fertilizer efficiency c) 85% of regular fertilizer and urease inhibitor price difference d) 70% up to \$70.00 per acre for purchasing legume seed from registered dealers listed by NBSCIA and planting cost to increase legumes in rotation e) Offsetting higher cost of adopting synthetic fertilizer substitutes (manure, compost, digestates, sludge), where applicable and when incorporated at 70% to a maximum of \$70.00 per acre. f) Up to 70% of cost of fertilizer application equipment and equipment upgrades to allow for banding, side dressing and injection. g) \$10.00 per acre for cost of split nitrogen applications h) If transitioning to better manure management; up to 70% of costs associated with improved manure incorporation, using hoses or equipment for shallow incorporation (to avoid volatilization). i) 85% of price difference between regular nitrogen fertilizer and PCUs 	<ul style="list-style-type: none"> • Management of nutrients other than nitrogen • In the case of transitioning to better manure management, only activities that improve manure incorporation in the soil are eligible. Injection is preferred; however, if equipment for this is not available, other methods of incorporation as soon as possible after application are also eligible. • BMPs applied to a specific farm area prior to the Program are ineligible. Note, however, that an expansion of a BMP application on a farm area where these BMPs have not been previously employed is eligible



OFCAF Program Guidelines

Project Requirements

- All activities must be supported by a Professional Agrologist or Certified Crop Advisor, demonstrating the grower's nitrogen management standard practice and change of practice; and the benefits and rationale for the change of practice
- All fields approved are subject to site visitations and project audits detailed invoices and proofs of payment must be included with the project's final report
- All applications must include a georeferenced aerial photo map with farm and field identification or georeferenced field location polygons for all fields utilized in the BMP, prior to approval.

Successful Applicant Requirements

All applicants must agree that field acreage will be determined from a georeferenced aerial photo map.

B. Cover Cropping BMP

Purpose: Projects will focus on the use of appropriate cover crops to protect soil from erosion, enhance soil organic matter and provide undisturbed cover over winter and early spring months. Cover crop establishment prior to winter will reduce nutrient loss events by retaining residual soil nutrients within the crop during the fall and winter. A well-established cover crop, maintained until the following spring, acts as soil cover by holding topsoil in place outside of the growing season when soil erosion caused by wind and water can be significant. Cover crops can also fix or retain nitrogen, decreasing nitrous oxide emissions and can help build soil organic matter, sequestering carbon.

Financial contributions will be provided for the following BMP elements (as recommended by a PAg. or CCA).

Eligible Activities*	Eligible Costs	Ineligible Activities/Costs
<ul style="list-style-type: none"> • Planning and Technical assessments when needed (e.g., agronomic services) • Establishing winter cover crops • Intercropping cover crops • Fall planted cover crops as well as spring planted cover crops underseeded with the main crop (Intercropping) and full season annual and/or perennial cover crops in a rotation 	<ul style="list-style-type: none"> a) 70% up to \$2,500 for professional service costs related to cover crop planning b) 70% up to \$70.00 per acre for purchasing certified or common seed of recommended cover crop species from registered dealers listed by NBSCIA and cost of planting (tillage and seeding) cover crops. Plus \$35.00 per acre if a legume is included in the mix and seeded prior to Aug 15. c) Up to 70% of the cost of specialized equipment to manage cover crops 	<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 • Crops that will be harvested or grazed leaving less than 6 inches (15cm) of cover crop growth over winter • Crops that can be harvested in the next growing season intended for market (e.g., winter cereals) • Cover crops planted to take land permanently out of production are also not eligible • Costs related to rejuvenation of existing forages, pastures or hay land. • Volunteer cover of seed loss from the preceding harvest (peas, cereals, etc.) or regrowth of existing crops • BMPs applied to a specific farm area prior to the Program are ineligible. Note, however, that an expansion of a BMP application on a farm area where these BMPs have not been previously employed is eligible



OFCAF Program Guidelines

Project Requirements

Details of the cover cropping plan, included with the application, supported by Certified Crop Advisor, or Professional Agrologist (PAg), demonstrating the grower's cover cropping standard practice and change of practice; and the benefits and rationale for the change of practice

All fields approved for projects through this BMP are subject to site visitations or satellite imaging which may occur in the summer, late fall and/or early spring in order to ensure that a commercial crop was grown and that a winter cover crop was established and maintained until the following spring

All applications must include a georeferenced aerial photo map with farm and field identification or georeferenced field location polygons for all fields utilized in the BMP, prior to approval.

