



Blue Diamond Growers Climate-Smart Grant

Rules and Regulations Manual October 15, 2024

The Blue Diamond Growers Climate-Smart Grant is funded by U.S. Department of Agriculture (USDA) Partnerships for Climate-Smart Commodities Program and supported by the USDA National Resources Conservation Service.

The USDA is an equal opportunity provider, employer, and lender.

Contents

Overview	3
General Responsibilities	3
Eligibility Requirements	4
Program Workflow	4
Cover Crops, Conservation Cover, Hedgerows Workflow	4
Application Submission	5
Review of Applications	5
Acreage Review	5
Practice Implementation	5
Practice Specifications and Incentives	5
Cover Crops	6
Conservation Cover (“Bee Pasture”)	7
Hedgerows	7
Whole Orchard Recycling	8
Proof of Implementation and Compliance	10
Grower Practice Documentation	10
Modifications to Subrecipient Agreements	11
Delays and Complications	11
Incentives, Reimbursements, and Advances	11
Closeout of the Agreement	12
Data Privacy & Sharing	12
Nondiscrimination Statement	13

Overview

In 2022, Blue Diamond Growers was awarded 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 (referred to as growers in this document) to **receive an incentive payment and no-cost plants or seeds** when implementing one or more climate-smart farming practices. The goal is to work to develop a market-based premium for almond ingredients grown with climate-smart practices to support this program and Blue Diamond members after the life of this grant.

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 for this program.

As Blue Diamond continues to improve the structure of the Climate-Smart Grant, Blue Diamond, in its sole discretion, may modify the rules and regulations from time to time.

General Responsibilities

Blue Diamond

Blue Diamond will be responsible for the management of the grant award, application process, review of grower applicants, grower agreements, payments, enforcing program requirements and USDA terms and conditions for this grant award. Blue Diamond will also pursue and aim to develop sales and marketing initiatives to support 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 the terms of the grower agreement, these rules and regulations 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. Participating growers shall provide timely feedback, communication, and delivery of program materials and information to Blue Diamond within 14 days of when they are requested.

Project *Apis m.*

Project *Apis m.* (“PAm”) will be responsible for the technical implementation of cover crops and conservation cover (also referred to as “bee pasture”). PAm will be responsible for assisting growers after the grower executes a Subrecipient Agreement with Blue Diamond. PAm will work with growers to develop a planting plan, coordinate delivery and/or pickup of seed, and ensure all necessary information and guidance has been provided to allow for successful implementations of practices.

Pollinator Partnership

Pollinator Partnership (“P2”) will be responsible for the technical implementation of hedgerows. P2 will be responsible for assisting growers after the grower executes a Subrecipient Agreement with Blue Diamond. P2 will work with growers to develop a planting plan, coordinate delivery and/or pickup of plants, and ensure all necessary information and guidance has been provided to allow for successful implementation of practices.

Eligibility Requirements

Eligibility requirements are developed annually. Growers shall apply annually to participate in the grant. Growers can, and are encouraged to, apply for each year for practices where appropriate.

Growers shall comply with the following requirements to be eligible to participate in the Climate-Smart Grant:

- Practice must be implemented on an orchard with an active Blue Diamond Crop Agency Agreement (“CAA”) (also called a Blue Diamond Contract)
- Maintain BDG membership at all times during the term of the Agreement
- Participate in Blue Diamond’s Orchard Stewardship Incentive Program (“OSIP”) at Double Diamond or above for the most recent crop year
- Establish farm records with the Farm Service Agency, including having farm, tract, and field numbers in place, provide FSA maps of all fields enrolled, and provide an FSA 156EZ Form, subsidiary print which certifies all fields enrolled are highly erodible land conservation (“HEL”) and wetland conservation (“WC”) compliant
- Grower must certify it is not foreign person or entity
- Grower shall execute a Subrecipient Agreement once they have applied and been approved to participate in a CSG practice
- Grower shall provide proof of implementation of the climate smart practice including supporting documentation
- Provide Blue Diamond a first right of refusal to any claims or credits of environmental benefits (offsets or other) accrued from practices implemented through this program

The requirements listed here are non-exhaustive. Requirements are fully set forth in the Subrecipient Agreement along with additional terms and conditions.

