



U.S. Department of Agriculture  
Office of Inspector General



# Partnerships for Climate-Smart Commodities – Performance Measures and Monitoring

## Inspection Report 10801-0001-22

OIG reviewed USDA's performance measures and monitoring for the Partnerships for Climate-Smart Commodities.

### OBJECTIVES

Our objectives were to (1) determine whether USDA established performance goals and measures for its Partnerships for Climate-Smart Commodities activities and monitored grant recipients' performance results; and (2) assess USDA's process for monitoring grant recipients' expenditures.

### REVIEWED

We reviewed applicable program documentation from fiscal years 2022, 2023, and 2024. We examined project and financial information in the Project Dashboard, USDA's financial system and USAspending.gov.

### RECOMMENDS

We recommend that USDA: (1) correct USAspending.gov to reflect the 9 missing projects with funding totaling more than \$71.9 million; and (2) reconcile and correct the inconsistent financial data that netted more than \$20.6 million in USDA's financial system and/or USAspending.gov.

### WHAT OIG FOUND

The U.S. Department of Agriculture (USDA) created the Partnerships for Climate-Smart Commodities grants (program) in 2022 to expand markets for America's agriculture commodities. Financed through the Commodity Credit Corporation, it awarded more than \$3 billion in grants for 135 pilot projects during fiscal years 2022 through 2024.

We determined that USDA needs to improve its financial reporting of the program. Of the 135 projects, we found the following discrepancies:

- 9 projects totaling more than \$71.9 million were not listed on the publicly available USAspending.gov website.
- Award amounts for 38 projects listed on USAspending.gov did not match USDA's financial system data. The net difference was more than \$20.6 million.

According to USDA officials, USDA had technical issues with reporting information in USAspending.gov. In addition, USDA had not performed periodic reconciliations of the financial data reported between USDA's financial system and USAspending.gov. Without accurate financial data, stakeholders cannot effectively track Federal spending related to its grants. We are reporting these discrepancies, totaling more than \$92.5 million as questioned costs.

We also found that USDA established primary performance goals to guide overall objectives for its program. However, the agency did not identify and develop clear measures at the organizational level that would effectively assess progress toward meeting those goals. This lack of alignment limited USDA's ability to measure success across multiple projects and made it difficult to determine how project outcomes contributed to the achievement of USDA's broader goals.

USDA agreed with our findings, recommendations, and \$83.7 million of the \$92.5 million in questioned costs. We accepted management decision for both recommendations.



## OFFICE OF INSPECTOR GENERAL

United States Department of Agriculture



**DATE:** June 12, 2025

**INSPECTION**

**NUMBER:** 10801-0001-22

**TO:** Aubrey J.D. Bettencourt  
Chief  
Natural Resources Conservation Service

**ATTN:** Gary Weishaar  
Branch Chief for the External Audits and Investigations Division  
Natural Resources Conservation Service

**FROM:** Yarisís Rivera-Rojas  
Acting Assistant Inspector General for Audit

**SUBJECT:** Partnerships for Climate-Smart Commodities—Performance Measures and Monitoring

This report presents the results of our inspection of Partnerships for Climate-Smart Commodities. Your written response to the official draft is included in its entirety at the end of the report. Based on your written response, we are accepting management decision for the two recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of the date of each management decision. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our fieldwork and subsequent discussions. This report contains publicly available information and will be posted in its entirety to our website (<https://usdaoig.oversight.gov>) in the near future.

