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# Agricultural Climate Solutions Program – On-Farm Climate Action Fund

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OFCAF Program Guide

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April 1, 2025 – March 31, 2026



Agriculture and  
Agri-Food Canada

Agriculture et  
Agroalimentaire Canada

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# Program information

## What is the On-Farm Climate Action Fund (OFCAF)?

OFCAF helps remove obstacles to the broader adoption of beneficial management practices. OFCAF provides financial support to producers to accelerate the adoption of beneficial management practices (BMPs) that reduce greenhouse gas emissions, and support increased production efficiency, sustainability, and resiliency in their farm operations. The OFCAF program is delivered by Results Driven Agriculture Research (RDAR) with funding from the Agricultural Climate Solutions initiative managed by Natural Resources Canada, Environment and Climate Change Canada, and Agriculture and Agri-Food Canada.

RDAR is a program delivery partner that will administer OFCAF in Alberta to benefit Alberta's producers. RDAR is delivering OFCAF in three activity categories:

1. Improved nitrogen management
2. Enhanced soil health with cover crops
3. Strengthened rotational grazing systems

## Funding eligibility

### Who is eligible to receive funding?

To receive funding, applicants **must** meet these conditions:

- Be an active producer (includes a proprietorship, corporation, or registered partnership) that can demonstrate a minimum of \$25,000 gross farm income in Alberta.
- Work with a Professional Agrologist (PAg) or Certified Crop Advisor (CCA), see [Guide to Accessing Agricultural Recommendations in Alberta \(rdar.ca/funding-opportunities/resources#forms-guides\)](https://rdar.ca/funding-opportunities/resources#forms-guides) to develop a BMP Action Plan that is based on agronomic advice and identifies the cost difference from usual practices.
- The BMP Action Plan must include labelled maps of project field boundaries and LLDs on aerial photos or images (for rotational grazing, identify existing fences and water sources). Any labelling method may be used, or see [Guide to Locating and Labelling BMP Action Plans \(rdar.ca/funding-opportunities/resources#forms-guides\)](https://rdar.ca/funding-opportunities/resources#forms-guides).
- Complete an online application using RDAR's [Agriculture Research Grant Organizer \(ARGO\)](https://rdar.smartsimple.ca). The forms describe current practices and planned improvements ([rdar.smartsimple.ca](https://rdar.smartsimple.ca)).
- Document pre and post-project conditions with GPS and date-stamped photographs.
- Provide permission for post-project inspections.
- Be headquartered in Alberta and apply funds only to lands in Alberta.
- Have a minimum eligible total project cost of \$2,500.
- Pay 100% of the costs upfront (no in-kind).
- All reimbursement payments are considered taxable income.
- Pre-approval by RDAR **in writing** is required to be eligible for program funding.

*Landlords whose only interest is in the land and are not raising crops or livestock are ineligible.*

## Important dates

Topic	Activity	Year 4
Applications	Open	April 9, 2025
Applications	Close	When all available funding has been allocated.
Paid invoices	Submitted	December 1, 2025 (or as soon as the project is complete)
Payments	Sent by	March 31, 2026

## How much funding am I eligible to receive?

Applicants can receive a maximum of 85% reimbursement of eligible expenditures across the three BMP activity categories.

BMPs must be new to the quarter section or new to the farm.

BMPs funded by any OFCAF delivery agent in previous years are not eligible for funding of the **same BMP** on the same quarter section in 2025.

Multiple “fields” of the same BMP within a quarter section must be applied for in the same program year to qualify as new to the quarter section (e.g. once and done).

Stacking is not permitted year after year within the same category on the same land location.

Project plans are pre-approved based on specific line-item costs as requested in the online Agriculture Research Grant Organizer (ARGO). Reimbursement is capped at the pre-approved line-item costs. Projects are not pre-approved on a “lump sum” basis, meaning that costs cannot be reallocated once the line items are pre-approved.

The applicant is responsible for due diligence on pricing.

Costs of multiple BMPs within each of the three activity categories can be combined to a maximum grant payment of \$75,000 per applicant from April 1, 2022 to March 31, 2028 from all OFCAF delivery partners. The same BMP on the same quarter section funded by other government sources (municipal, provincial, and federal) is not eligible for OFCAF funding.

Any remaining portions of the \$75,000 OFCAF maximum may be applied towards eligible costs in a future project.

