

Partnerships for Climate-Smart Commodities

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Notice of Funding Opportunity Summary

Up to approximately \$1 billion (increased to over \$3 billion due to demand) for **Partnerships for Climate-Smart Commodities** projects, which will build markets and invest in America's climate-smart farmers, ranchers and forest owners to strengthen U.S. rural and agricultural communities



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

Project Elements:

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.



Two Funding Pools

First Funding Pool – CLOSED May 6, 2022

Proposals from **\$5 million to \$100 million** are in the first funding pool and should include large-scale 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 underserved producers.

Second Funding Pool – CLOSED June 10, 2022

Proposals from **\$250,000 to \$4,999,999** are in the second funding pool and 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.

All projects in both pools must have a plan to involve small and/or underserved producers.



Pool 1 Results

- Agriculture Secretary Tom Vilsack announced September 14, 2022:

The U.S. Department of Agriculture is investing up to **\$2.8 billion** in **70 selected** projects under the first funding pool of Partnerships for Climate-Smart Commodities.

- The first pool closed on May 6 and included over 450 proposals ranging from \$5 million to \$100 million each.
- The applications came from over 350 groups and covered every state in our nation, as well as tribal lands, the District of Columbia and Puerto Rico, which demonstrates the tremendous geographic scope of this need.
- Proposals received that request more than \$18 billion and offer to match more than \$8 billion in nonfederal dollars were ranked against the technical criteria in the funding opportunity.

Pool 2 Results

- Agriculture Secretary Tom Vilsack announced December 12, 2022:

The U.S. Department of Agriculture is investing over **\$3.1 billion** in **141 selected** projects under the Partnerships for Climate-Smart Commodities.

- USDA received over \$2 billion in proposals from over 600 projects for the 2nd funding pool.
- Equity and inclusion of small and/or underserved producers is a requirement across all projects in both funding pools.
- The second funding pool was particularly focused on innovative projects that emphasize enrolling small and underserved producers and invest in measuring, monitoring, reporting and verifying the benefits of climate-smart practices at minority-serving institutions.

Projects by Commodity

PROJECTS BY COMMODITY



Investments & Awards

PROPOSAL INVESTMENTS

Proposals for the

141

tentatively selected projects include plans to match



An average of

50%

of the federal investment with non-federal funds.

PROJECTS BY AWARD SIZE*

71



Under \$5M

22

\$5-20M

25

\$25M-45M

09

\$50M-65M

14

\$70M-95M



Diverse Partnerships



~100

universities, including more than 30 **minority-serving institutions**, engaged & helping advance projects.

20+

tribes and tribal groups engaged and leading on many projects across a wide geography.

Land & Markets



60,000

farms reached, encompassing

acres of working land

engaged in climate-smart
production practices.

25M



Hundreds of expanded markets
and revenue streams for producers and
commodities across agriculture ranging
from **traditional corn** to **specialty crops**.

Estimated GHG Benefits



More than **60 million metric tons** of carbon dioxide equivalent sequestered over the lives of the projects. This is equivalent to removing more than **12 million gasoline-powered** passenger vehicles from the road for one year.

