



## PRAIRIE WATERSHEDS CLIMATE PROGRAM

*(On-Farm Climate Action Fund)*

**BMP: ROTATIONAL GRAZING FACT SHEET April 1, 2026**

### AGRICULTURE AND AGRI-FOOD CANADA'S AGRICULTURAL CLIMATE SOLUTIONS ON-FARM CLIMATE ACTION FUND (OFCAF): PRAIRIE WATERSHEDS CLIMATE PROGRAM (PWCP)

Support for this project has been provided by Agriculture and Agri-Food Canada (AAFC) through the Agricultural Climate Solutions – On-Farm Climate Action Fund (OFCAF). OFCAF is an initiative designed to assist agricultural farmers address climate change. [Read the media release here.](#)

#### **The Prairie Watersheds Climate Program: Manitoba \***

Agricultural Climate Solutions – On-Farm Climate Action Fund (OFCAF) was originally a \$704 million, 4-year fund (from 2021 to 2025) which funded programs across Canada to support farmers in adopting beneficial management practices (BMPs) that store carbon and reduce greenhouse gases (GHG) as well as provide other environmental benefits such as improved biodiversity and soil health. OFCAF was extended three more years (2025-2028) and will provide an additional \$300 million to 13 recipient organizations to continue supporting farmers in adopting BMPs.

The Manitoba Association of Watersheds (MAW) is one of the 13 organizations that is receiving funding from the OFCAF expansion. The Prairie Watersheds Climate Program (PWCP) is led by MAW and delivered by Manitoba's Watershed Districts. MAW received \$40,012,707 from OFCAF to continue delivering PWCP from April 1, 2025 to June 30, 2028.

PWCP provides financial support, through OFCAF, to farmers in Manitoba to accelerate their adoption and implementation of on-farm BMPs to reduce GHG emissions, support production efficiency, sustainability and resiliency on their farm operations. To assist farmers with their adoption of new BMPs, the program offers farmers resources to support BMP implementation and provide BMP design recommendations.

The Prairie Watersheds Climate Program (PWCP) works with farmers to increase the implementation of select Beneficial Management Practices (BMPs) on farms in Manitoba. The BMPs eligible under the PWCP focus on three categories:

1. Rotational Grazing
2. Nitrogen Management
3. Cover Cropping



## **The Prairie Watersheds Climate Program Approach**

- PWCP takes a grassroots, regional approach to addressing issues related to climate change in agriculture and supporting farmers to implement BMPs that have a positive impact on Canadian agriculture.
- 85% of funding goes towards adoption of BMPs and BMP education/awareness activities for farmers, who are the Ultimate Recipients of the program.
- Ultimate recipients (farmers) can seek registration and offset credits under voluntary offset credit programs for Greenhouse Gas (GHG) emissions reductions generated with the support of the Prairie Watersheds Climate Program. The ability of ultimate recipients to participate in these markets will be subject to eligibility requirements set up by voluntary offset programs.
- Ultimate recipients (farmers) cannot apply to any regulatory carbon offset program for the GHG emissions reductions generated between the Project Eligibility Date (“February 7, 2022”) and the Project Completion Date (“June 30, 2028”) including those dates.
  - GHG Emission Reduction Credits restrictions for Ultimate Recipients only apply to the fiscal year(s) in which the Ultimate Recipient receives funding.
- All payments made to Ultimate Recipients for BMP adoption in the areas of nitrogen management, cover cropping, and rotational grazing are to be considered “farm support payments” as per subsection 234(2) of the *Income Tax Act* R.S.C 1985. As such all payments to farmers are to be considered income for the farm business and are subject to Income Tax.
- MAW will annually prepare and submit AGR-1 Statement of Farm-Support Payment forms to the Canada Revenue Agency (CRA) for each Ultimate Recipient that received a PWCP payment.

## **Important Program Points to Note**

- An activity implemented on specific acres of land can be funded by only one recipient of OFCAF funding (i.e. PWCP). For clarity, any project funded through PWCP cannot be funded by any other OFCAF program.
- An Ultimate Recipient who participated in any of the eligible BMP activities in a previous funding year (2022-2023; 2023-2024; or 2024-2025) can apply for the same eligible activities on the same land for the 2026-2027 program year.
- Farmers are eligible for a lifetime maximum of \$100,000 of OFCAF funding, through all available OFCAF programs including PWCP.
- Landlords and tenants both cannot apply for funding on the same piece of land.
- Priority will be given to Producers who have never participated in PWCP.

## **PWCP BMP: ROTATIONAL GRAZING: INCREASING THE ADOPTION OF ROTATIONAL GRAZING**

### **Why Implement Rotational Grazing?**

Rotational grazing is the practice of containing and moving livestock through pastures to allow forage plants time to recover, deepen their root systems, and improve soil health between periods of grazing. Pastures/rangelands managed under rotational grazing practices have also been found to have higher soil carbon sequestration rates when compared to continuous grazing which can serve as an effective carbon mitigation option. Importantly, ranchers see rotational grazing as an effective way to improve the profitability of their cattle operations while benefiting overall ecosystem health.



## **How PWCP Can Help**

The Prairie Watersheds Climate Program is helping farmers in Manitoba to deploy real, measurable, and practical climate solutions for agriculture in the Canadian Prairies by assisting them in implementing rotational grazing plans and practices. Rotational grazing allows farmers to manage their forage resources to allow the forage crops to sequester carbon longer during the growing season. Managing the way forages are grazed and allowed to grow throughout the year can store carbon in the soil and release less GHGs into the atmosphere. Sound management of grazing rotations can help to extend the growing season, reducing the need for farmers to harvest and transport feed to confinement feeding locations. Managed rotational grazing can also spread manure over a wider area and provide nutrients to forage crops to reduce the need for synthetic fertilizer use.