Project activities in 2025 must be submitted and pre-approved by RDAR in writing before starting projects planned for implementation after April 1, 2025. Pre-approvals apply only to Legal Land Descriptions (LLDs) by quarter section listed in the pre-approved BMP Action Plan.

BMP Action Plans must be recommended by a Professional Agrologist (PAg) or a Certified Crop Advisor (CCA). The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s) to a Program maximum of \$2,000 per applicant (Total for all years of the OFCAF program from 2022 to 2028).

### Invoices and Payments

- Invoices must include LLDs of pre-approved project fields. Substitutions will not be eligible for reimbursement.
- Invoices in the name of the applicant or business must match proof of payment by the applicant or business (see Invoice Guide) and be paid only after you have received written pre-approval of your project.
- Invoices and proof of payment must be dated between April 1, 2025 and November 30, 2025, and submitted before December 1, 2025.
- Purchased items and custom work must be delivered/ completed on farm between April 1, 2025 and November 30, 2025
- A project is closed once OFCAF has reimbursed the costs.
- After payments have been issued, applicants have 10 business days to contact OFCAF with questions or concerns.
- As applications are reviewed, some BMPs and eligible costs may not be pre-approved as targeted outcomes are reached.
- Reimbursement is by direct deposit only.
- Maximum limits are set within some categories to allow more producers to try new practices.

### Please Note:

Applicants are responsible for submitting a complete application. If we do not receive a response to requests for missing information by the deadline given, we will proceed with the information that was received. Missing information may result in deferral or rejection of an application so that other completed applications may be processed more quickly.

Submission of a completed application does not guarantee pre-approval. Applications must be pre-approved by RDAR in writing before starting projects.

Applications are reviewed case-by-case and evaluated according to eligibility criteria, information submitted, funding availability and past projects.

Payment of pre-approved applications will be based on completed reports as outlined in the Invoice Guide. Missing information may result in delays or non-payment.

Notices of pre-approval and other OFCAF correspondence will be emailed from **svcsmartsimple@rdar.ca**. Please ensure that these emails are not missed if they are sent to Spam or junk email folders.

Costs and program details may be updated throughout the year. To receive updates and notifications of program changes, subscribe to the OFCAF newsletter (<https://bit.ly/3PDLITd>).

## Nitrogen Management

Soil testing provides the foundation for strategies to improve N use efficiency by optimizing timing, rate, placement, and source to meet crop needs while decreasing opportunities for N losses through runoff, leaching and emissions of ammonia or nitrous oxide (N<sub>2</sub>O).

Eligible costs	Ineligible costs, limitations, and explanations
<ul style="list-style-type: none"> <li>BMP Action Plan development*, or specialized agronomic support provided by a PAg or CCA</li> <li>Cost** of increasing soil sampling*** intensity or depth; soil testing; field zone mapping together with sampling*** and testing for variable rate N prescriptions, <b>\$20,000 maximum over all program years (2022 to 2028)</b></li> <li>Cost of N fertilizer application (custom application or equipment rental)** to allow for spring banding when the previous practice was broadcasting N fertilizer, <b>\$15,000 maximum per applicant in 2025**</b></li> <li>Price difference between standard N fertilizer and N fertilizer with <b>dual</b> nitrification and urease inhibitors (see Fertilizers template* link below for a list of eligible products)</li> <li>Cost** of N fertilizer application (custom application or equipment rental) for split in-crop as side dressed, or broadcast with a <b>dual</b> N nitrification and urease inhibitor (see Fertilizers template* link below for a list of eligible products)</li> <li>Price difference** between actual N cost in standard N fertilizer and in Environmentally Smart Nitrogen (ESN)* <b>\$4,800 maximum in 2025, about 30 metric tonnes or 66,138 lbs of product</b></li> <li>Transportation and spreading costs** of synthetic N fertilizer replacements (manure, compost, or digestate amendments) on land where it has not been applied in the past 10 years, up to 19 miles (30 km) from the source, <b>\$30,000 maximum in 2025</b></li> <li>Cost** of injecting liquid amendments on perennial forage or annual crop land up to \$75/ac</li> <li>Cost** of seed (up to \$85/ac) and planting (custom application or equipment rental) to increase perennial legumes in annual crop rotations. The seed mix must have at least 50% perennial legume and planted by September 15 to allow adequate growth before winter. If red clover is to be seeded it must be part of a perennial legume mix with a maximum of 50% clover.</li> </ul>	<ul style="list-style-type: none"> <li>Quarter sections that have previously been mapped for variable rate N are not eligible</li> <li>Field zone mapping that does not include zone based soil sampling to a minimum 12" depth</li> <li>Soil samples not tested using recognized analysis protocols in accredited laboratories</li> <li>Long-term leased or rent-to-own equipment</li> <li>Banding fertilizer into pasture</li> <li>Fall banding</li> <li>Amendments applied to native grassland</li> <li>Amendments applied to pasture or perennial cropland that are not injected</li> <li>Cost of amendments and incorporation of amendments, or stockpiling manure without application and incorporation</li> <li>Use of manure and compost that does not follow the Agricultural Operation Practices Act</li> <li>Single foliar application mid-season</li> <li>Biological products, e.g. inoculants</li> <li>Breaking to re-establish hay or pasture</li> <li>Land rolling seeded legumes</li> <li>100% red clover as a perennial legume</li> </ul>

