Sustainable Canadian Agricultural Partnership

Competitive. Innovative. Resilient.

Manitoba Resilient Agricultural Landscape Program: Carbon Sequestration and Grassland Resilience

Program Guide



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Section 1 - Program Description

The Sustainable Canadian Agricultural Partnership (Sustainable CAP) supports the growth and sustainability of the agriculture sector in Manitoba. The Resilient Agricultural Landscape Program (RALP): Carbon Sequestration and Grassland Resilience is offered through Sustainable CAP.

The objective of RALP: Carbon Sequestration and Grassland Resilience is to increase the environmental resilience of agricultural landscapes by accelerating the adoption of beneficial on-farm land use and management practices. These include practices that enhance the provision of multiple ecological goods and services (EGS), which are the environmental benefits that result from the physical, chemical, and biological processes of a healthy ecosystem.

Section 2 - Program Eligibility

Sustainable CAP supports a wide variety of activities and strategic investments. This guide focuses on program activities directed towards improving carbon sequestration, sustainability, and productivity through grassland management and agroforestry practices. Applicant eligibility for the specific program activities will vary by Beneficial Management Practice (BMP):

Agroforestry

- Association of Manitoba Community Pastures
- Indigenous primary producers and communities, including First Nations, Métis, and Inuit
- Primary producers

Grasslands and Grazing Management

- Agricultural Crown Land forage lease holders
- Association of Manitoba Community Pastures
- Indigenous primary producers and communities, including First Nations, Métis, and Inuit
- Primary producers

All applicants must ensure that they meet all eligibility requirements:

- All projects must be on agricultural land, and participating farmers must have a valid <u>Environmental Farm Plan</u> Statement of Completion
- Separate Application Worksheets are required for each BMP
- There is a \$15,000 limit per project

Projects will have up to eighteen months to be completed:

- Projects shall start on, or after, April 1, 2025
- Projects must be completed no later than September 30, 2026

Agricultural Crown Land forage lease holders must include a letter of support for the project from their Farm Production Extension Specialist.

Government employees, who are the majority shareholders (50 per cent or higher) in a business or operation, are not eligible to participate, or receive funding as the ultimate recipient. A farm business or operation which includes a provincial government employee as a minority shareholder will be eligible to receive funding for project implementation.

Additional factors may be considered in determining the eligibility of the applicant, including:

- the provision of false or misleading information by the applicant under other Sustainable CAP programs
- amounts due and owing by the applicant under other Sustainable CAP and Manitoba programs

Section 3 - Cost Share Funding

Eligible applicants can be reimbursed for up to 75 per cent of total approved eligible expenses, to a maximum of \$15,000 per project.

Eligible Expenses

Eligible expenses are directly related to the execution of an approved project. The applicant must provide expense details for each funding stream on the Application Worksheet. The following expenses are eligible for reimbursement:

- Incremental Equipment Usage
 - equipment owned by the applicant can be used if it is for the successful completion of the approved project.
 - o equipment rates will be determined using the appropriate rental rate guide:
 - Farm Machinery Custom and Rental Rate Guide
 - MHCA Equipment Rental Rate Guide
 - where rental rates are not identified in published guides, the applicant can specify the type of equipment and propose an hourly or daily rental rate in their worksheet budget for review.
- Incremental Labour
 - applicant labour hours, which are required to complete the project, are eligible and capped at \$30 per hour
- Materials and Supplies
 - expenses which are essential to the establishment of the project or practice and can include:
 - alternative livestock watering systems
 - fencing
 - earthwork and weed control
 - inoculants and fertilizer
 - seeding and tree/shrub planting
 - brush encroachment mitigation

- Professional Fees
 - third party costs such as engineering, consulting, geotechnical, and survey fees
- Subcontracted Services
 - third party costs related to the installation of:
 - alternative livestock watering systems
 - fencing
 - earthwork and weed control
 - seeding and tree/shrub planting
 - brush encroachment mitigation
- Provincial Sales Tax (PST)

The applicant is solely responsible for all project expenses, including all ineligible costs and any project deficits or cost overruns.

All expenses must be supported by invoices and valid proof of payment.

All eligible expenses must be invoiced and paid within the eligible project start and completion dates.