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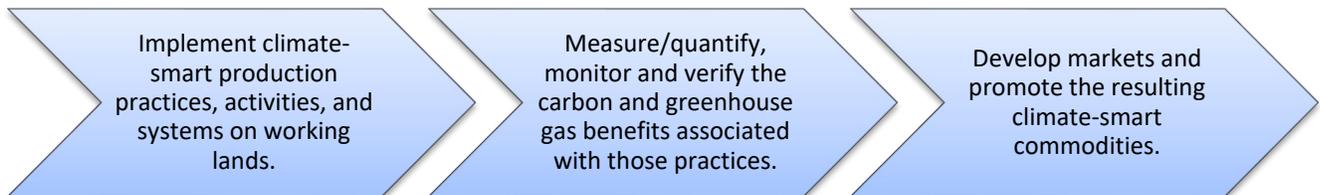
# Background and Objectives

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## Background

The U.S. Department of Agriculture (USDA) created the Partnerships for Climate-Smart Commodities (program)<sup>1</sup> in 2022 to expand markets for America’s agriculture commodities. Financed through the Commodity Credit Corporation, it awarded more than \$3 billion in grants for 135 pilot projects during fiscal years (FYs) 2022 through 2024. USDA defined a “climate-smart commodity” as an agricultural commodity produced using agricultural (farming, ranching, or forestry) practices that reduce greenhouse gas emissions or sequester carbon. Eligible partners included a wide range of public or private entities, such as farm groups, States, nonprofits, businesses, Tribal Governments, and higher education institutions.

USDA announced selected grants on September 14, 2022, for projects between \$5 million to \$100 million. On December 12, 2022, USDA announced a second round of grants not to exceed \$5 million. According to USDA Notice of Funding Opportunity (NOFO), these grants will accomplish the following objectives listed in Figure 1:<sup>2</sup>



**Figure 1: Program Objectives. Figure by the Office of Inspector General (OIG).**

The NOFO contained a section titled “Goals...” with four areas: Intended Overarching Outcomes, Intended Market Expansion Outcomes, Project Boundaries, and Practices and stated that the partnerships aim to achieve outcomes through a variety of pilot projects.

The Government Performance and Results Act (GPRA) Modernization Act requires Federal agencies to establish goals, measure performance against those goals, and report publicly on progress.<sup>3 4</sup> When designing programs and before announcing a NOFO, agencies must design programs with clear goals and objectives that facilitate the delivery of meaningful results. These programs should align with the strategic goals and objectives within the Federal agency’s strategic and performance plans to support the Federal agency’s performance measurement,

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<sup>1</sup> We found instances where Partnerships for Climate-Smart Commodities is referred to as a program or funding opportunity in the NOFO and grant agreement. For the purposes of this report, we will use the term program.

<sup>2</sup> The NOFO was posted on February 7, 2022, and a modification was posted on March 11, 2022.

<sup>3</sup> GPRA Modernization Act of 2010, Public L. 111-352, 124 Stat. 3866 (Jan. 4, 2011).

<sup>4</sup> According to the GPRA Modernization Act, a performance goal is a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared. Measures can be an assessment of the results of a program activity compared to its intended purpose, or the tabulation, calculation, or recording of activity expressed in a quantitative or qualitative manner.

management, and reporting activities.<sup>5</sup> The program's NOFO stated that outcomes, such as increasing markets for climate-smart commodities, would be achieved through a variety of projects.

For awarded grants, USDA created a publicly available dashboard with functionality that allows users to interact with the data elements reported, including the number of projects, States and territories, major commodities, practices, and lead partners.

USDA reports financial data in the Financial Management Modernization Initiative (FMMI) system and USAspending.gov. FMMI is a software package that provides online, real-time transaction capability that impacts every agency and staff office in USDA. USAspending.gov is the official source for spending data for the United States Government.<sup>6</sup> Its mission is to show the American public what the Federal Government spends every year and how it spends the money.

As of December 2024, grant recipients spent more than \$252.3 million of the awarded \$3 billion across the program's 135 projects. As of February 2025, USDA suspended payments to grant recipients under this program.

## **Objectives**

Our objectives were to (1) determine whether USDA established performance goals and measures for its Partnerships for Climate-Smart Commodities activities and monitored grant recipients' performance results; and (2) assess USDA's process for monitoring grant recipients' expenditures.

