Frequently Asked Questions

What is the duration of the project?

'*Reducing Greenhouse Gas Emissions on Idaho Dairy Farms'* is a five-year project. The initial two years are allocated for planning and implementation, while the subsequent three years are reserved for verified outcome-based payments.

Where is the funding coming from?

The Regional Conservation Partnership Program (RCPP) is funded through the U.S. Department of Agriculture (USDA), specifically under the Natural Resources Conservation Service (NRCS).

What is the need?

Each year, millions of dollars of agricultural producer applications for USDA-NRCS conservation programs go unfunded. Between fiscal year 2014 and 2019, over $250 million in valid dairy producer applications went unfunded, and over $2 billion in valid livestock applications went unfunded. Due to increased environmental demands, dairy producers are clearly seeking assistance to address environmental concerns on their farms. The barriers to implementing, or even planning for, climate-smart solutions, however, are too high for most dairy farms.

At the same time, dairy supply chain companies are seeking near-term outcomes and immediate impacts to meet aggressive environmental goals. With roughly 80 percent of the U.S. dairy supply chain's carbon footprint traced back to the farm, dairy farms are well positioned to make a difference by voluntarily adopting climate-smart solutions. With the right incentives and support, farms can take on risks and invest in solutions, delivering impactful results across the entire farm.

What is an Alternative Funding Arrangement (AFA) within the Regional Conservation Partnership Program (RCPP)?

The *Reducing Greenhouse Gas Emissions on Idaho Dairy Farms Project* is a Regional Conservation Partnership Program (RCPP) with an Alternative Funding Arrangement (AFA) funding mechanism. AFA RCPP allows for a flexible, innovative conservation approach, particularly those not effectively implemented through the traditional RCPP framework.

In contrast to the classic RCPP approach, AFA has less direct NRCS oversight and more autonomy. Most funding flows between NRCS and landowners or producers through contracts or easements, AFA projects involve a grant-like approach. Under this arrangement, the lead partner, such as Newtrient, manages the funding and assumes responsibility for project implementation, including finding participating producers, ensuring conservation activities, and managing payments to producers. In addition, the lead partner is responsible for the technical assistance portion of the grant, not relying on NRCS Technical Service Providers (TSPs) which are often limited in specific states and regions.

Project information

Newtrient, in partnership with Glanbia Nutritionals and others, has been awarded a $3.125 million dollar grant through the 2023 U.S. Department of Agriculture (USDA) National Resources Conservation Service (NRCS) Regional Conservation Partnership Program (RCPP) to target methane reduction in Idaho.

Lead Partner: Newtrient

Project Area: Idaho

NRCS Funding: $3.125 Million

- $~2.3 Million for financial assistance (FA) which goes directly to farms for implementation reimbursement.
- $~800K for Technical Assistance (TA) and Program Administration.

Partner Contributions: $1.5 Million

Project Term: 2024-2028

What are the partner's roles?

- **Newtrient** *(Technical Assistance & Implementation)*

  Newtrient will serve as a key resource to the cooperative, developing and implementing the program. Newtrient will also use an existing and proven farm-specific assessment model, to deliver technical support and implementation for all farms.

- **Glanbia Nutritionals** *(Program Owner/Farm Outreach & Engagement)*

  Glanbia Nutritionals will be crucial to the farm identification and enrollment process to ensure farms are eligible and ready to engage with the specific recommendations provided based on their region, farm size, design, and funding availability.

- **Schreiber Foods & McDonald's** *(Implementation Funder)*

  Supply Chain Company(s) interested in reducing scope 3 emissions through purchase of program outcomes/ carbon insets

- **Athian** *(Market Partner)*

  Athian's carbon credit marketplace provides quality greenhouse gas credits that fund livestock producers' sustainability measures.

General project eligibility requirements

Who Can Apply?

The project is open to all dairy producers located in the project area however, Historically Underserved (HU) producers will have preference in application rankings. You do not have to ship your milk to Glanbia to participate; however, farms that ship milk to Glanbia's Idaho processing plants that supply milk to Schreiber Foods and McDonald's will be prioritized.

NRCS Producer Eligibility Requirements

Producers receiving funding as part of this RCPP project must:

- Have control of the land from 2024-2029
- Be interested in one of the NRCS-approved practices within the project scope
- Willing to provide data to project partners (confidentiality agreements in place) required for FARM ES to establish baseline conditions
- Willing to work with Newtrient to check NRCS eligibility requirements, including:
  - Provide a tax identification number (where applicable, American Indians, Alaska Natives, and Pacific Islanders may use another unique identification number for each individual eligible for payment);
  - Comply with the Highly Erodible Land, Wetland Conservation, and Farm and Tract eligibility (FTE) requirements of the 1985 Act;
  - Complete eligibility forms necessary to support FSA establishment of Farm Records and Farm Bill eligibility.

Newtrient will work with NRCS to ensure that any producer receiving RCPP funding through the project complies with HEL and WC provisions and AGI waivers.

