

USDA Partnerships for Climate-Smart Commodities (PCSC) Producer Eligibility & Enrollment Requirements

1. Project Summary

The National Cooperative Business Association CLUSA International (NCBA CLUSA) will lead a consortium of cooperatives, farmer organizations, and minority serving institutions in Puerto Rico (PR) to pilot a project that provides technical and financial assistance to 2,000 underserved Puerto Rican coffee farmers to voluntarily adopt climate-smart agriculture and forestry (CSAF) practices that meet [NRCS practice standards](#) in the production of climate-smart commodities (CSCs), primarily Rust/Climate Change Resistant varieties of arabica coffee trees, but also shade, hardwood, and citrus trees on 10,000 acres of land over four years.

Our position as the umbrella organization for cooperative businesses in the United States and our capacity to manage agricultural projects at scale makes NCBA CLUSA uniquely suited to contribute to USDA NRCS's Partnerships for Climate-Smart Commodities program. In doing so, NCBA CLUSA will assist local partners such as Productores de Café de Puerto Rico ([PROCAFE](#)), the University of Puerto Rico Agricultural Experimental Station (UPR-[AES](#)), La Liga de Cooperativas de Puerto Rico ([La Liga](#)) and other farmer organizations and cooperatives in building markets for climate-smart commodities, specifically arabica coffee, produced by historically underserved farmers that will serve as an example for expanding the model to other parts of the U.S.

This pilot project will enable Puerto Rican producers to generate quantified and verified outcomes for CSCs and track them through the supply chain so that producers and cooperatives can access new, profitable market opportunities. Through ongoing NCBA CLUSA technical assistance and individual farm visits provided through PROCAFE and UPR-CAS technical staff trained in NRCS compliant practice standards and the [Food & Agriculture Organization's Farmer Field School](#) training methodology, the project will ensure that implementation of the practices meets NRCS standards. La Liga and other cooperative support and financial institution partners will offer services to participating producers. NCBA CLUSA's cooperative grocer and marketing partners will assist with building markets for CSC PR farmers to increase the quality of their products and traceability and ensure standards rise across these value chains. NCBA CLUSA will support PROCAFE in supporting PR farmers to grow and market higher quality products that meet market demand while increasing farmer climate resilience and reducing greenhouse gas emissions (GHGs). Project partner, [SustainCert](#), will be providing Scope 3 verification of the GHG benefits from the implementation of the promoted CSAF practices. Finally, the market ecosystem we help support for participating farmers, cooperative businesses and support organizations will allow them to continue to assist farmers implement CSAFs beyond the life of the project.

2. Primary Location(s) of project activities

NCBA CLUSA CSC project activities will take place in the U.S. territory of Puerto Rico. Within Puerto Rico, we will concentrate project activities in ten municipalities of the Central Zone (contiguous among themselves), which fall in four agricultural regions:

The Utuado Region: Adjuntas, Ciales, Jayuya and Utuado; **The Lares Region:** Lares, Las Marías, Maricao and San Sebastián; **The San Germán Region:** Yauco; and the **Naranjito Region:** Orocovis.

3. Producer eligibility and enrollment requirements

To be eligible for an incentive payment as a part of the Partnerships for Climate-Smart Commodities, a producer must:

1. USDA Eligibility and Highly Erodible Lands and Wetlands Compliance Requirements
 - a) Establish Farm Records with the Farm Service Agency (have farm, tract, and fields numbers in place).
 - b) Complete an [AD-2047](#) (Customer Data Worksheet to facilitate the collection of customer data for Business Partner Record).
 - c) Certify HELC and WC compliance via Form [AD-1026](#), Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification; and
 - d) Certify that they are not a foreign person or entity.

Project Specific Requirements:

1. A coffee producer with legal domain for use of land located in target areas and in compliance with HELC and WC requirements.
2. Commitment to attend at least 90% of the climate smart practices training sessions.
3. Commitment to contribute to the cost of the coffee trees, approximately \$0.20/coffee tree.
4. Commitment to implement at least three (3) CSAF practices on an average of 5 acres for the life of the project; incentive payments will be made after at least 6 months of verification of CSAF practice application.
5. Commitment to provide farm, CSAF practice implementation, and production data for project-level monitoring & evaluation (M&E) purposes.
6. Allow the project and/or partners to use photos, images, and other farm-data for promotional purposes.

Farm, tract, and field numbers are required for the producer, and ultimately the Part for Climate-Smart Commodities grant recipient (NCBA CLUSA), to report climate-smart practice implementation to USDA, as well as to certify and maintain HELC/WC compliance. This will require that some producers that do not already have these records, like perennial crop growers, feedlots or forest landowners, establish these records with USDA.

Producers are not bound by the payment limitations and the adjusted gross income (AGI) limitations that are in place for other USDA programs.

