



Blue Diamond Growers Climate-Smart Grant Program

Rules and Regulations Manual July 17th, 2023

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Overview

In 2023, Blue Diamond Growers began work on a five-year grant from the USDA for \$45 million as part of the USDA Partnerships for Climate-Smart Commodities Program. This aims to support growers implementing climate-smart farming activities. This voluntary program allows Blue Diamond member/growers to **receive an incentive payment and no cost plants or seeds** when implementing one or more climate-smart farming practices. The aim is then work to develop a market-based premium for products grown with climate-smart practices to support this program and Blue Diamond members long-term.

The purpose of this document is to provide information to interested or participating Blue Diamond Grower members on the procedures and structure of this program. The manual describes the requirements for general participation, practice specific requirements, and rules and additional information on the functioning of this program.

These rules and regulations are subject to change, as Blue Diamond continues to improve the structure of the Climate-Smart Grant program beyond this inaugural, pilot year.

Delay in Launch of Hedgerows and Whole Orchard Recycling

The launch of Hedgerows and Whole Orchard Recycling in this program has been delayed until further notice. Any mentions of those practices in this document are purely for informational purposes and streamlining the program rules and regulations. Growers should not plan for or expect to implement these practices based on any information listed here. We will update Blue Diamond Grower Members when these practices become available.

General Responsibilities

Blue Diamond

Blue Diamond will be responsible for the management of the grant award, application and review of grower applicants, grower agreements, payments, maintaining that growers follow all program requirements and USDA terms and conditions for this grant award, and for developing sales and marketing initiatives to provide a market-based premium to its growers implementing climate-smart practices.

Award Recipients/Growers

Grower recipients are responsible for practice implementation as outlined in their signed grower agreement. They must follow all stated rules and regulations listed in their grower agreement, implementing practices as stated, and ensuring reasonable management of their long-term success. Growers are also responsible for providing all necessary information to Blue Diamond around practice location, extent (acreage) of practice, success, and proof of implementation materials as requested. Refer to the practice specific sections in this manual for details around expectations for each practice. It is expected that growers will provide timely feedback, communication, and delivery of program materials and information to Blue Diamond within 14 days of when they were requested.

Project Apis m.

Project Apis m. (PAm) will be responsible for the technical implementation of cover crops and conservation cover. They will be responsible for assisting growers after they have completed a signed agreement with Blue Diamond. PAm will work with growers to develop a planting plan, coordinate delivery and pickup of seed, and ensure all necessary information and guidance has been provided to allow for 4successful implementations of practices.

Pollinator Partnership

Pollinator Partnership (P2) will be responsible for the technical implementation of hedgerows (once the practice has been launched within this program). They will be responsible for assisting growers after they have completed a signed agreement with Blue Diamond. P2 will work with growers to develop a planting plan, coordinate delivery and pickup of plants, and ensure all necessary information and guidance has been provided to allow for 4successful implementations of practices.

Eligibility Requirements

Eligibility and requirements are based on a year-by-year basis and applications are expected to be submitted annually for practice implementation. Growers can, and are encouraged, to apply for each year for practices where appropriate.

The following requirements must be followed to by growers/managers in order to participate and maintain eligibility for practice reimbursement in this program:

- Be on an orchard with a Blue Diamond Crop Agency Agreement (CAA)
- Participate in Blue Diamond’s Orchard Stewardship Incentive Program (OSIP) at Double Diamond or above.
- Establish farm records with the Farm Service Agency and provide a subsidiary print which certifies highly erodible land conservation (HEL) and wetland conservation (WC) compliance
- Provide proof of implementation to show you have completed the activity
- Carbon benefits (offsets or other) for practices that have been funded through this program must remain within the Blue Diamond Program

The requirements listed here are non-exhaustive, and are fully provided in the grower agreement along with additional terms and conditions that will be provided and required to be signed by participating growers.

Program Workflow

The general steps a grower/applicant will follow to participate in the program (which are subject to change) are as follows:

1. Grower submits an application to Blue Diamond
2. Blue Diamond reviews application and reaches out to grower for follow-up call to collect additional information
3. Grower agreement provided to participant and is signed by both parties

4. Grower begins work with technical providers to develop plan, obtain seeds or plants, and receive guidance for proof of practice implementation
5. Grower implements practice
6. Grower submits proof of practice implementation
7. Grower is reimbursed for implementation costs rate described within their specific grower agreement once funds have been distributed to Blue Diamond from the USDA

Application Submission

Growers interested in participating in the CSG program are required to submit an online application at the following web page: <https://bit.ly/bdg-csg-app>

Paper submissions will not be accepted, and thus if you are unable to submit this form online, please reach out to your Blue Diamond Regional Manager or contact csg@bdgrowers.com.

