



Manitoba
Association of
Watersheds

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PRAIRIE WATERSHEDS CLIMATE PROGRAM

(On-Farm Climate Action Fund)

BMP: COVER CROPS FACT SHEET PENULTIMATE: JUNE 10, 2022

AGRICULTURE AND AGRI-FOOD CANADA'S AGRICULTURAL CLIMATE SOLUTIONS ON-FARM CLIMATE ACTION FUND (OFCAF): PRAIRIE WATERSHEDS CLIMATE PROGRAM (PWCP)

OFCAF is an initiative designed to help farmers address climate change. Funding for this project has been provided by Agriculture and Agri-Food Canada. [Read the media release here.](#)

The Prairie Watersheds Climate Program: Manitoba and Saskatchewan

The Prairie Watersheds Climate Program (PWCP) seeks to increase producer uptake and increase acres around three key farming practices:

1. Rotational Grazing
2. Nitrogen Management
3. Cover Cropping

The Manitoba Association of Watersheds (MAW) is the lead organization managing the **Prairie Watersheds Climate Program** - an up-to \$40 million AAFC OFCAF project in Manitoba and Saskatchewan from February 7, 2022 – March 31, 2024.

- PWCP is delivered by Manitoba's Watershed Districts and the Saskatchewan Association of Watersheds (SAW).
- The project is overseen by an advisory committee of stakeholders led by MAW.

The Prairie Watersheds Climate Program Approach

- PWCP takes a grassroots, regional approach to addressing issues related to climate change in agriculture and supporting farmers to implement the three BMPs to have a positive impact on Canadian agriculture.
- 85 per cent of funding goes towards adoption of BMPs and BMP education/awareness activities for farmers.
- Greenhouse Gas (GHG) Emissions Reduction Credits arising from the Project on lands enrolled and funded in the project over the project period of February 7, 2022, to March 31, 2024, cannot be used by the Ultimate Recipient for any existing or future federal, provincial, or voluntary offset credit programs.
- Greenhouse Gas Emission Reduction Credits only apply to the year (s) in which the Ultimate Recipient received funding.
- All payments made to Ultimate Recipients for BMP adoption in the areas of nitrogen management, cover cropping, and rotational grazing are to be considered "farm support payments" as per subsection 234(2) of the *Income Tax Act* R.S.C 1985. As such all payments to farmers are to be considered income for the farm business and are subject to Income Tax.



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- MAW will be preparing and submitting annually to the Canada Revenue Agency (CRA) AGR-1 forms for each PWCP payment to Ultimate Recipients.

Important Program Points to Note

- An activity can only be funded **once** on the same parcel of land through OFCAF funding.
- An Ultimate Recipient who participates in any of the BMP eligible activities in FY 2022-2023 can apply for the same eligible activities on the same land for FY 2023-2024.
- Landlords and tenants both cannot apply for funding on the same piece of land.

The Prairie Watersheds Climate Program Producers

- Producers are eligible for a maximum of \$75,000 of OFCAF funding, including all eligible activities across all BMPs for the project period to accelerate their adoption and implementation of on-farm beneficial management practices (BMPs) to reduce GHG emissions, support production efficiency, sustainability, and resiliency on their farm operations.
- To assist producers with their adoption of all three BMPs, PWCP will offer producers resources to support BMP implementation and provide BMP design recommendations.

PWCP BMP: COVER CROPS: INCREASING ADOPTION OF COVER CROPPING

How Does Cover Cropping Improve Soil Health and Reduce GHG Emissions

A cover crop is planted between two main crops, the aim being to provide a number of ecosystem services (agronomic and ecological). Primarily these may be: (i) to reduce greenhouse gas emissions, (ii) to reduce leaching, (iii) to provide nitrogen to the next crop, (iv) to reduce erosion, (v) to improve soil structure and soil hydric properties (vi) to reduce parasite pressure on crops, (vii) to prevent weed growth, (viii) to increase the biodiversity of the farming landscape and environment (wildlife, bees, etc.).

How PWCP Can Help

The PWCP will distribute part of Canada's Contribution to farmers for the adoption and on-farm implementation of cover cropping BMPs that are recommended by a professional agrologist, agronomist or certified crop advisor. Funding will support BMPs that focus on the use of regionally appropriate cover crops in field crops and horticultural operations to protect soil from erosion, enhance soil organic matter and provide undisturbed cover over winter, which may only include:

- Intercropping;
- Planning and Technical assessments when needed (e.g. agronomic services); and
- Planting cover crops that meet program objectives.

Seed and Seeding Costs to Plant Regionally Approved Cover Crops

- \$35/acre to a maximum of \$75,000.
- Agronomic or Farm Plan that includes the seeding of regionally approved cover crops as a new or expanded practice of the farm operation.

Eligibility Requirements

- Funded projects must:

- Be new practices for an operation, or
- Be expanded from what has been practiced in prior years on new land or new acres than prior years,
- Be recommended by an agronomist, agrologist, Certified Crop Advisor.
- All activities must have commenced on or after February 7, 2022, and be completed on or before March 31, 2024.
- All invoices must be dated after February 7, 2022, and before March 31, 2024 (including those dates).
- Invoices and Proof of Purchase must accompany program rebate applications.
- Producers must contribute at least 15% of the total project cost as an in-kind contribution to the project.
- Before and after pictures of projects implemented are required for verification and payment.
- Producers may use seed from their own inventory provided that the seed meets the requirements of the program. This seed is not eligible for payments but can be part of the in-kind contribution of the producer to the project.
- Cover crops need to be sustained over the winter and the minimum height is 15 cm.

Ineligible Activities: Cover Crop BMP

- Crops that will be harvested or grazed leaving less than 6 inches (15cm) of cover crop growth over winter and crops that can be harvested in the next growing season intended for market (e.g. winter cereals) are not eligible under this program.
- Full-season cover crops, excluding cover crops that are intercropped with the main crop, are not eligible.
- Continuing implementation of an existing practice at the same degree as prior years.
- An activity can only be funded once on the same parcel of land through OFCAF funding.
- Landlords and tenants both cannot apply for funding on the same piece of land.
- Mechanical or chemical termination costs are not eligible.
- Cover Crops seeded into forages, hay land or pasture for the purpose of their rejuvenation and continued use as before the cover crops were seeded are not eligible.

For more information, visit: <https://manitobawatersheds.org/prairie-watershed-climate-program>

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