What if a producer has a project already underway?

They may still apply, but there are some considerations which would require a conversation to determine eligibility. Considerations include:

- Alignment with the RCPP project objectives and key practices
- New or additional conservation practice that is being implemented, not funding for an existing practice that has already received NRCS funding
- Meet NRCS eligibility requirements
- Not a duplication of funding for the same conservation practice from multiple NRCS programs. Producers cannot receive funding for the same practice. However, different practices or enhancements that have not received funding, are eligible.

What about AGI requirements?

Generally, individuals or entities with an adjusted gross income exceeding a certain threshold (often $900,000, though this can vary by program and year) are ineligible for most USDA conservation programs, including those administered by the NRCS.

This project has an AGI waiver that provides an exception to this rule. It allows individuals or entities that exceed the AGI limit to participate in NRCS programs under certain conditions. The AGI waiver ensures that larger or more financially successful agricultural operations, which may have higher incomes but are still engaged in significant farming or conservation activities, are not unfairly excluded from participating in valuable conservation programs.

Contracting

All participating producers will sign contracts directly with Newtrient, the lead partner of the project. Prior to Newtrient executing individual enrollment contracts or agreements and before issuing any payments expected to be reimbursed by NRCS, producer eligibility checks must be completed. Newtrient will promptly provide all necessary data to NRCS to facilitate compliance checks.

Newtrient will take the lead in enrolling producers with Athian, Inc. (Athian), the key partner responsible for validating and transacting carbon insets generated by the project. Additionally, producers may be required to sign a participation form to provide their data to FARM ES, the dairy industry's standard evaluative tool. This data will establish producer methane emission baselines and inform conservation practice recommendations tailored to each producer's operation.

How can a producer ensure their data is protected?

All participants will receive a Newtrient privacy agreement via AdobeSign, our digital signing platform. The agreement includes a cover letter with details about the program and Newtrient's confidentiality agreement. Producers will also sign the FARM ES participation agreement.

Producer Payments

Direct Payments: Payments to producers for up to 75% of implementation costs will be made by Newtrient and reimbursed to Newtrient through the NRCS RCPP financial assistance (FA) project funds.

Outcome-based Payments: Schreiber Foods and McDonald's will provide up to 3 years of outcome-based payments to participating producers for verified GHG reductions. Athian will issue payments to producers for the verified carbon insets, equal to the gross amount paid by Schreiber Foods and McDonald's, less a fee which covers verification and other costs incurred by Athian.

Project Benefits

Dairies enrolling in the project will receive:

- **Free technical assistance and decision support** to assist producers in implementing conservation practices. This assistance may include guidance on selecting and installing methane reduction technologies, optimizing herd management practices, and other strategies to reduce greenhouse gas emissions.
- **Up to 75% of implementation cost reimbursement.**
- **Up to 3 years of outcome-based payments** for resulting Verified GHG Reductions

Targeted Interventions

Substantially reducing methane utilizing feed and manure management practices, including:

Manure Management

NRCS Conservation Practice Standard #632: Waste Separation Facility
This practice involves separating solids from liquid manure using screens, presses, filtration, and other methods, thereby reducing volatile organic loading in the liquid effluent fraction. While the methane reduction impact per cow annually is modest, waste separation

is considered highly impactful as it serves as a precursor to additional methane reduction practices with larger impacts. Moreover, waste separation systems are cost-effective, durable, and contribute to long-term emission reduction strategies for dairy producers.

NRCS Conservation Practice Standard #367: Roofs and Covers
This practice aims to mitigate methane emissions from uncovered manure storage facilities. By adding airtight covers to these facilities and capturing escaping gases, methane emissions are prevented from entering the atmosphere. This practice provides a cost-effective alternative to anaerobic digesters for reducing producer methane emissions. Similar to anaerobic digesters, the methane avoidance from a cover and flare system can be accurately metered and measured.

NRCS Conservation Practice Standard #629: Waste Treatment (or other existing or new practices for advanced nutrient recovery technologies for manure management)
This practice aims to enhance air quality by reducing methane emissions, particulate air emissions, and odors associated with manure management through the use of mechanical, chemical, or biological technologies (waste treatment) to change the characteristics of dairy manure. Innovative technologies for manure management are expected to be considered for approval by NRCS during the project term, providing producers enrolled in this project with the option to incorporate this practice into their conservation activities once approved.

Feed Additives* (#592)

NRCS Conservation Practice Standard #592: Feed Management
This practice focuses on adjusting the quantity and quality of nutrients, feedstuffs, ingredients, or additives to reduce enteric methane production and improve air quality. These adjustments can also enhance producer production and profit. An additional scenario, developed by Bovaer, is expected to receive market authorization from the FDA in the first half of 2024, with plans for market entry around mid-year 2024. Upon approval of this additional scenario under CPS #592, producers enrolled in this project will have the option to incorporate it into their conservation practices.

** Pending FDA Approval of Feed Additives*