

Climate-Smart Agriculture and Forestry Mitigation Activities and Inflation Reduction Act Funding

Frequently Asked Questions

The Inflation Reduction Act provides historic investments (\$19.5 billion) to support producers in adopting climate-smart mitigation practices that can sequester carbon and reduce key greenhouse gas emissions like nitrous oxide, methane, and carbon dioxide. Inflation Reduction Act funding began in fiscal year 2023 and must be finalized by September 30, 2031.

1. What is the significance of Climate-Smart Agriculture and Forestry Mitigation Activities for implementing Inflation Reduction Act funding through the Environmental Quality Incentives Program and the Conservation Stewardship Program?

The conservation activities (conservation practice or enhancement) on the [NRCS Climate-Smart Agriculture and Forestry Mitigation Activities List](#) all provide climate change mitigation benefits (reduction in greenhouse gas emissions or increase in carbon sequestration). These activities are eligible to receive funding through the Inflation Reduction Act because, based on scientific literature, they are expected to directly improve soil carbon; reduce nitrogen losses; or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production. The Inflation Reduction Act provides \$19.5 billion in additional funding to existing conservation programs already popular with producers, like the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), Regional Conservation Partnership Program (RCPP) and Conservation Technical Assistance (CTA), to implement climate-smart mitigation practices. Inflation Reduction Act funds may also be used for facilitating practices that support the management or the function of Climate-Smart Agriculture and Forestry Mitigation Activities.

2. Does the Climate-Smart Agriculture and Forestry Mitigation Activities List apply to the Regional Conservation Partnership Program (RCPP) projects funded by the Inflation Reduction Act?

According to the Inflation Reduction Act, RCPP is directed to *prioritize* projects with climate change mitigation benefits. The RCPP projects funded by the Inflation Reduction Act are selected because of their potential climate mitigation benefits and should include listed activities that are expected to provide those benefits. While RCPP contracts are not required to exclusively use the Climate-Smart Agriculture and Forestry Mitigation Activities List, use of listed activities is encouraged to support the goals of the Inflation Reduction Act. For RCPP easements, NRCS will prioritize forest, wetland, and grassland easements that protect land and habitats that are or will be in permanent vegetative cover, are located on soils high in organic carbon, or will be managed to contribute to carbon sequestration.

3. How does the Natural Resources Conservation Service estimate the impact of Climate-Smart Agriculture and Forestry Mitigation Activities?

USDA's Natural Resources Conservation Service (NRCS) uses methodologies such as those used in [COMET-Planner](#) to quantitatively estimate the potential mitigation benefits of a practice and determine the potential impact of these Inflation Reduction Act investments.



4. What is the process NRCS uses for adding or removing practices on the Climate-Smart Agriculture and Forestry Mitigation Activities List?

Each year, NRCS considers and evaluates the practices on the [Climate-Smart Agriculture and Forestry Mitigation Activities List](#). Throughout the year, NRCS receives feedback from partners and staff, which is used to identify practices for consideration to be removed or added. Using this feedback, the NRCS Climate Office works with subject matter experts, including the NRCS National Discipline Leads (such as the National Agronomist, National Environmental Engineer, and National Air Quality Specialist), to review feedback and literature and prioritize practices that would be most suitable for consideration. Evaluation teams, composed of employees across NRCS and an external-to-NRCS USDA participant, evaluate the practice based on the identified criteria and available scientific literature for the practice. Climate-Smart Agriculture and Forestry Mitigation Activities are evaluated against two main criteria: (1) The activity must result in a direct impact on net greenhouse gas emission reduction or removal within a given scope as supported by the scientific literature, and (2) NRCS must have a science-based methodology for quantitatively estimating mitigation benefits using available NRCS activity data. Evaluation team recommendations for removals or additions are then presented to NRCS leadership for final approval for the next fiscal year. The NRCS Climate Office will continue to refine this approach to be sure it is both science-based and incorporates locally led feedback where possible. The list is updated each fiscal year. NRCS is currently working towards announcement of the updates to the list for fiscal year 2025 prior to the start of the fiscal year to inform that year's program signups.

5. What is a provisional activity?

Provisional activities and their associated enhancements are added to the [Climate-Smart Agriculture and Forestry Mitigation Activities List](#) and eligible for Inflation Reduction Act funding under the premise that they may provide mitigation benefits, and a quantification methodology will be evaluated during the fiscal year. Practices may be removed from the mitigation activities list in a subsequent fiscal year if quantification is not possible.

6. Why was Upland Wildlife Habitat Management (Code 645) removed from the Climate-Smart Agriculture and Forestry Mitigation Activities List for fiscal year 2024?

Upland Wildlife Habitat Management (Code 645) was historically included as a Climate-Smart Agriculture and Forestry Mitigation Activity due to a nominal mitigation benefit associated with improvements to and establishment of vegetation plantings for improving upland wildlife habitat. Currently, this practice is limited to management activities that are not included in other practices, such as habitat monitoring and management. As such, it would currently not be used to establish vegetation (other than seasonal, typically annual cover). While Upland Wildlife Habitat Management (Code 645) may guide the implementation of certain other practices, it is not the practice through which implementation occurs and to which mitigation benefits could be attributed. Vegetation establishment components previously under Upland Wildlife Habitat Management are currently implemented instead under Wildlife Habitat Planting (Code 420) or Conservation Cover (Code 327), which are currently recognized as Climate-Smart Agriculture and Forestry Mitigation Activities.

7. What does it mean if a practice is listed with a specific implementation?

This means the practice is considered a mitigation activity only when implemented in a specified way. These are described in the [Climate-Smart Agriculture and Forestry Mitigation Activities List for FY2024](#).