Review of Applications

Applications will be reviewed on a first-come, first-serve basis. Growers should expect to be notified within 2-weeks of application submission, but delays may occur. If approved, Blue Diamond will work with growers to collect additional information including, but not limited to, further details on proposed practice locations and extent, confirmation of requirements and compliance needs, and any other details to ensure successful practice implementation. Once additional information is collected, growers will be provided with a grower contract agreement. Once the agreement is signed, grower information will be provided to technical implementation partners who will contact the grower to plan for practice implementation.

Acreage Review

The goal of this USDA program is to maximize carbon removal and GHG reductions while meeting grower enrollment and acreage goals. In Year 1 (2023-2024), Blue Diamond acknowledges this is a pilot year designed to inform program structure in successive years.

Growers will be approved on a first-come, first-serve basis for up to the maximum acreage allotment (See Figure 1). The “pre-approve” max is the most acreage we can guarantee a grower in a single year. Acreage requested above the pre-approved amount will be reviewed after the application closure date. Growers should apply for full desired implementation acreage. Requested amounts above the listed limits will be allocated based on funding availability.

Acreage is allocated by contract number, not by orchard or subcontract number. Practice acreage maximums are independent of each other, and applying for one and being allocated acreage does not limit or influence another. Hedgerow implementation incentive is only for newly planted hedgerows through this program. Hedgerow incentives will not be paid out in subsequent years for management costs of practice implemented for in a previous year.

Pre-approved acreage amounts are subject to change, given funding availability.

Practice	Orchard Minimum.	Max for pre-approve
Cover Crops	4 orchard acres	125 orchard acres
Conservation Cover	-	10 acres
Hedgerows	300 linear ft.	4,000 linear ft.
WOR	-	125 acres

Figure 1. Climate-Smart Practice Acreage Limits. Hedgerows and WOR are currently delayed, and are not open for implementation. The shaded portions indicate practices which are delayed and not currently open for grower implementation. Note: Cover crop acreage is defined by the total orchard acreage among which cover crops are planted. They are not defined by planted area of cover crops.

Practice Implementation

Growers will work with project partners to receive seed and plant materials and implement cover crops, conservation cover, and hedgerows. For whole orchard recycling, it will be the grower’s responsibility to coordinate with a service provider for implementation. Cover crops and conservation cover materials and technical assistance will be provided by [Project Apis m.](#) Hedgerows materials and technical assistance will be provided by [Pollinator Partnership.](#)

Practice Specifications and Incentives

Growers are encouraged to apply for this program each year. Implementation incentives for each practice are paid out only for implementation. A grower must provide proof of implementation for each practice (see proof of implementation section).

For this pilot year (calendar year 2023), Blue Diamond is launching the Cover Crops and Conservation Cover. The CSG program is modeling its climate-smart practices after predetermined and defined NRCS conservation practices. Growers are encouraged to follow the respective NRCS CPS for each practice which are as follows:

- Cover Crops - NRCS CPS 340
- Conservation Cover - NRCS CPS 327

Cover Crops

Cover Cropping (also referred to as *Annual Cover Crops*) is a practice of planting a temporary crop, typically flowering and/or nitrogen-fixing species, after harvest with termination in late winter/early spring. Growers are required to comply with the USDA NRCS [Cover Crop Conservation Practice Standard 340](#) for all planning, planting, and management of the practice.

Unless explicitly stated, any reference to acreage totals for cover crops is referring to the orchard acreage totals among which cover crops are planted. It is not referring to the area of planted cover crops (which will always be less than the orchard acreage).

To further clarify, orchard and planted cover crop acreage can be defined as:

- *Cover Crop Acreage or Orchard Acreage* – The total area of the orchard among which cover crops are planted in. Acreage is bounded by the first and last cover crop rows and beginning and end of the respective cover crop row strips.
- *Planted Cover Crop Acreage* – The total area of planted cover crops planted in an orchard, calculated by the sum of each strip area (*width x length*).

Seed Costs and Incentive Payments

In 2023, Blue Diamond is offering no cost seed (provided by Project Apis m.) and reimbursement payments up to \$35/orchard acre for cover crops planted at least every other row and are at minimum 6-foot width throughout the entirety of the strip. The incentive rate is reduced when planted on less than every other orchard row or strip widths are below 6 feet. Eligible cost-share activities include land preparation, irrigation, management, and monitoring.