Eligible activities under this BMP are:

### **Infrastructure to support the Rotational Grazing Plan**

- Up to \$18,000 per quarter section, up to a maximum of \$40,000/fiscal. Lifetime maximum of \$100,000. Includes all eligible fencing, virtual fencing, and watering systems.

### **Improving Pasture Compositions**

- Up to \$50/acre, up to a maximum of \$100,000.
- Includes legumes, perennials, and grasses.

### **Agronomic Support for the Creation of a Grazing Management Plan**

- 50% of cost of the plan, up to a maximum of \$400.

## **Program Eligibility Requirements**

- Funded Practices must:
  - Be new practices for an operation; or
  - Be expanded practices on new land/acres from what has been practiced in previous years.
  - Have a rotational grazing plan that supports the practice(s); and
  - The rotational grazing plan must be recommended by a licensed agrology professional (with demonstrated competency in the agronomy practice area that may include the CCA designation).
    - To verify a licensed agrology professional (PAg or TechAg) in your area please refer to:
      - [Manitoba Institute of Agrologists](https://agrologistsmanitoba.ca/find-an-agrologist/),  
(<https://agrologistsmanitoba.ca/find-an-agrologist/>)
    - To find a qualified Certified Crop Advisor (CCA) in your area please refer to:
      - [Prairie Certified Crop Advisor](https://www.certifiedcropadviser.org/certifications/professional-search/)  
(<https://www.certifiedcropadviser.org/certifications/professional-search/>)

*Note: Third parties accessed in the searches outlined above have not specifically agreed to assist with the OFCAF program and have not been endorsed by MAW or its partners.*



- **All activities** must have commenced on or after **February 1, 2025**, and be completed on or before **June 30, 2027**.
- **All invoices** must be dated after **February 1, 2025**, and before **March 31, 2027** (including those dates).
- Invoices and Proof of Purchase must accompany program rebate applications.
- **Ultimate Recipients** must contribute **at least 15%** of the total project cost as an **in-kind contribution** to the project.
- Before and after pictures of projects implemented may be required for verification and payment.
- There must be a Rotational Grazing Plan that details the design, purpose, and plans of the project. The Plan must also include any of the activities being applied for (fencing, watering systems, improving pasture compositions).
- Remote watering systems must be powered by a renewable source such as solar or wind.
- Fencing to support the rotational grazing plan must be incorporated into the grazing plan to be eligible. This includes cross fencing, wildlife friendly fencing, temporary fencing, and **perimeter fencing**.
- **Virtual fencing projects are eligible and must be incorporated in the rotational grazing plan. This also includes collars, base stations, and initial setup infrastructure (solar panels, battery systems, signal boosters, other costs associated with initial setup and configuration of the system.)**  
The licensed agronomy professional must validate the use of virtual fencing by assessing the terrain, suitability, grazing goals, and expected environmental benefits. The review should also include an economic comparison to conventional fencing options.
  - **Example considerations for justification are:**
    - Remote or forested areas where conventional fencing is impractical;
    - Projects with significant riparian, wildlife, or silvopasture considerations; and
    - Rotational grazing plans that require flexible, adaptive management
- **Windbreak panels are eligible if integrated into the Rotational Grazing Plan.**
- Recycled and used watering system components such as refurbished troughs are eligible – BMP must be a new practice to the producer.
- Underground and above ground pipeline systems are eligible including materials, labour, and installation costs.
- Legumes, perennials, and grasses are eligible under Improving Pasture Composition
- Priority will be given to Producers who have never participated in PWCP.
- Some projects may impact conservation easements and agreements, Species at Risk, or other special circumstances may apply. Farmers will be required to ensure all approvals and permissions are in place prior to the project occurring.



**Ineligible Activities**

- Continued implementation of an existing practice on the same acres that occurred prior to February 7, 2022. The practice must be expanded onto new acres to be eligible.
- An activity implemented on specific acres of land can be funded by only one recipient of OFCAF funding (e.g. PWCP). For clarity, any project funded through PWCP cannot be funded by any other OFCAF program.
- Perimeter fencing is ineligible unless integrated into the Rotational Grazing Plan.
- Removal and replacement of old and/or existing fences.
- Used fencing materials.
- Generators to power remote watering systems; and other non-renewable power sources.
- Costs for dugout construction and water wells (can be used towards the in-kind contribution).
- Texas gates.
- Portable livestock corral panels.
- On-going maintenance and operational costs (satellite or cellular data subscriptions).
- Annual software subscription fees associated with virtual fencing projects.
- Labor costs to install collars on livestock.
- Staff time for system training, monitoring or management.
- Costs for dugout construction and water wells are ineligible for reimbursement (can be used towards the in-kind contribution).
- Landlords and tenants both cannot apply for funding on the same piece of land.
- Grazing co-operatives, grazing associations, and non-profit organizations are not eligible for funding in this program.

**For more information:**

- Visit <https://manitobawatersheds.org/prairie-watershed-climate-program>
- Contact your local [Manitoba Watershed District](#) or [pwcp@manitobawatersheds.org](mailto:pwcp@manitobawatersheds.org)

**Media Contact:**

Lynda Nicol, Executive Director, [Manitoba Association of Watersheds](#)

\*Disclaimer: Program subject to change without further notice.