\* [Templates are available \(rdar.ca/funding-opportunities/resources#templates\)](https://rdar.ca/funding-opportunities/resources#templates) to identify a Nitrogen Management BMP Action Plan for Soil Testing and Mapping; Fertilizers; and/or Amendments. Consideration of the Plan for funding requires a recommendation from a PAg or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (over all years, 2022 to 2028).

\*\*Eligible cost limits are listed in a summary table on page 8.

\*\*\*The minimum soil sampling depth required is 12" (30 cm). Soil analysis for nitrogen content must use recognized analysis protocols in accredited laboratories (see [Soil Testing and Mapping Template](#)). If a project is just for soil testing and mapping and does **not** include a different BMP approved by OFCAF in a previous or the current year (2022 to 2025), a report of N management change for the sampled field will be required (e.g. average N rate).

+Applying both ESN and a dual inhibitor on the same quarter section are not eligible costs.

## Cover Cropping

New BMP activities that use regionally appropriate cover crop species to provide additional soil cover with living roots into the winter and a minimum of 6 inches (15 cm) of cover crop retained through the winter period. Cover crops protect soil from erosion, help retain nutrients, and enhance soil health.

Eligible costs	Ineligible costs, limitations, and explanations
<ul style="list-style-type: none"> <li>BMP Action Plan development*, or specialized agronomic support provided by a PAg or CCA</li> <li>Seed costs for regionally appropriate seed that will leave at least 6 inches (15 cm) of growth over winter after harvesting or grazing. <b>\$85/ac maximum</b></li> <li>Planting costs** (custom rates or equipment rental)</li> <li>Cover crops can be underseeded with an annual crop, interseeded into an annual crop, or seeded following harvest of an annual crop. The cover crop must be seeded by September 15 to allow sufficient time for adequate growth before winter</li> <li>Cover crops must include non-marketable crops that will be terminated so annual cropping can resume</li> <li>Only the underseeded or interseeded crop that will have a living root until freeze up (e.g. winter cereals, annual ryegrass, turnip, brassica)</li> <li>Applies only to fields that are currently in annual crop rotations</li> </ul>	<ul style="list-style-type: none"> <li>Costs where growing and leaving cover crops undisturbed over winter is not new to the field and has been a routine practice used by the farmer</li> <li>Costs related to mechanical or chemical termination of the cover crop</li> <li>Crop species seeded in spring for annual forage (e.g. corn, silage, green feed) or grazing (e.g. spring cereals)</li> <li>Biological products, including inoculants</li> <li>Fertilizer and crop protection costs</li> <li>Annual crop regrowth</li> <li>Costs related to rejuvenation of existing forages, pastures, or hayland</li> <li>Breaking perennial land (pasture or hayland) to seed cover crops</li> <li>Land rolling</li> <li>If the project is to seed perennials, please go to either Nitrogen Management – Fertilizer BMP or Rotational Grazing BMP categories</li> <li>Crops that will be harvested or grazed leaving less than 6 inches (15 cm) of cover crop growth over winter</li> <li>Crops that can be harvested in the next growing season intended for market (e.g. winter cereals)</li> <li>Long-term lease or rent-to-own equipment</li> </ul>

\*[Templates are available \(rdar.ca/funding-opportunities/resources#templates\)](https://rdar.ca/funding-opportunities/resources#templates) (see Cover Cropping template) to identify a BMP Action Plan to include with OFCAF applications. Consideration of the Plan for funding requires a recommendation from a PAg or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (over all years, 2022 to 2028).