The details of how the incentive payment is determined and the amounts that are expected to be paid are as follows:

Cover Crop Strip Frequency	Row Width	Implementation Incentive*	Cost of Seed
Standard: Every 1-2 rows	Must be a minimum of 6ft wide	Up to \$35/orchard acre*	No Cost. Seeds provided by Project Apis m.
Medium: Every 3-4 rows	Must be a minimum of 6ft wide	Up to \$20/orchard acre*	No Cost. Seeds provided by Project Apis m.
Low: Every 5-6 rows	Must be a minimum of 6ft wide	Up to \$10/orchard acre*	No Cost. Seeds provided by Project Apis m.

Figure 2. Cover Crop Incentive Payment Planting Requirements

*Implementation incentive is for eligible cost-share activities only and is provided as a reimbursement. Eligible cost-share activities include land preparation, irrigation, management, and monitoring. Grower may be eligible to plant at a lower row frequency or strip width than listed above but will need to consult with Blue Diamond before doing so.

Specifications and Restrictions

- Growers are expected to plant cover crop seed as soon as reasonably possible after harvest prior to November 15th. Further guidance will be provided by Project Apis m.
- Cover Crops are limited to the extent of an almond orchard under a Blue Diamond contract
- Growers must utilize Project Apis m. and their seed mixes for this program. Growers are not eligible to purchase and be reimbursed for seed via outside service providers.
- The allowable extent of practice implementation and location of occurrence is limited to the boundaries of the Blue Diamond orchards under contract. For lands beyond this, Blue Diamond will review on a case-by-case basis.

Conservation Cover

Conservation Cover (also referred to as *Perennial Conservation Cover*, *Conservation Plantings*, or *Bee Pasture*) is a practice of utilizing perennial, vegetative, plants on idle, fallow, or marginal land. Growers

are required to comply with the USDA NRCS [Cover Crop Conservation Practice Standard 327](#) for all planning, planting, and management of the practice.

Unless explicitly stated, any reference to acreage totals for conservation cover is referring to the planted acreage of this practice, not adjacent orchard acreage totals.

Seed costs and Incentive Payments

In 2023, Blue Diamond is offering no cost seed (provided by Project Apis m.) and a reimbursement payment up to \$50/acre to implement conservation cover. Eligible cost-share activities include land preparation, irrigation, management, and monitoring.

Specifications and Restrictions

- Growers are expected to plant conservation cover seed as soon as reasonably possible after harvest prior to November 15th. Guidance will be provided by Project Apis m.
- The allowable extent of practice implementation and location of occurrence is limited to adjacent lands under a Blue Diamond contract. For lands beyond this, Blue Diamond will review on a case-by-case basis.

[Hedgerows](#)

The launch of Hedgerows in this program has been delayed until further notice. We will update Blue Diamond Grower Members when we can provide more information.

[Whole Orchard Recycling](#)

The launch of Whole Orchard Recycling in this program has been delayed until further notice. We will update Blue Diamond Grower Members when we can provide more information.

[Proof of Implementation and Compliance](#)

Proof of implementation is essential to ensure compliance with grant agreement terms and allow for adequate measurement, reporting, and verification of any environmental claims by Blue Diamond and its growers. Requirements for proof of implementation may change on an annual basis.

The proof of implementation process is actively being developed during this first year of the program, and we ask for patience as we develop the required items and process by which those are submitted.

For planning purposes, growers should expect to have to submit the following items:

- Geo-tagged photos of multiple steps during practice implementation (such as but not limited to receiving seed, empty seed bags, planted seed, etc.)
- A signed form stating practice was implemented (to be completed during submission of proof of implementation materials)
- An establishment plan and success report (to be developed in tandem with Blue Diamond and technical implementation partner)
- Tracking of direct costs incurred for services/goods needed to plan, implement, and manage approved practices under this program
- Estimated labor hours involved with practice implementation

The requested proof of implementation items must be returned to Blue Diamond within 14 days of planting date.

Further information on requirements for proof of implementation will be provided in writing to growers as soon as available.

Audits

The Climate-Smart Grant program is administered and funded by the USDA NRCS. The program is expected to be audited and thus growers will be expected to follow all stated rules and regulations as well as follow compliance items described to them throughout the program. Grant recipients must agree to comply with audit requirements put forth by the USDA and/or Blue Diamond during the program as well as maintain program documents and up to three years after its completion.

Prior Approval

Prior approval is required from the Blue Diamond team for any and all adjustments to the signed grower agreement which includes but is not limited to the following:

- Changes to acreage totals
- Changes to practice location, extent, or plan
- FSA Information Changes
- Change in recipient organization or responsible party (including all adjustments to FSA information and ID numbers)

Please reach out to csg@bdgrowers.com or contact the Blue Diamond team before making changes to any of the above items. Not doing so may result in termination of contracts or repayments of funds.