All invoices for eligible expenses must be issued in the applicant's name, and payment must be made by the approved applicant.

Where a project is approved, no eligible expenses will be reimbursed unless a funding agreement is signed.

Ineligible Expenses

The following costs are ineligible for funding:

- Any expenses (excluding inventory items) paid before the start date, or after the completion date, listed in the funding agreement.
- Use of inventory items (materials and supplies) purchased before April 1, 2023
- Goods and Service Tax (GST)
- In-kind expenses, including administrative time
- Any expenses not required for the execution of the project
- Normal operating expenses associated with conducting business operations
- Extended warranties
- Spare parts not used as part of the project
- Expenses associated with lobbying
- Any expense, including a tax, which is eligible for a rebate, credit, or refund
- Financing charges, loan interest payments, bank fees and charges
- Any compensation to any government employee for organizing or delivering parts of the project
- Purchase of land, buildings, and facilities, associated taxes and fees (e.g., land transfer tax)

- Any additions to new or existing buildings and facilities, associated taxes and fees
- Purchase of typical farm equipment (e.g., tractors, skid steers, combines, etc.)
 and related accessories and attachments
- Normal, current, or ongoing maintenance expenses
- Cost of establishing a commercial operation
- Cost of office renovations
- Cost of sponsorship of seminars, conferences, workshops, events, or initiatives
- Purchase of multi-use items (e.g., items not directly related to the project activities, such as computers, printers, phones, cameras, pressure washers, general farm equipment, batteries, ATV, trucks, clothing and footwear, tools, or fuel)
- Any project-related activity that generates revenue during the implementation of the project
- Expenses incurred for other projects
- Managerial and administrative expenses incurred by the applicant
- Invoices not issued in the applicant's name and/or payment not made by the approved applicant
- Any item purchased before April 1, 2025, with the exception of inventory items (materials and supplies). Inventory items must not have been purchased before April 1, 2023.
- Any other expense deemed ineligible by the program administrator

Funding from Government

The applicant must adhere to the stacking limit. The stacking limit refers to the maximum level of total Canadian government funding (federal, provincial/territorial, and municipal) a successful Applicant can receive towards total approved eligible expenses of a project.

The maximum level of total government funding must not exceed:

- 100 percent of total approved eligible expenses; or
- If the Applicant is a for-profit business or organization, 75 per cent for capital items that are approved eligible expenses

Section 4 - Funding Streams

Activities will focus on improving carbon sequestration, sustainability, and productivity, as well as providing other important environmental services derived from well-managed stocks of natural capital on agricultural land.

Financial assistance is available to landowners and land managers to implement practices to conserve and enhance EGS on the agricultural landscape.

There are two Beneficial Management Practice (BMP) categories eligible for financial assistance:

- Agroforestry
- Grasslands and Grazing Management

BMP Category	Eligible Activities
Agroforestry	Establishment and maintenance of shelterbelts or tree buffers for farmyard, livestock facilities and fields
	Planting of trees/shrubs on marginal or high-risk cropland
	Silvopasture
Grasslands and Grazing Management	Development of a grazing management plan
	Rotational grazing infrastructure including permanent and temporary cross fencing, offsite watering. • tame pasture • native grasslands
	Convert marginal and high-risk annual cropland to permanent grassland (includes establishment of native or tame forages)
	Increasing the use of alfalfa or other locally adapted and persistent nitrogen-fixing perennial legumes in tame pasture and hay

Agroforestry

Background

Planting trees in yards, fields, around livestock facilities, and near dugouts offers m benefits from minimizing the impacts of wind, managing snow, creating habitat, and providing shelter to farmyards and livestock. The objective of this BMP is to help landowners and land managers establish agroforestry projects and simplify their maintenance.