\*\*Eligible third-party custom rates are listed in the summary table on page 8.

## Rotational Grazing

Adoption of new rotational grazing BMP strategies to improve forage quality, increase soil health and improve resilience to changing climates.

Eligible costs	Ineligible costs, limitations, and explanations
<ul style="list-style-type: none"> <li>BMP Action Plan development*, or specialized agronomic support provided by a PAg or CCA</li> <li>Rotational grazing fencing materials and installation** (e.g. cross fencing, wildlife- friendly fencing, temporary fencing, energizers)</li> <li>Shallow buried water distribution systems that are part of a rotational grazing strategy, including shallow water pipelines (maximum 2" (5 cm) diameter and less than 15" (38 cm) deep), and waterers, including remote watering systems when powered by renewable energy. <b>Maximum of \$37,500 ** from 2025 to 2028</b></li> <li>Custom installation and equipment rental***</li> <li>Cost** for seed, maximum of \$85/ac, and custom planting or equipment rental to improve perennial legume composition in pastures (e.g. alfalfa, sainfoin etc.). The seed must include at least 50% perennial legumes and be seeded by September 15. If red clover is to be seeded it must be part of a perennial legume mix with a maximum of 50% clover.</li> <li>All costs, including watering systems, must be part of an improved rotational grazing strategy. Note: costs will not be reimbursed for pre-approved projects if submitted invoices are for water systems alone</li> <li>Costs of BMPs pre-approved in an activity category may not be reallocated within that category, or transferred to a different category</li> </ul>	<ul style="list-style-type: none"> <li>Watering systems (winter or summer) with no improvements to grazing</li> <li>Trailers</li> <li>Limiting livestock access to existing water sources</li> <li>Placing a watering system on an existing source with no improvements to a rotational grazing strategy</li> <li>Perimeter fence</li> <li>Maintenance or replacement of existing fences</li> <li>Smart collars for virtual fences</li> <li>Bush clearing</li> <li>Owned fencing materials or in existing inventory</li> <li>Fencing specific to wildlife management only</li> <li>Upgrades of gates beyond electric wire or barbed wire (e.g. steel, Texas)</li> <li>Portable livestock corral panels</li> <li>In-yard or in-corral watering devices</li> <li>Development of new water supplies such as springs, dugouts, or wells</li> <li>Surface only, or, deep or frost-free, buried water lines</li> <li>Non-renewable power sources such as generators</li> <li>On-going maintenance</li> <li>Stacking is not permitted year after year within the same category on the same land location, i.e two rotational grazing projects.</li> <li>Breaking existing perennial land to seed</li> <li>Seeding only grass into perennial forage, or to establish hay, or seeding into native pasture</li> <li>Long-term leased or rent-to-own equipment</li> </ul>

\* [Templates are available \(rdar.ca/funding-opportunities/resources#templates\)](https://rdar.ca/funding-opportunities/resources#templates) (see Rotational Grazing template). Consideration of the Plan for funding requires a recommendation from a PAg or CCA. The cost of the BMP Action Plan recommendation may not exceed 10% of the total cost of all eligible BMP(s), to a maximum of \$2,000 per applicant (over all years, 2022 to 2028).

\*\*Invoices and photos must demonstrate that the entire pre-approved plan was implemented, including fencing.

\*\*\*Eligible materials and third-party installation costs are listed in the Rotational Grazing template and the summary table on page 8.

**Please note:** Applications to install permanent features on rented land must declare that they have permission from the landlord. Other government programs are available for water source development (<https://www.alberta.ca/water-program>).

## Summary of Beneficial Management Practice (BMP) Cost Limits

These costs represent the difference between usual practices and practices that are new to a quarter section, farm, or custom rates. Please note: the same BMP is not eligible for funding on a quarter section that was funded in previous years (once and done). The program funds a maximum of \$75,000 per applicant over all OFCAF program years (April 1, 2022 to March 31, 2028). Costs and program details may change as new information becomes available. To stay informed about updates, subscribe to the OFCAF newsletter at <https://bit.ly/3PDLITd>.

