

**Voluntary Report** – Voluntary - Public Distribution

**Date:** August 23, 2021

**Report Number:** CA2021-0047

**Report Name:** Canada Announces Details for Agriculture Climate Program

**Country:** Canada

**Post:** Ottawa

**Report Category:** Climate Change/Global Warming/Food Security, Policy and Program Announcements

**Prepared By:** Mihai Lupescu

**Approved By:** Katherine Nishiura

**Report Highlights:**

The federal government announced details for a \$160 million USD program over three years to help farmers adopt beneficial management practices that store carbon and reduce greenhouse gas emissions through cover cropping, nitrogen management, and rotational grazing practices. Direct payments to farmers will be provided through delivery partners like producer associations, Indigenous groups, non-governmental organizations, and provincial Crown corporations.

On August 12, 2021, the Canadian federal government [launched](#) a call for proposals for the **On-Farm Climate Action Fund**, a new \$160 million USD (\$200 million CAD) three-year program providing direct payments to farmers to adopt beneficial management practices that store carbon and reduce greenhouse gas (GHG) emissions.

Eligible environmental beneficial practices must fall under three target areas:

- **Cover cropping**, with payment-per-acre to cover costs such as seeds and equipment for crops like clover and alfalfa planted to cover the soil rather than for the purpose of being harvested;
- **Nitrogen management**, with payments to cover costs related to agronomic services to develop farm-specific nutrient management plans, equipment modifications for fertilizer application in fields, and soil sampling and analysis; and
- **Rotational grazing**, with payments for costs of agronomic services to develop grazing management plans, interior cross fencing, water system infrastructure, or legume and forage seeds.

Farmers will receive the funds from yet-to-be-selected program delivery partners, which could include producer associations, commodity organizations, Indigenous groups, non-governmental organizations, and provincial Crown corporations.

The new On-Farm Climate Action Fund (initially mentioned in the [Federal Budget 2021](#)), together with the previously announced [Agricultural Climate Solutions<sup>1</sup>](#) and the [Agricultural Clean Technology Program<sup>2</sup>](#), are part of Canada's \$3.2 billion USD (\$4 billion CAD) umbrella [Natural Climate Solutions Fund](#) meant to help Canada achieve its 2030 GHG emission reductions targets, and to become a net-zero emissions economy by 2050.

#### **Attachments:**

No Attachments.

---

<sup>1</sup> This is a \$150 million USD (\$185 million CAD) program to establish collaborative networks between farmers, scientists and other stakeholders to develop and implement farming practices that tackle climate change.

<sup>2</sup> This is a \$130 million USD (\$165.7 million CAD) program for the research, development, and adoption of clean technologies on farms.