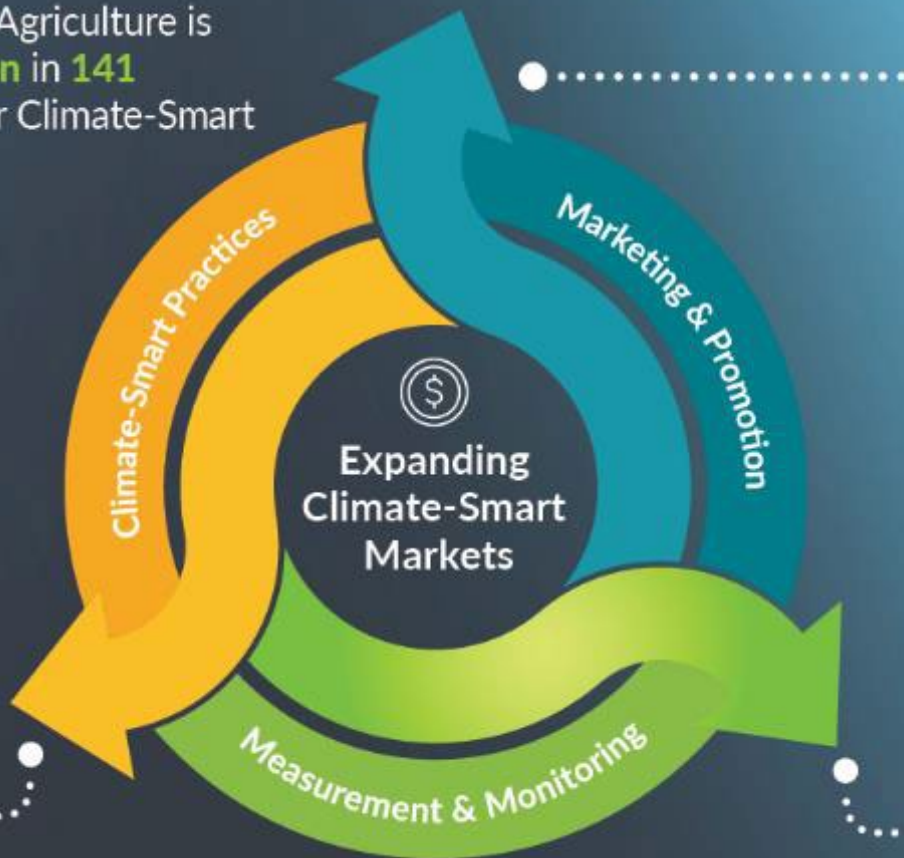


PARTNERSHIPS FOR CLIMATE-SMART COMMODITIES

The U.S. Department of Agriculture is investing over **\$3.1 billion** in **141 selected** Partnerships for Climate-Smart Commodities projects.



Adoption of climate smart practices allows farmers access to new markets for climate smart commodities. By providing support for climate smart practice implementation, USDA can help farmers absorb risk associated with practices that often have high up front cost.



Marketing and promotion activities that will build and expand markets for the commodities being produced using climate-smart practices with premiums going to producers.



Greenhouse Gas Measurement, Monitoring, Reporting and Verification (MMRV) is critical to build consumer trust and build markets. Projects will test innovative MMRV systems for feasibility, affordability and low transaction costs.



PRODUCER BENEFITS

1. Additional and Expanded Markets for Climate-Smart Commodities
2. Increased Market Price Premiums and Profits
3. Incentives for Producing Climate-Smart Commodities
4. Assistance with Marketing Climate-Smart Commodities
5. Training and Technical Assistance on Climate-Smart Commodity Production and Practices
6. Cost Share and Incentives to Implement Climate-Smart Practices
7. More Productive Agricultural Land and Increased Yields
8. Lower Fertilizer and Other Input Costs
9. Increased Resilience to Climate and Weather Event Impacts
10. Understanding of Climate-Smart Benefits on Your Farm

LEARN MORE:



Partnerships for Climate-Smart Commodities Timeline

2023



FEBRUARY/MARCH

USDA begins executing Pool 1 agreements with partners. Negotiation meetings begin with Pool 2 tentative selectees.

APRIL

Virtual launch of the USDA Partnerships for Climate-Smart Commodities Learning Network (Partnerships Network).



SPRING/SUMMER

Projects with executed agreements begin marketing plans and producer signups.

JUNE

Partnerships Network meeting with Pool 1 project partners.



SEPTEMBER

Partnerships Network meeting for Pool 2 project partners.

NOVEMBER

Partnerships Network meeting for Pool 1 and Pool 2 project partners.



Note: Periodic reports will also be posted based on quarterly and ad hoc reporting from grantees.



More Information

Visit www.usda.gov/climate-smart-commodities



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