BMP	Eligible Cost	Unit	Notes*	
Soil testing-producer	Up to \$100	\$ / sample	Per field to multiple depths	Maximum of \$20,000 for all Soil BMPs over all years, 2022 to 2028**
Custom soil sample and analysis	Up to \$300	\$ / field	Third-party sampling and analysis	
Field zone mapping, soil sampling and analysis in each zone	Up to \$8	\$ / ac	Includes variable rate N prescriptions	
Switch regular N fertilizer to ESN	Up to \$ 160	\$ / metric tonne	Costs subject to change, ineligible if applied with a dual N inhibitor, maximum of \$4,800 in 2025	
Broadcast to banding applications of N	Up to \$25	\$ / ac	Custom rates**, maximum of \$15,000 per applicant in 2025	
Split applications of N	Up to \$12	\$ / ac	Custom rates**	
Amendments (manure and compost)	Up to \$75	\$ / ac	Transportation and spreading only maximum of \$30,000 in 2025	
Seed costs	Up to \$85	\$ / ac	Applies to all BMP categories. Must be at least 50% legume for Nitrogen Management and Rotational Grazing BMPs	
Drill or direct seeding	Up to \$30	\$ / ac	Custom rates**	
Broadcast seeding	Up to \$12	\$ / ac	Custom rates**	
4 strand permanent barbed wire	Up to \$13	\$ / m	Includes materials and custom installation***	
2-strand permanent electric wire	Up to \$7	\$ / m	Includes materials and custom installation***	
Watering part of Grazing projects			Maximum of \$37,500 over years 2025 to 2028	
BMP Action Plan recommendation	Up to 10%	Total cost of all eligible BMP(s)	Maximum \$2,000 per applicant over all program years (2022 to 2028)	

\* Total costs will be reimbursed at 85% of the maximums noted. \*\* If a different (non-soil) BMP category was **not** completed between 2022 and 2025, a report on the field average change in the rate of N use is required. \*\*Apply 50% if self-installed.

**Please note:** In-kind costs and leased or rent-to-own arrangements are not eligible costs. Rentals are only eligible for the project area and duration of the project.



# What's not covered?

In addition to the ineligible activities / costs listed for each BMP category above, the following general activities and costs are not eligible for reimbursement.

- In-kind payments, including the labour of the farmer or family members and non-cash transactions involving the exchange of goods and services
- Cash transactions without receipt from an authorized retailer or proof of cash withdrawals
- Invoices and proof of payment not issued in the applicant's name or their business name
- Any cost not explicitly required for the implementation of the pre-approved project
- Multi-use items that can reach beyond the project's scope (e.g. computers, printers, cell phones, weather stations, drones, software, etc.)
- Typical farm equipment (e.g., seeding equipment, tractors, skid steers, combines, livestock trailers, trailers to haul water) and related accessories or attachments
- Fabricated items, equipment or materials not purchased from a recognized dealer. For the purpose of the program, a recognized dealer is typically defined as a business where manufacturing is a key service or the business is an authorized dealer for specific item(s)
- Costs considered regular replacement, repair or maintenance
- Buyer's, bidding or auction fees
- Used materials
- Materials from the applicant's inventory
- Costs claimed for expenses/activities which may receive other government grants, rebates, or assistance program
- Costs of basic research
- Activities not aligned with legislation in Alberta, e.g. Agricultural Operation Practices Act, Water Act

- Carbon offsets for greenhouse gas emission reductions generated with OFCAF support may not be claimed in regulatory carbon offset systems but may be claimed in voluntary offset credit programs
- Normal operating costs associated with carrying out or expanding a business's current operations
- Permits and approvals
- Annual service fees of any type
- Subscriptions
- New building construction
- Tile drainage systems
- Purchase or sale of land, buildings or facilities or associated taxes or fees (e.g., land transfer tax)
- Taxes, legal fees, financing charges, loan interest payments, bank fees
- Any costs, including a tax that is eligible for a rebate, credit or refund (e.g., a refundable portion of the GST)
- Lease of land, buildings and facilities for the purpose of starting up a new business or as part of normal operation or costs for rental of facilities, equipment or machinery
- Costs of training and skills for development that fulfill any academic requirements toward completion of a professional certificate, diploma or degree program
- Costs of sponsorship of conferences and learning events or initiatives
- Costs of travel, hospitality, meals and accommodations
- Gifts and incentives
- Costs related to activities that directly influence or lobby any level of government

## Contact

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Producers interested in the program are encouraged to [subscribe to the OFCAF newsletter \(https://bit.ly/3PDLITd\)](https://bit.ly/3PDLITd) for updates.