The purpose of the Agroforestry BMP is to promote the establishment of trees and management of woodlots that provide:

- Enhanced carbon sequestration
- Reduced soil erosion
- Improved water conservation efforts
- Energy conservation (e.g., heating costs for home, barn, shop)
- Improved wildlife habitat
- Increased crop yields
- Thermal protection for livestock
- Reduced surface runoff and enhanced water quality

Eligible Activities

- Establishment of shelterbelts or tree buffers for farmyard, livestock facilities and fields
- Planting of trees/shrubs on marginal or high-risk cropland
- Silvopasture

Eligible Expenses

- Site preparation
- Planting
- Weed control (e.g., mulches)
- Fencing materials and construction
- Tree and shrub seedlings or cuttings for appropriate species
- Rejuvenation (e.g., selective harvesting and planting)
- Incremental labour, capped at \$30 per hour
- Farm and heavy equipment use (at set program rates outlined in the <u>Farm</u>
 <u>Machinery Custom and Rental Rate Guide</u> and <u>MHCA Equipment Rental Rate Guide</u>)

Ineligible Expenses

- Agroforestry projects on designated Agricultural Crown Lands
- Tree and plant species intended for harvesting for economic benefit (e.g., Christmas trees, fruit orchards, ornamental trees)
- Purchase and relocation of established trees

Notes

- Species used should be adapted to Manitoba conditions, hardy and non-invasive. Diversity of disease-resistant species is encouraged.
- Native prairie and other ecologically sensitive lands, such as wetlands, are ineligible for Agroforestry implementation.
- Tree species should remain on the landscape for their natural lifespan.
- Activities include replacement of old shelterbelts where the current shelterbelt is unhealthy.
- Fencing material estimates can be supported by using the FencePlan cost calculator found on the Manitoba Agricultural Services Corporation (MASC) website:
 - MASC Online Calculators

Reference Materials

- For more guidance in developing your Application Worksheet, visit:
 - o Manitoba Forestry Association

Grasslands and Grazing Management

Background

Enhanced livestock management strategies can be realized with the targeted placement of key infrastructure components. Effective management of water sources and installation of cross-fencing facilitates improved grazing management. Forage species affect the length of the grazing season and the carrying capacity of the pasture, while animal performance is influenced by the quality of pasture or harvested hay consumed.

Implementing the Grasslands and Grazing Management BMP will result in:

- Increased productivity and economic gains
- Reduced greenhouse gas emissions
- Reduced stream-bank degradation
- Improved nutrient and water retention
- Improved biodiversity and wildlife habitat
- Improved soil and water quality

Eligible Activities

- Planning
 - input from a knowledgeable professional to create a grazing management plan that considers forage rest and recovery, stocking rates, paddock rotation and placement of water infrastructure.
- Infrastructure
 - rotational grazing infrastructure including permanent and temporary cross fencing and offsite watering for:
 - tame pasture
 - native grasslands
- Rejuvenation
 - conversion of marginal and high-risk annual cropland to permanent grasslands (includes establishment of native or tame forages)
 - increase in the composition of alfalfa or other locally-adapted and persistent nitrogen fixing perennial legumes in pasture and hay to at least 30 per cent of the forage.

Eligible Expenses

 Consultant fees for a Grazing Management Plan (developed by a professional with an Agrologist designation registered with Agrologists Manitoba or equivalent; may include sample collection, data analysis and interpretation, as well as preparation of written plan that includes timing and duration of grazing, grazing intensity, stocking rates and densities, pasture composition, paddock rotation, placement of water infrastructure, management of undesirable plant species, and soil fertility management)

- Perennial forage establishment for improved pasture quality (seed, weed control, inoculants and fertilizer if required to establish perennials; equipment use, and labour costs)
- Permanent, temporary, or alternative fencing to improve grazing strategies (fencing material and labour costs) and exclude livestock from surface water
- Alternative watering systems (e.g., system components, labour, installation)
- Water source development to support grazing management (including test hole drilling, wells, dugouts, pipelines, and associated components)
- Perennial forage seed, including the use of nitrogen-fixing perennial legumes
- Brush encroachment mitigation and control of invasive alien species to improve pasture health, including mowing or chemical treatment
- Incremental labour costs, capped at \$30 per hour
- Farm and heavy equipment use (at set program rates outlined in the <u>Farm</u>
 <u>Machinery Custom and Rental Rate Guide</u> and <u>MHCA Equipment Rental Rate</u>
 Guide)