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<sup>5</sup> 2 CFR § 200.202.

<sup>6</sup> Federal agencies submit applicable award data to USAspending.gov on a monthly basis.

## Finding 1: Financial Data Discrepancies Between FMMI and USAspending.gov

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We found the following discrepancies between the financial data reported in FMMI and USAspending.gov for the program’s 135 projects.

Condition	Discrepancy Amount
9 projects were not listed in the publicly available USAspending.gov website, but identified in FMMI. <sup>7</sup>	\$71.9 million
Award amounts for 38 projects listed in USAspending.gov did not match award amounts in FMMI.	\$20.6 million (net)
<b>Total</b>	<b>\$92.5 million</b>

According to USDA officials, USDA had technical issues with reporting information in USAspending.gov. In addition, USDA had not performed periodic reconciliations of the financial data reported between USDA’s FMMI and USAspending.gov. Without accurate financial data, the agency and stakeholders, such as taxpayers and policy makers, cannot effectively track Federal spending related to the grants. We are reporting the \$92.5 million as questioned costs.

The Federal Funding Accountability and Transparency Act requires information on Federal awards be made available to the public via a single, searchable website—USAspending.gov.<sup>8</sup> Further, the Digital Accountability and Transparency Act requires disclosing direct Federal agency expenditures and linking Federal contract, loan, and grant spending information to enable taxpayers and policy makers to track Federal spending more effectively.<sup>9</sup> Finally, according to the Office of Management and Budget, Circular A-11, the agency’s internal controls are the policies and procedures used to reasonably ensure that reliable and timely information is maintained, reported, and used for decision making.<sup>10</sup>

We identified these missing projects and inconsistent financial data by comparing the 135 project’s grant obligations (award amounts) in FMMI to USAspending.gov. For example, we found instances where the award amount listed in USAspending.gov was higher than the obligation in FMMI. Overall, the net discrepancy between the two systems was more than \$92.5 million. According to officials, USDA had technical issues with reporting information in USAspending.gov and was working to correct the discrepancies OIG identified. If USDA had performed periodic reconciliations of the financial data reported in FMMI and USAspending.gov they may have discovered these discrepancies. Additionally, USDA may have discovered these

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<sup>7</sup> The associated expenditures for the nine grants omitted in USAspending.gov totaled more than \$5.3 million as of December 2024.

<sup>8</sup> Federal Funding Accountability and Transparency Act of 2006, Public L. 109–282, 120 Stat. 1186 (Sept. 26, 2006).

<sup>9</sup> Digital Accountability and Transparency Act of 2014, Public L. 113–101, 128 Stat. 1146 (May 9, 2014).

<sup>10</sup> OMB, *Transmittal Memorandum # 98, Preparation, Submission, and Execution of the Budget*, Circular A-11 (July 25, 2024).

errors if they had also compared the total number of projects on its public dashboard to USAspending.gov.

Accurate and complete financial data can assist stakeholders, such as taxpayers and policy makers, to effectively oversee and track Federal spending related to these grants. Although program payments have been suspended, accurate and reliable financial data on the program to date should be reported. Therefore, we recommend that USDA reconcile and correct USAspending.gov and FMFI to ensure the data matches.

## **Recommendation 1**

Correct USAspending.gov to reflect the 9 missing projects we questioned with funding totaling more than \$71.9 million questioned.

### **Agency Response**

USDA agrees with recommendation 1, clarifying that reconciliation began in October 2024. USDA receives error reports on transmissions to USAspending.gov that often require manual corrections. The Farm Production and Conservation (FPAC) Business Center has addressed the nine projects questioned (totaling \$71.9 million), which have all been reconciled successfully and are now available at USAspending.gov.

USDA provided an estimated completion date of June 28, 2025.

### **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 2**

Reconcile and correct the inconsistent financial data that net more than \$20.6 million in USDA's Financial Management Modernization Initiative system and/or USAspending.gov for the 38 projects.

