



May 2, 2022

# USDA's climate-smart commodity program, explained

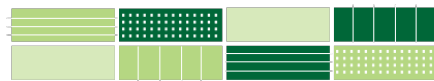
The U.S. Department of Agriculture's new \$1 billion Partnerships for Climate-Smart Commodities program will fund pilot agricultural projects that implement climate conservation growing techniques. The program aims to increase climate-smart agriculture and demand for its products as well as promote inclusion of small or historically underserved producers. Projects considered for funding could be scaled up for wider use by agricultural producers and must verify that they capture methane or reduce carbon emissions.

USDA expects to grant 30 to 50 awards, depending on the number of proposals received, and will use funding from the federally operated Commodity Credit Corporation.

## Types of agricultural projects eligible to request program grants

Both for-profit and nonprofit entities — including state, local and tribal governments — can apply for climate-smart commodity grants, but they must have prior experience working with producers and landowners. Individual farmers, ranchers and forest owners can partner on projects with these entities. All applicants, recipients and subrecipients must not be foreign organizations or foreign public entities.

Projects can be between one and five years in duration with expected start dates in summer 2022. They must demonstrate results within one year of implementation.



LARGE-SCALE PILOT PROJECTS



PARTICULARLY INNOVATIVE PILOT PROJECTS

|  |   |  |
|--|---|--|
| <b>Application deadline</b>  | May 6   | June 10  |
| <b>Grant request amounts</b>   | \$5 million to \$100 million per project  | \$250,000 to \$4.99 million per project  |
| <b>Specific requirements of each funding pool</b>                    | <ul style="list-style-type: none"> <li>• Projects are large-scale in scope and have scalability potential</li> </ul>  | <ul style="list-style-type: none"> <li>• Minority-serving colleges or universities track and report project performance</li> </ul> |
| <b>Both funding pools require this criteria of proposed projects</b> | <ul style="list-style-type: none"> <li>• Produce climate-smart commodities on a farm, partnering with underserved and minority-focused producers and landowners</li> <li>• Use climate-smart agriculture and forestry practices to reduce greenhouse gas emissions and sequester carbon</li> <li>• Track and report project performance</li> <li>• Plan to develop supply and demand for climate smart commodities</li> </ul> |  |

## Climate-smart agricultural and forestry practices that projects may include

Program applicants must plan to use conservation methods that can be measured for reduction of greenhouse gas emissions or carbon sequestration. Some examples:

### LOW-TILL OR NO-TILL FARMING

Keep soil surface and previous crop residue intact before planting new crops to improve soil structure, reduce erosion



### COVER CROPS

Plant grasses or legumes after crop harvests and before next plantings to improve soil quality, reduce compaction and erosion



### PRESCRIBED GRAZING

Manage frequency and duration of animal grazing in pastures to reduce soil erosion, compaction



### REFORESTATION

Replant trees on working lands to improve soil quality and carbon sequestration



### WETLAND MANAGEMENT

Plant areas of native plants by wetlands to reduce sediment, nutrient and pesticide runoff



## Climate-smart commodities that projects may develop and promote

The projects must increase supply and demand for the products in climate-smart commodity markets such as companies or processors that use climate-smart products, biofuel and renewable energy markets, and companies interested in selling consumer products branded as climate-smart. Some examples of climate-smart commodities:



Source: USDA