Ineligible Expenses

- Consultant fees paid to the applicant's own consulting company
- Grazing management software
- Seeding of annual cash crops
- Any expense related to the use of a bulldozer
- Any water supply infrastructure intended solely for residential use
- Temporary set-up of watering systems
- Hauling or pumping water
- Aeration systems for dugouts
- Conversion of existing native prairie or seeding non-native legumes into native pastures
- Clearing of primary forest into new open pasture
- Ditching and other drainage work
- Filling old dugouts
- Portable livestock corral panels not directly associated with the livestock watering system operation and protection
- Portable gas/diesel powered water pumps, generators, water meters
- Materials and construction costs for pump houses

Notes

- Native prairie is ineligible for pasture renovation (reseeding) projects.
- A minimum 30 per cent alfalfa or legume composition in renovated pastures is required.
- Seed mixtures must not contain potentially invasive species.
- The emphasis for native prairie is on the four rotational grazing principles:
 - o balance forage supply and livestock demand
 - o distribute grazing pressure across the pasture
 - provide rest for pasture plants during the growing season to help plants recover

- avoid grazing during sensitive times
- Fencing of dugouts is encouraged and related expenses are eligible.
- Fencing material estimates can be supported by using the FencePlan cost calculator found on the MASC website:
 - MASC Online Calculators
- Wells must be drilled by a licensed well driller and must be located at least 100 metres away from confined livestock areas.
- Above ground pipelines may be considered with justification (e.g., impermeable surface).
- Only one water source per pasture management unit may be funded.
- Applicants must meet all regulatory requirements. This may include:
 - a Water Rights Licence from the Province of Manitoba, which is required for all livestock operations extracting more than 25,000 litres (25 cubic metres or 5,499 Imperial gallons per day). If developing a new water source for such an operation, a permit is required before development.
 - o approvals from the municipality or Crown
 - o any other standards or approvals as required by law

Reference Materials

For more guidance in developing your Application Worksheet, visit:

- Province of Manitoba: <u>Licensing</u>, <u>Regulation and Policy</u> (<u>Water Use Licensing</u>)
- Manitoba Agriculture
 - Pasture Management
 - Forage Production and Management
 - Province of Manitoba: The Role and Importance of Riparian Areas in Manitoba
- Manitoba Forage and Grassland Association
 - Pasture Planner: A guide for developing your grazing system.

Section 5 - Application Assessment

Application Worksheets will be assessed according to the following criteria:

- Program Objectives and Priorities
 - o potential to mitigate and adapt to climate change
 - potential to increase level of carbon stored in the soil and improve soil health
 - o potential to improve biodiversity and wildlife habitat
 - o potential to reduce impacts of flooding and drought
 - o potential to reduce the risk of nutrient loss to water
- Proposal Integrity
 - o the proposal intent is described and fully explains the environmental benefit
 - the project has adequate design, including well-defined locations and steps, and realistic completion timelines
 - o the budget is detailed, realistic, and specific

Section 6 - How to Apply for Funding

The Applicant Information Form and Application Worksheet are available on the Manitoba Agriculture website:

https://www.gov.mb.ca/scap/climatechange/carbon-sequestration.html

Manitoba Agriculture will publish deadline dates through newsletter, website, and social media channels.

The Applicant Information Form and Application Worksheet must be submitted to the program administrator at agriculture@gov.mb.ca by the specified deadline.

A separate Application Worksheet must be submitted for each eligible BMP.

Applicant must acknowledge and agree to all terms and conditions contained in the Application Worksheet, Program Guide, and Program Terms and Conditions.

Applicants must comply with all Manitoba and federal government laws and regulations applicable to their projects and to their business or organization's operations.

Only the applicant may sign the Applicant Information Form, Application Worksheet, or other program documents.

In the case of corporations, partnerships, and other business organizations, a designated person with legal authorization must sign the Applicant Information Form, Application Worksheet, and other program documents. The program administrator may require proof of authorization.

Project activities must be completed, and all reports submitted on or before the date stated in the funding agreement.

Funding for projects will be subject to the appropriation of funds by the Government of Canada and the Manitoba government.

Funding amounts received from all sources must be declared on the Application Worksheet. Failure to disclose all financial sources for a project may nullify the funding request.