Successful Applicant Requirements

Agree to establish a winter cover crop following the growing season of a preceding crop

Agree to establish the winter cover crop according to the crop parameters and timelines outlined in the cover crop plan submitted with the application

Agree not to till or plow the winter cover crop following its establishment before the spring tillage

All applicants must agree that field acreage will be determined from a georeferenced aerial photo map.

C. Rotational Grazing BMP

Purpose: To support new fencing and livestock watering systems infrastructure to strengthen rotational grazing systems. Managing pastures to control the timing and intensity of grazing animals can mitigate greenhouse gas emissions by maintaining healthier, younger grass that is more digestible for ruminant livestock. This increases feed-use efficiency in grazing ruminant livestock, and subsequently, reduces CH₄ emissions from enteric fermentation processes. It also improves the soil and grass's ability to sequester CO₂ emissions from the atmosphere, and reduces compaction and overgrazing.

Financial contributions will be provided for the following BMP elements (as recommended by a PAg. or CCA).

Eligible Activities*	Eligible Costs	Ineligible Activities/Costs
<ul style="list-style-type: none"> • Planning, technical assessments or engineered designs (e.g., rotational grazing plan, engineering or technical design work by a qualified professional) • Activities to implement grazing plans • Activities to implement low methane pastures (increased alfalfa content, high quality forage and species containing tannin, such as sainfoin) • Other intensive, short duration grazing 	<p>a) 70% up to \$2,500 grazing management plans and technical assessments, 70% up to \$4,000 for engineered designs</p> <p>b) Up to 70% for rotational grazing infrastructure and installation (e.g., cross fencing, wildlife friendly fencing, temporary fencing, and waterers, including remote watering systems when powered by renewable energy)</p> <p>c) 70% up to \$70.00 per acre for purchasing certified or common seed of recommended legume and grass pasture mixtures from registered dealers listed by NBSCIA seeded prior to Aug 15 in a rotational pasture and cost of seeding for improved pasture composition</p>	<ul style="list-style-type: none"> • Perimeter fences, if construction is not aligned with grazing plan • Costs related to 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 costs • Barbed wire • Fertilizer • BMPs applied to a specific farm area prior to the Program are ineligible. Note, however, that an expansion of a BMP application on a farm area where these BMPs have not been previously employed is eligible





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Project Requirements

A brief project summary that includes details regarding the pasture plan, improvement activities, and the timing and livestock density will be required with the application.

All approved projects through this BMP are subject to site visitations to ensure that the rotational grazing practice is being implemented for which this program provided financial assistance.

Detailed invoices and proofs of payment must be included with the project claim.

All applications must include a georeferenced aerial photo map with farm and field identification or georeferenced field location polygons for all fields utilized in the BMP, prior to approval.

Successful Applicant Requirements

All applicants must agree that field acreage will be determined from a georeferenced aerial photo map.

All approved projects through this BMP are subject to site visitations to ensure that the rotational grazing practice is being implemented for which this program provided financial assistance.

APPROVAL PROCESS

Approvals will be made by a selection committee consisting of NBSCIA Administrative staff and New Brunswick agricultural industry stakeholders. Applications received during the specified time periods above (HOW TO APPLY) on a first come -first serve basis subject to available funding.

The committee will meet regularly and consider applications submitted prior to the meeting date. The committee's decisions will be final.

If approved, you'll receive a letter and contribution agreement by email that outlines your funding amounts and critical time lines. Once you've reviewed the contribution agreement, sign and return the letter of acceptance.

If your application is not approved, you will be notified in writing.

ASSESSMENT CRITERIA

An application must be complete in order to be assessed by NBSCIA. Applications will be assessed against the following criteria and the program objectives.

- eligibility (of applicant, activities, costs, project timelines)
- alignment against the program's objective and priorities
- how the project will contribute to the adoption of beneficial management practices that store carbon and reduce greenhouse gases
- capability of the applicant to successfully complete the project, including:
 - financial capacity including evaluation and validation of all sources and levels of project financing, both government and private
 - managerial capability (experience and track record)

SUBMITTING CLAIMS

All 2022-23 activities must be completed and claims submitted by February 28, 2023

All 2023-24 activities must be completed and claims submitted by February 29, 2024.