Program Workflow

Cover Crops, Conservation Cover, Hedgerows Workflow

The general steps a grower/applicant will follow to participate in the program are as follows:

1. Grower gathers relevant documents from their local USDA FSA office.
2. Grower submits an application to Blue Diamond.
3. Blue Diamond reviews application and reaches out for additional information if needed.
 - a. For Hedgerows, Pollinator Partnership will reach out to discuss further questions to determine eligibility.
4. Grower receives and signs a Subrecipient Agreement for each CSG practice.
5. Grower begins work with technical providers to develop a plan, obtain seeds or plants, and receive guidance for proof of practice implementation.

6. Grower implements practice.
7. Grower submits proof of practice implementation.
8. Grower is provided an implementation incentive. Incentives are more fully described within their specific Subrecipient Agreement. The incentive will not be paid until the USDA has released the grant funds to Blue Diamond.

Application Submission

Growers interested in participating in the CSG program are required to submit an online application at the following link on the Blue Diamond Growers CSG webpage (<https://bluediamondgrowers.com/usda-climate-smart-grant/>).

Paper submissions will not be accepted. If you are unable to submit this form online, please reach out to your Blue Diamond Regional Manager or contact Jasdeep Bains (jbains@bdgrowers.com).

Review of Applications

Applications will be reviewed on a first come, first served basis. Growers should expect to be notified within two (2) to three (3) weeks of application submission, but delays may occur. If accepted, Blue Diamond will work with growers to collect additional information as needed including, but not limited to, further details on proposed practice locations and extent, confirmation of eligibility requirements, other information required for compliance, and any other details to ensure successful practice implementation. Once additional information is collected, growers will be provided with a Subrecipient Agreement. Once a Subrecipient Agreement is signed, grower information may be provided to technical implementation partners who will contact the grower to plan for practice implementation.

Acreage Review

Growers will be allocated acreage on a first come, first served basis. Acreage is allocated by contract number, not by orchard or subcontract number. Practices implemented prior to execution of a Subrecipient Agreement are not eligible for implementation incentives. Additionally, hedgerow and conservation cover are perennial practices, but incentives will not be paid out in subsequent years for ongoing management costs. There is no incentive payment available for ongoing management costs incurred in subsequent years for perennial practices (hedgerows and conservation cover).

Practice Implementation

Growers shall work with project partners to receive seed and plant materials to implement cover crops, conservation cover, and hedgerows. Cover crops and conservation cover materials and technical assistance will be provided by [Project Apis m](#). Hedgerow materials and technical assistance will be provided by [Pollinator Partnership](#).

Practice Specifications and Incentives

Growers are encouraged to apply for this program yearly. 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).

The CSG program is modeling its climate-smart practices after predetermined and defined NRCS conservation practices. Growers shall follow the respective NRCS CPS for each practice, which are as follows:

- Cover Crops - NRCS CPS 340
- Conservation Cover - NRCS CPS 327
- Hedgerow Planting – NRCS CPS 422

Whole Orchard Recycling – NRCS CPS 384 and CS 3336 Growers participating in CSG program assume all risk arising out of or relating to the NRCS CPS and waive any and all claims against Blue Diamond that may arise for the grower following an NRCS CPS while implementing climate smart practices.

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:

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

Seed Costs and Incentive Payments

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

We encourage growers to plant on every other row to maintain orchard access for completing winter sanitation and maintenance activities.