### **Agency Response**

USDA agrees with recommendation 2; however, the magnitude of the discrepancy is overstated. The inconsistency noted was primarily due to the timing of OIG's review rather than discrepancies in the financial data. USDA provided financial management system data dated December 2, 2024, and OIG pulled the USAspending.gov data on January 15, 2025. During the intervening time, \$8,809,886.00 was successfully transmitted to USAspending.gov as amendments that were already in process (but not yet posted) at the time of OIG's review were executed and posted to the USDA financial systems. NRCS and the FPAC Business Center reviewed the more recently posted data and will reconcile and correct the transmission errors that caused the apparent inconsistency in the financial data (totaling \$11,795,681.91).

USDA provided an estimated completion date of April 1, 2026.

**OIG Position**

We accept management decision for this recommendation.

## **Finding 2: Measures to Assess Achievement of Goals Were Unclear**

We found that USDA established primary performance goals to guide overall objectives for its program. However, the agency did not identify and develop clear measures at the organizational level that would effectively assess progress toward meeting those goals. This occurred because USDA did not develop an adequate approach to define and create measures in a manner that clearly mapped to and aligned with its primary goals. As a result, it was difficult to determine how project outcomes contributed to the achievement of USDA's broader goals. This lack of alignment limited USDA's ability to monitor and measure success across multiple projects.

To improve program performance, Federal agencies must set goals, measure performance against those goals, and report publicly on progress.<sup>11</sup> Additionally, the Federal agency must ensure all requirements for measuring performance align with the Federal agency's strategic goals, strategic objectives, or performance goals relevant to a program.<sup>12</sup>

We reviewed the NOFO and noted that it does not explicitly indicate the measures to assess achieving the program's goals. Instead, the document details reporting requirements for grantees that include practices applied, greenhouse gas and carbon sequestration benefits, marketing and outreach, and others.

Based on our review, we determined that these project-level reporting requirements provide quantitative or qualitative data that could link to a goal area, such as market expansion. But USDA did not demonstrate how the collection of this data measure performance against overall program goals or convey to its stakeholders how the program is meeting its intended purpose.<sup>13</sup> For example, these reporting requirements were not mapped or aligned to any specific objectives or goals in the NOFO to help measure overall program success. USDA officials stated that every project had benchmarks and required some common measurements, but achievements were expected to be innovative and not the same. Further, USDA officials did not provide evidence of measures for our scope period related to assessing the program's goals.

Because USDA did not define, create, and document measures in a manner that clearly mapped to and aligned with its program's performance objectives or goals, it was difficult to determine how project outcomes and reporting requirements contributed to the achievement of USDA's broader objectives and goals. When success related to goals is not clearly measured, stakeholders may find it difficult to assess the effectiveness of this program or support funding.

Because payments have been suspended and the future of the program is uncertain, we do not make a recommendation for this finding.<sup>14</sup>

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<sup>11</sup> GPRM Modernization Act of 2010, Pub. L. No. 111-352, 124 Stat. 3866 (Jan. 4, 2011)

<sup>12</sup> 2 C.F.R. § 200.301

<sup>13</sup> A measure can be an assessment of the results of a program activity compared to its intended purpose.

<sup>14</sup> As of February 2025, USDA suspended payments to grant recipients under this program.

## Scope and Methodology

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Our inspection scope covered the program for FYs 2022, 2023, and 2024. This included information related to 135 pilot project grants totaling more than \$3 billion. We conducted our fieldwork for this inspection from September 2024 to March 2025. We discussed the results of our inspection with agency officials on March 28, 2025, and included their comments, as appropriate.