To demonstrate HELC/WC compliance for Partnerships for Climate-Smart Commodities incentive payments, producers will need to request a copy of their subsidiary print from their **USDA Service Center**. The producer will then provide this documentation to the Partnerships for Climate-Smart Commodities grant recipient (NCBA CLUSA) as proof of compliance. A current year subsidiary print will be required for each crop year that the producer receives a payment, and HELC/WC eligibility information is provided under the AD-1026 and Conservation Compliance sections of subsidiary (determined by year, which can change at any time during the year or in a subsequent year). As is the case already, field office staff will not provide documentation to anyone besides the producer unless they have provided a written authorization, according to normal policy. Producers will need to demonstrate to the grant recipient that they have control of the land for the term of their beneficiary contract.

For additional information and enrollment in the project, please contact either PROCAFE or NCBA CLUSA at the following:

NCBA CLUSA	PROCAFE
Email - climatesmart@ncba.coop Website - https://ncbaclusa.coop/	Email - csc@procafepr.com Website - https://www.procafepr.org/ Phone - (787) 938-CAFE (2233) (787)938-2232 (787)938-2234

4. Project Goals/Objectives

The overarching goal of this project is to build markets for climate-smart commodities and invest in America’s climate-smart producers to strengthen U.S. rural and agricultural communities.

The objectives of this project are to support the production and marketing of climate-smart commodities by providing voluntary incentives to producers and landowners, including early adopters, to implement climate-smart agricultural production practices, activities, and systems on working lands; measure/quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices; and develop markets and promote the resulting climate-smart commodities.

Additionally, NCBA CLUSA estimates that farmers participating in this pilot project will (in aggregate) realize the following economic benefits from the production of CSCs:

- Coffee farmers increase productivity from about 6.5 quintals/cuerda (67,008 q/10,309 cuerdas) to 15 q/cuerda (154,635q/10,309 cuerdas) using CSAFs. This is expected to produce 87,627 quintals of additional coffee on the targeted 10,000 acres past the life of the project, a 130% increase.
- A reduction in costs by 25% due to the more efficient use of inputs and water, and more efficient land management, comparable to results experienced on NCBA CLUSA’s USDA’s FFPr Coffee Stabilization and Agricultural Rehabilitation project which when combined with locally produced inputs, low-cost nurseries and mechanization, producers experienced 30-60% reductions in production costs according to consultant reports.¹
- A revenue increase from approximately \$14 million today to \$50 million from production improvements from existing trees due to improved fertilizer management, soil health, and tree management in addition to production from new plantings by years 3 and 4 as well as the reduction in costs.
- Beyond the quantifiable benefits to farmers’ bottom lines, the diversification of crops grown in Multi-story Perennial Cropping systems will increase resilience for smallholder Puerto Rican coffee farmers, their families, and their communities. Given that Puerto Ricans rely on

¹ Aldana, Marco, Impacto Económico de “Técnicas de Bajo Costo,” Promovidas por NCBA CLUSA, en la Renovación de Áreas de Café, Junio 2017

imports for 85% their food supply², farmers’ ability to expand into citrus, plantains, bananas, cacao, and other crops for local and for home consumption has significant economic and food security benefits.³

Specifically, the project seeks to reach the following quantitative milestones and goals:

#	Quantitative Targets	Total
1	Number of underserved producers involved	2,000
2	Number of acres involved	10,000
3	Number of trees distributed to farmers (coffee, shade, citrus, hardwood)	2,500,000
4	Total individuals reached	10,000
5	Total incentives to farmers for the implementation of CSCs	\$5,000,000
6	GHG Benefits (MT CO2 Equivalent Sequestered)	40,000
7	Farmer contribution per coffee tree	\$0.20

5. CSC Practice Standards Promoted for Adoption

#	Conservation Practice Standard Name*	Code
1	Conservation Cover	327
2	Conservation Crop Rotation	328
3	No Till	329
4	Contour Buffer Strips	332
5	Cover Crop	340
6	Reduced Till	345
7	Field Borders	386
8	Mulching	484
9	Vegetative Barriers	601
10	Alley cropping	311
11	Critical Area Planting	342
12	Multistory Cropping/Forest Farming	379
13	Windbreaks/shelterbelt Establishment and Renovation	380
14	Riparian Forest Buffers	391
15	Hedgerow Planting	422
16	Tree/Shrub Establishment	612
17	Nutrient Management	590
18	Pest Management Conservation System	595
19	Upland Wildlife Habitat Management	645

² André Zollinger, “Food Security and Debt: Rebooting Puerto Rican Agriculture as a Path Out of Crisis,” <https://jpia.princeton.edu/news/food-security-and-debt-rebooting-puerto-rican-agriculture-path-out-crisis>, April 14, 2022.

³ Alicia Kennedy, “Why Puerto Rico Is Betting Big on Mushrooms,” <https://foreignpolicy.com/2022/10/09/puerto-rico-climate-food-sovereignty-mushrooms/>, October 9, 2022.

20	Forest Stand Improvement	666
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*Source: Natural Resources Conservation Service - [Climate-Smart Agriculture and Forestry](#) (CSAF)
Mitigation Activities List [1] FY2023