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
Every 1-2 rows	Must be a minimum of 6 feet wide	Up to \$35/orchard acre	No-cost seeds provided by Project <i>Apis m.</i>

Figure 1. Cover Crop Incentive Payment Planting Requirements

Further 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.*
- Only cover crops planted in orchards with a Blue Diamond Crop Agency Agreement are eligible for participation in the CSG.
- Growers must utilize Project *Apis m.* and its seed mixes for this program. Incentives or reimbursements are not available for seed purchased by growers from other outside services providers.
- Growers must plant cover crops at least every other row in orchards subject to a BDG CAA.
- Growers shall plant at the seeding rate set by the Project *Apis m.*
- CSG practice implementation is limited to the boundaries of the grower orchards subject to a BDG CAA. For lands beyond this, Blue Diamond will review on a case-by-case basis.

Conservation Cover (“Bee Pasture”)

Conservation Cover (also referred to as *Bee Pasture*, *Perennial Conservation Cover*, or *Conservation Plantings*) 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

For the second enrollment period of the CSG, Blue Diamond is offering no cost seed (provided by Project *Apis m.*) and an implementation incentive of 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 15. Guidance will be provided by Project *Apis m.*
- Growers shall plant at the seeding rate set by Project *Apis m.*
- CSG practice implementation is limited to the boundaries of the grower orchards subject to a BDG CAA For lands beyond this, Blue Diamond will review on a case-by-case basis.

Hedgerows

Hedgerow planting (referred to simply as *hedgerows*) is a practice of utilizing native perennial, vegetative, and woody plants on border, idle, fallow, or marginal lands, adjacent to orchards, in a linear fashion to

achieve a conservation purpose. Growers are required to comply with the USDA NRCS [Hedgerow Planting Conservation Practice Standard 422](#) for all planning, planting, and management of the practice.

Unless explicitly stated, any reference to acreage or linear feet totals for hedgerow planting is referring to the planted acreage of this practice, not adjacent orchard acreage totals.

Plant costs and Incentive Payments

For the second enrollment period of the CSG, Blue Diamond is offering no-cost plant material (provided by Pollinator Partnership) and an implementation incentive payment of up to \$8/linear foot to implement hedgerows. Eligible cost-share activities include land preparation, irrigation, management, and monitoring.

Specifications and Restrictions

- Growers are expected to plant hedgerow plants as soon as reasonably possible after harvest prior to November 15 or as instructed by Pollinator Partnership. Guidance will be provided by Pollinator Partnership.
- Hedgerows have been planted at recommended spacing.
- CSG practice implementation is limited to the boundaries of the grower orchards subject to a BDG CAA. For lands beyond this, Blue Diamond will review on a case-by-case basis.

Whole Orchard Recycling

Whole Orchard Recycling (“WOR”) is a practice which involves the chipping of orchard trees at the end of their lifecycle and reincorporation of those orchard chips into the soil. This practice is not yet classified as its own NRCS practice, and thus growers are required to comply with the USDA NRCS [CPS 384 - Woody Residue Treatment](#) and Soil Carbon Amendment CS 3336 for all planning, prepping, and implementation of the practice.

Reimbursement Payment

Through the CSG growers can apply to receive up to \$900/acre to implement WOR. Eligible cost-share activities include chipping, spreading, and soil incorporation.

Providers

Unlike cover crops, conservation cover, and hedgerows, there is no specified technical provider for WOR. It is the grower’s responsibility to find a provider for this service. Current research and information about WOR can be found on the University of California Whole Orchard Recycling webpage: <https://orchardrecycling.ucdavis.edu/>.

WOR Service Provider Contracts, Recipient Contracts and Implementation Timing

Growers may initiate WOR contracts with their preferred providers at any time, even before a grower applies to and is approved for the CSG WOR Program. If a grower is seeking reimbursement for WOR practices through the CSG, a grower cannot complete (implement) WOR until Blue Diamond determines the selected orchards are eligible and a signed Subrecipient Agreement for WOR has been executed.