Section 7 - Reporting

Applicants will be required to provide an estimate of anticipated metrics associated with the BMP in their Application Worksheet. A final report listing actual project metrics is required at project completion. Additional information will be provided in the Funding Agreement.

Definitions

Agri-business: a person or entity involved in for-profit commercial activity in the agricultural sector, other than an agri-processor or a farmer.

Agricultural Crown Land: as identified under The Manitoba Crown Lands Act, lands owned and managed by the Manitoba government.

Agricultural land: private land, leased agricultural Crown land, First Nation land or Association of Manitoba Community Pastures land; used for agricultural crop production or pasture; located in Manitoba.

Agroforestry: agriculture incorporating the cultivation and conservation of trees.

Applicant: a person or entity who satisfies all the eligibility requirements set out in the terms and conditions and who submits an Applicant Information Form and an Application Worksheet under this program.

Association of Manitoba Community Pastures: an association operating community pastures throughout Manitoba and along the Saskatchewan border.

Beneficial Management Practice (BMP): a recognized agricultural management practice that mitigates or minimizes negative impacts and risk to the environment, by maintaining or improving soil, water and air quality and biodiversity; or improves adaptability and ensures the long-term health and sustainability of land-related resources used for agricultural production.

Collaborator: an individual whose role in the proposed activities is to provide a specific service (e.g., access to equipment or expertise, provision of specific reagents, training in a specialized technique, statistical analysis, access to a specific population).

Contribution Agreement: the articles of agreement and annexes, as well as their amendments and the general terms and conditions, applicable on the effective date of agreement.

First Nation: an Indigenous community officially recognized as an administrative unit by the federal government.

Government Funding: any financial assistance in the form of provincial or federal grants, loans, or other assistance.

In-kind Contributions: non-monetary goods and/or services that are not reimbursable. by the program.

Land Manager: individual or entity responsible for the management of agricultural land.

Landowner: a person or entity who owns the land on which the project is occurring.

Manitoba Government Employee: any full-time, regular, part-time or term individual employed by the provincial government, including any special operating agency or Crown corporation.

Manitoba Senior Public Servant: the Clerk of the Executive Council; a deputy minister or equivalent, or an assistant deputy minister; a chairperson, president, vice-president, chief executive officer or deputy chief executive officer of a Crown agency; a person who is designated or who occupies a position that is designated under section 31.1 of the Legislative Assembly and Executive Council Conflict of Interest Act; and includes a person who, on a temporary basis, occupies a position described here.

Minister: the Minister of Agriculture for the Manitoba government, including any person authorized to act on the minister's behalf.

Municipality: an incorporated municipality with a minimum population of 1,000 and a density of less than 400 people per square kilometre.

Natural Capital: natural assets in their role of providing natural resource inputs and environmental services to people and the economy.

Person: includes an individual, partnership, association, or corporate body (entity).

Primary Producer: an individual grower, producer or rancher, partnership, corporation, co-operative, or any other association of people who is actively engaged in farming.

Program: refers to the Resilient Agricultural Landscapes Program: Carbon Sequestration and Grassland Resilience.

Program Activity: a specific action under the Program, where applicants can apply for funding. Activities may have one or several focus areas.

Program Administrator: Manitoba Agriculture, or where applicable, any person engaged by the Manitoba government, to conduct administrative activities related to the program.

Project Proponent: can be any one, or more, of the individuals or groups described under program eligibility; where several of the eligible groups engage in a single proposal, one individual shall be assigned as project contact for the group.

Silvopasture: the deliberate integration of trees and grazing livestock on the same land; intensive management of both systems results in the production of both forage and forest products.

Sustainable Canadian Agricultural Partnership: a five-year agricultural policy framework by Canada's federal, provincial, and territorial governments to encourage market development, innovation and research, environmental sustainability, value added processing, improved public trust and risk management across Canada's agriculture, agri-food, and agri-product sectors.

Terms and Conditions: the program rules that applicants accept and agree to follow, as part of the funding agreement; may be occasionally revised, altered or amended.

Watershed District: a partnership between the province and local municipalities to protect, restore and manage land and water resources on a watershed basis, under the authority of the Watershed Districts Act.

Woodlots: treed land grown with, or without, human intervention.