Note that claims for per acre amounts require a georeferenced aerial photo map with farm and field identification with georeferenced field location polygons, prior to payment.





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Only expenses directly related to the project activities stipulated in the Letter of Offer are eligible. Expenses that do not follow the guidelines are not eligible. If you are unsure about a particular expense, or if an expense is unusual, please check with NBSCIA OFCAF Administrator before making a financial commitment.

A proof of expenditure and payment is required with requests (claims) for reimbursement. Quotes, purchase orders, or packing slips will not be accepted as proof of payment. Examples of acceptable proof of payment include sales receipts, with cancelled cheques, wire payments, EFTs, credit card and e-transfer payment confirmations. PAID in FULL receipts are not acceptable.

All claim payments are subject to NBSCIA having funds on deposit from the Government of Canada represented by Agriculture and Agri-Food Canada.

REPORTING

Recipients will be required to report on expenditures, performance and results.

Performance and Results

Recipients may be required to complete a survey which will include a short summary on the impact that the investment has had on the operations

Financial Reports

Recipients must submit and retain copies of invoices and proof of payment for eligible project costs incurred, for seven (7) years after the completion of the project.

Other reports may be required at NBSCIA's discretion.



OFCAF Program Guidelines

General Ineligible Activities and Costs for Ultimate Recipient (Farmer) Projects

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| <ul style="list-style-type: none"> • Projects commenced and costs incurred prior to April 1, 2022 • Invoices not issued in the applicant's name • Any cost not specifically required for the execution of a project • Normal operating costs associated with carrying out or expanding a business's current operations • Taxes, legal fees, financing charges, loan interest payments, bank fees • In-kind payment for third-party services • Materials from the applicant's inventory • Fabricated items, equipment or materials not purchased from a recognized dealer. For the purposes 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) • Any cost, including a tax, that is eligible for a rebate, credit or refund (e.g., a refundable portion of the Harmonized Sales Tax) • Gifts and incentives • Annual services fees of any type • Expenses considered regular replacement, repair or maintenance; • Warranties for equipment or components used to modify equipment • Any equipment or equipment customizations that do not support an increase in soil carbon or a decrease in nitrogen loss • Costs related to activities that directly influence or lobby any level of government • Costs of basic research • Costs of ongoing activities • Normal commercial expansion costs • 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 | <ul style="list-style-type: none"> • Costs of travel, hospitality, meals and accommodations • Purchase or sale of land, buildings or facilities or associated taxes or fees (e.g., land transfer tax) • New building construction • Typical farm equipment (e.g., tractors, skid steers, combines, livestock trailers) and related accessories or attachments (unless specified as an eligible cost under one of the three BMP areas) • Tile drainage systems • Lime • Crop storage facilities • Mentoring or coaching services • Global Positioning Systems (GPS) and associated components • TMR mixers, feed pushers and automated feeding systems • Hand or power tools or attachments • Multi-use items (e.g., items that can reach beyond the scope of the project such as computers, printers, etc.) • Labour costs, other than as part of installation costs, including wage subsidies • Administration costs such as office supplies, materials, space, telecommunications, audiovisual, postage and freight • Capital items not specifically required for the execution of the project • Costs for activities that are deemed to be part of normal business practice for any recipient • Costs related to marketing activities and business promotion • Land purchases • Goodwill • Legal fees • Any portion of any cost that, in NBSCIA's opinion, exceeds the fair market value for that cost item • Any cost, such as amortization that would not result in a direct, out-of-pocket expense for the recipient • Costs being reimbursed under an existing federal, provincial or territorial program • Any other expenditure not specifically listed as eligible or otherwise approved as eligible • Permits and approvals |
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OFCAF Program Guidelines

ANNEX A How to complete the application and BMP Appendices

To Be Completed

RESOURCE LINKS

IPNI Estimates of Nutrient Uptake and Removal-- <http://www.ipni.net/article/IPNI-3296>

Eastern Canada Cover Crop Selection Tool-- <http://decision-tool.incovercrops.ca/>