NOTE: Reimbursement is not available for WOR commenced or completed before WOR Subrecipient Agreement has been executed.

Caution: A grower who signs contracts with WOR service providers before fully executing a WOR Subrecipient Agreement with Blue Diamond assumes the inherent risk if their orchards do not meet the eligibility criteria for WOR reimbursement under this program as determined by Blue Diamond and/or the USDA.

Specifications and Restrictions

For most up-to-date research, considerations, and best practices, please visit: <https://orchardrecycling.ucdavis.edu/>. Below is a list of specifications and restrictions for WOR.

In the event a grower enrolled in the WOR CSG programs fails to follow specifications and restrictions, the grower will be required to repay the reimbursement funds back to the USDA. Concurrent grant funding is allowed and encouraged, as long as it is not federal (USDA) funds.

Process Requirements

- Growers must provide all required materials during the application process and complete a subrecipient agreement.
- Following a subrecipient agreement, growers must complete all required site- reviews required by Blue Diamond to determine eligibility for WOR use under USDA regulations. This includes an Environmental Evaluation which will be carried out by the USDA and supported by Blue Diamond.
- Following the environmental evaluation, growers must receive approval from Blue Diamond that their orchard(s) are eligible for grant funding before beginning WOR.
- WOR funding is awarded on a first come, first served basis. A grower will be eligible for up to 125 acres, with additional acreage subject to funding availability. Growers should apply for the entire acreage they wish to complete WOR on. Any acreage beyond the 125 will be reviewed (additional acreage). The grower will be notified within 60 days of eligibility confirmation for additional acreage.
- Growers must provide Blue Diamond a signed service contract or quote from a service provider before beginning WOR. The contract or quote should include an itemized breakdown of costs associated with WOR.
- Growers are required to complete WOR within 18 months of receiving approval from Blue Diamond to be able to implement WOR, which means a signed Subrecipient Agreement and approved environmental evaluation. Extensions for WOR occurring beyond the specified 18 months will be subject to Blue Diamond approval, in its sole discretion.
- Growers must provide proof of payment from service provider after WOR implementation.

Site and Operations Requirements

- Orchards must be ten years of age or older.
- Biomass must be fully reincorporated in the same field it originates (i.e. no biomass shall be removed, nor shall any be burned).
- Biomass must be incorporated evenly across the entire orchard.
- Biomass must be incorporated to a depth of at least 6 inches.
- Screen size used for grinding must be no larger than six inches, two to four inches is recommended.

- The removal of the orchard for whole orchard recycling must not be for the purpose of preparing the land for commercial or residential use.
- Growers are asked to maintain a log of the following: total removed acreage, dates of chipping and incorporation, size of chips, depth, location of incorporation, and details on whether nitrogen was included at time of incorporation.
- CSG practice implementation is limited to the boundaries of the grower orchards subject to a BDG CAA For lands beyond this, Blue Diamond will review on a case-by-case basis. Growers must also successfully complete the CPA52 process following the execution of a Subrecipient Agreement.

Proof of Implementation and Compliance

Proof of implementation is important for the CSG to allow for adequate measurement, and data verification. Requirements for proof of implementation may change in subsequent enrollment periods. This is a required step for growers to receive any funding through this program.

To complete the proof of implementation process, growers shall complete the following:

1. **Planting Review (Self-attestation):** *This is required of all growers.* Blue Diamond will provide you a "Planting Review" form via DocuSign, highlighting your initial commitment. You will need to confirm that the actions have been executed. If there were adjustments, simply note them in this review. This will occur after the planting period.
2. **(Possible) Site Visit:** Selected growers will undergo a second party in-orchard review which involves a Blue Diamond team member (or team members) visiting a select number of fields enrolled in the CSG to confirm a CSG practice was implemented. For cover crops, conservation cover, and hedgerows, this may occur after your proof of implementation is completed. We recommend growers keep receipts, photos, and any related materials ready, especially if there are germination issues, early-termination, or other factors influencing the ability to complete a check on-site to ensure you can provide proof that you implemented the practices. For WOR, this may occur at any point throughout the season.