Delays and Complications

Recipients must notify Blue Diamond in writing of any delays, problems, or complications that may materially affect the project. This includes any and all occurrences that inhibit a grower's ability to comply with any stated rules and conditions, terms and conditions outlined here or in the grower agreement, and the extent and expectations of practice implementation and dates. This includes but is not limited to the inability to plant during a reasonable timeline, maintain and ensure germination and practice success,

Notifications should be sent to csg@bdgrowers.com with the subject title "Delay" with your Blue Diamond Contract Number and CSG activity (e.g. "Delay – 123456 – Cover Crops") and include the details of the delay or complication along with your associated FSA Farm ID number for this project.

Recipients who do not adhere to the rules and regulations or stated requirements in a timely and reasonable manner are subject to possible termination of their agreement or repayment of funds in accordance with their executed grower agreement.

Payment Reimbursements, and Advances

Payment Reimbursements

Growers will be paid their implementation incentive in quarterly cycles. Processing time for varies by when the grower provides all proof of implementation materials to Blue Diamond and the speed at which the USDA processes Blue Diamond’s materials. Expected reimbursement time is 45 to 120 days after a grower submits proof of implementation materials to Blue Diamond (See Figure 3 below). This time is subject to vary.

Advances

Blue Diamond acknowledges that in some situations, growers are financially unable to implement a practice due to financial constraints, and they would otherwise have to not carry out implementation unless a cash advance is made. In this situation, Blue Diamond will handle them on a case-by-case basis and if deemed appropriate, will work with the grower to create an advance request from the USDA.

Note: Blue Diamond is not accepting deferrals or assignments within this program.

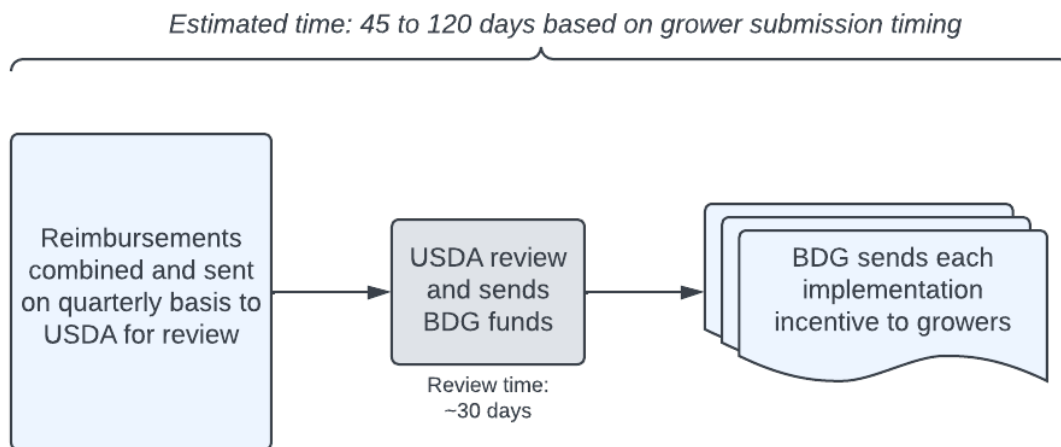


Figure 3. Expected reimbursement process and timeline

Closeout of the Agreement

Blue Diamond will provide grower recipients with a closeout letter upon reviewing a grower’s program progress, proof of implementation materials, and once reimbursement payments have been submitted to growers. Growers must retain relevant invoices, project records, and any other relevant supporting documents for a period of three years from the date of the Blue Diamond CSG program close, which is expected to be in early-2028.

Data Privacy & Sharing

For growers applying to the Blue Diamond CSG program, the following data privacy statement is provided to ensure participants have access in writing to how their data will be handled and privacy will be addressed:

We use your information, including the data about your farm and commodities, to evaluate your application for the USDA Climate Smart Grant Program. Failure to provide this information may result in our inability to evaluate your application.

We utilize the information collected above and additional agronomic information, farm location, proof of implementation, or other protected information, only to the extent needed to administer the award if you are selected as a beneficiary.

We will take measures to restrict access to the information to only those staff that have a demonstrated need to know and perform their duties and subject to confidentiality restrictions. We will only disclose the information to project partners to the extent necessary to support the implementation efforts, or to the USDA as required under the grant Terms and Conditions.

We use commercially reasonable and appropriate administrative, physical, and technical security measures to safeguard your Information. However, no data transmitted over the Internet or stored or maintained by us or our third-party service providers can be 100% secure. Therefore, we do not promise or guarantee, and you should not expect, that your Information will always remain private or secure.

For more information how Blue Diamond collects and processes information as part of its Services, please see our Privacy Policy at <https://www.bluediamond.com/privacy>

Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400

Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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