8. Under what circumstances will Inflation Reduction Act funds be used to fund irrigation activities through the Environmental Quality Incentives Program and the Conservation Stewardship Program?

Several irrigation practices were added with the expectation that when implemented in a specific way, they can result in energy savings that, in most cases, would lead to emission reductions. To provide the expected emissions reductions, these practices are only applicable when changes are made to an existing system that is powered by a fossil fuel-based energy source. The practices are not to be used for implementation of a new irrigation system and must not result in increased irrigated acres. Planners must consider local energy sources when planning the practice as a Climate-Smart Agriculture and Forestry Mitigation Activity to ensure that the existing system is powered by a fossil fuel-based energy source.

9. Under what circumstances will Inflation Reduction Act funds be used to fund livestock manure management activities through the Environmental Quality Incentives Program and the Conservation Stewardship Program?

Manure management is a major source of methane emissions within the agricultural sector and is therefore an important opportunity for significant climate change mitigation. When compared to a typical liquid storage system or uncovered lagoon, the identified practices on the Climate Smart Agriculture and Forestry Mitigation Activities List are expected to provide emissions reductions from methane. Livestock manure management activities can only be funded through Inflation Reduction Act for specific purposes:

- To implement a Composting Facility (Code 317), which can lead to reduced methane emissions from the increased higher temperatures and more aeration during composting.
- To implement a Compost-Bedded Pack system, under the practice Waste Storage Facility (Code 313), which can lead to reduced methane emissions resulting from the added carbonaceous bedding material and regularly tilling to promote composting.
- To install a cover to capture biogas from anaerobic lagoons or liquid storage systems, under the practice Roofs and Covers (Code 367), which can lead to reduced methane emissions as biogas is captured and either flared or used as a natural gas substitute.
- To install an Anaerobic Digester (Code 366), which can reduce emissions by capturing biogas and combusting it for energy generation or flaring it.
- To install a Waste Separation Facility (Code 632), which removes solids from manure streams to potentially reduce methane generated from the storage lagoon.

10. What is the difference between climate change mitigation and climate change adaptation and what can the Inflation Reduction Act fund?

Climate change mitigation addresses the root causes of climate change, while adaptation focuses on resilience to the consequences of climate change. Mitigation is making the impacts of climate change less severe by preventing or reducing the emission of greenhouse gases into the atmosphere. Adaptation is the process of adjusting to the current and future effects of climate change. While the Inflation Reduction Act requires funds to be used for climate change mitigation activities, some of those same practices may also support adaptation. Through its conservation programs, NRCS also provides support to producers to help them adapt to the climate change impacts they face, such as increased drought, extreme weather, or seasonal shifts.

11. Why aren't all conservation activities eligible to receive Inflation Reduction Act funding through the Environmental Quality Incentives Program and the Conservation Stewardship Program?

While all conservation activities provide important benefits to address natural resource concerns, not all practices provide the climate change mitigation benefits required by the [Inflation Reduction Act](#). Under the law, only conservation activities that have climate change mitigation benefits are eligible to receive Inflation Reduction Act funding. Farm Bill funding is available for conservation programs to help producers implement conservation activities that may not meet Inflation Reduction Act requirements.

12. What was the public input process for the fiscal year 2024 list and how can the public provide input on what should or should not be considered climate change mitigation activities for fiscal year 2025?

To inform the current fiscal year 2024 list, NRCS published a [Request for Information \(RFI\) in the Federal Register during fiscal year 2023](#). Through this RFI, NRCS requested public input to inform how the agency should implement funds received under the Inflation Reduction Act to fund the deployment of climate-smart mitigation practices on U.S. farms, ranches, and forestlands through its four Farm Bill conservation programs. Public comment received through this RFI was used to inform priorities for both the fiscal year 2024 Climate-Smart Agriculture and Forestry Mitigation Activities List and the implementation of other NRCS Inflation Reduction Act activities.

NRCS collects input throughout the year, however **input for the fiscal year 2025 list should be provided no later than June 7, 2024**. Input can be provided in several ways – locally to the Local Working group (a subcommittee of the State Technical Committee), at the state level to the [State Technical Committee](#), and nationally via formal requests for information or by emailing the NRCS Climate Office at SM.FPAC.NRCS.CLIMATE@usda.gov. NRCS plans to establish additional opportunities for external input that will be shared broadly, including on the [NRCS Climate-Smart Mitigation Activities Webpage](#).

13. Can Climate-Smart Agriculture and Forestry Mitigation Activities only be implemented using Inflation Reduction Act funds?

No. All conservation practices and activities are eligible to receive funding through NRCS's conservation programs. The Inflation Reduction Act provides additional funding to these programs to be used only for or prioritizing climate-smart mitigation activities. However, Climate-Smart Agriculture and Forestry Mitigation Activities could also be funded through existing Farm Bill funding through these programs. This results in more climate-smart mitigation practices being implemented. Since NRCS receives far more applications than there is available funding, Inflation Reduction Act funds are helping more customers meet their conservation goals while also helping mitigate climate change.

14. Where can I go for more information?

As with any conservation assistance, visit your local [USDA Service Center](#) to meet one-on-one with an NRCS conservation planner. Information about the Inflation Reduction Act is available on the [NRCS Inflation Reduction Act page](#) at nrcs.usda.gov/about/priorities/inflation-reduction-act. More details about climate-smart activities – including short videos featuring producers implementing these activities, as well as the list of activities and descriptions – are available on the [NRCS Climate-Smart Mitigation Activities page](#).