Duration:

- Planting Review should take growers about 5-10 minutes if no changes are needed.
- A site audit, if selected, can last between 1-2 hours, depending on the number of fields. This will be completed by a BDG or select group.

Grower Practice Documentation

Growers shall retain their program documents for three (3) years following the receipt of any payments for practice implementation in a given participation year. Records may include:

1. Photos of practice implementation and completion
2. A history of direct costs incurred for services/goods needed to plan, implement, and manage approved practices under this program
3. A log of estimated labor hours involved with practice implementation

4. (If applicable) Receipts for whole-orchard recycling services

Modifications to Subrecipient Agreements

Any modification to a Recipient Agreement must be made by an amendment to an agreement that is signed by Blue Diamond and the grower-recipient, including but not limited to:

- 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 Jasdeep Bains (jbains@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 grant funds received.

Delays and Complications

Recipients must notify Blue Diamond in writing of any delays, problems, or complications that may materially affect the project. This includes anything that prevents a grower from complying with any stated rules and regulations, and/or terms and conditions in the Subrecipient Agreement. This includes but is not limited to the failure to plant during a reasonable timeline or maintain and ensure germination.

Notifications should be sent to Jasdeep Bains (jbains@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 fail to follow rules and regulations or requirements set forth in the Subrecipient Agreement in a timely and reasonable manner are subject to possible termination of their Subrecipient Agreement or may be required to repay any funds provided through the CSG.

Incentives, Reimbursements, and Advances

Implementation Incentives and Reimbursements

Growers will be paid any incentive or reimbursement funds in quarterly cycles following proof of implementation. Processing time 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. Payments to growers will be distributed following practice implementation and receipt of funds from the USDA.

Advances

Blue Diamond acknowledges that in some situations, growers are financially unable to implement a practice due to financial constraints, and they would otherwise not be able to implement 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.

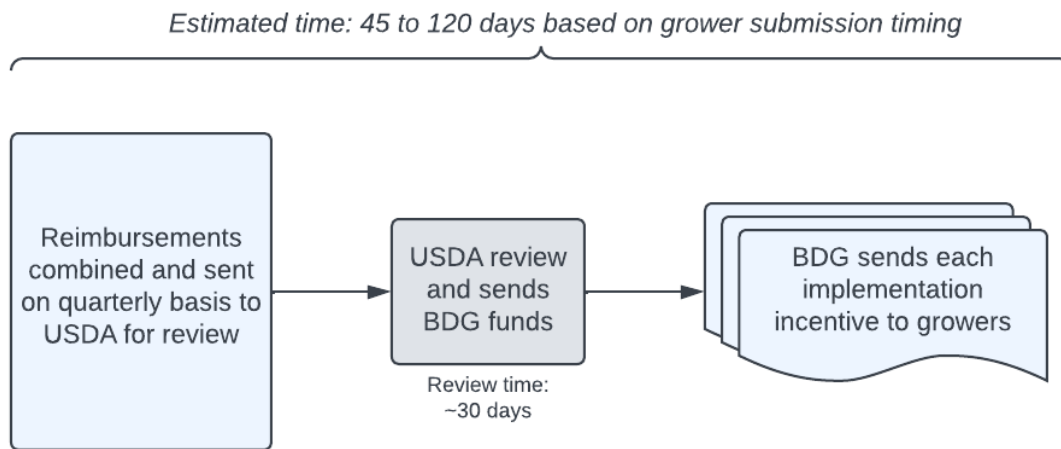


Figure 2. Expected payment process and timeline

Closeout of the Agreement

Blue Diamond will provide grower participants with a payment letter upon completion of all requirements signifying the closeout of that year’s grant participation.

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.

USDA is an equal opportunity provider, employer, and lender.