To accomplish our inspection objectives, we:

- We interviewed program officials and reviewed policies, procedures, and documentation.
- We reviewed the NOFO, USDA’s Annual Performance Plan and Annual Performance Report for FYs 2022 through 2025, USDA’s FY 2022–2026 Strategic Plan, and other related documents that report performance goals, measures, and results to stakeholders.
- We reviewed project and financial information in the Project Dashboard, USDA’s FMMI, and USAspending.gov.<sup>15</sup>

The inspection was conducted in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

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<sup>15</sup> We received FMMI data as of December 2024, accessed the Project Dashboard and USAspending.gov, and downloaded relevant data as of January 2025.

## Abbreviations

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FMMI.....	Financial Management Modernization Initiative
FPAC.....	Farm Production and Conservation
GPRA.....	Government Performance and Results Act
NOFO.....	Notice of Funding Opportunity
OIG.....	Office of Inspector General
USDA.....	U.S. Department of Agriculture

## **Exhibit A: Summary of Monetary Results**

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Exhibit A summarizes the monetary results for our inspection report by finding and recommendation number.

<b>Finding</b>	<b>Recommendation</b>	<b>Description</b>	<b>Amount</b>	<b>Category</b>
<b>1</b>	<b>1</b>	Correct USAspending.gov to reflect the 9 missing projects.	\$71,950,527	Questioned Costs, No Recovery Recommended
<b>1</b>	<b>2</b>	Reconcile and Correct USDA's Financial Management Modernization Initiative system and/or USAspending.gov to reflect consistent financial data.	\$20,605,568	Questioned Costs, No Recovery Recommended
<b>Total</b>			<b>\$92,556,095</b>	

**USDA's  
Response to the Inspection Report**



**USDA's Response to the Official Draft Report on  
Partnership for Climate-Smart Commodities  
Performance Measures and Monitoring  
OIG Inspection #10801-0001-22**

The Office of Inspector General (OIG) (1) determined whether the U.S. Department of Agriculture (USDA) established performance measures and monitoring for the Partnership for Climate-Smart Commodities activities and monitored grant recipients' performance results; and (2) assess USDA's process for monitoring grant recipients' expenditures.

**OIG Findings**

OIG determined that USDA created the Partnership for Climate-Smart Commodities grants (program) in 2022 to expand markets for America's agriculture commodities. Financed through the Commodity Credit Corporation, the program awarded more than \$3 billion in grants for 135 pilot projects between fiscal years 2022 and 2024.

OIG determined that USDA needs to improve its financial reporting of the program. Of the 135 projects, it found the following discrepancies:

- Nine projects totaling more than \$71.9 million were not listed in the publicly available USAspending.gov website.
- Award amounts for 38 projects that were listed in USAspending.gov website did not match USDA's financial system data. The net difference was more than \$20.6 million.

OIG also found that USDA established primary performance goals to guide overall objectives for its program; however, the Department did not identify and develop clear measures at the organizational level that would effectively assess progress towards meeting those goals. This lack of alignment limited USDA's ability to measure success across multiple projects and made it difficult to determine how project outcomes contributed to the achievement of USDA's broader goals. USDA has an extensive data dictionary and began publishing summary performance reports to their public website in October 2024.

**USDA Response to OIG's Recommendations**

The Natural Resources Conservation Service (NRCS) reviewed OIG's recommendations on behalf of USDA. In general, NRCS's response concurs with recommendations 1 and 2 of

OIG Inspection Report #10801-0001-22 on Climate-Smart Commodities-Performance Measures and Monitoring.

**Recommendation 1:** Correct USAspending.gov to reflect the 9 missing projects we questioned with funding totaling more than \$71.9 million questioned.

**NRCS Response:** USDA agrees with recommendation 1, clarifying that reconciliation began in October 2024. USDA receives error reports on transmissions to USAspending.gov that often require manual corrections. The Farm Production and Conservation (FPAC) Business Center has addressed the nine projects questioned (totaling \$71.9 million), which have all been reconciled successfully and are now available at USAspending.gov.

**Estimated Completion Date:** The estimated completion date is June 28, 2025.

**Recommendation 2:** Reconcile and correct the inconsistent financial data that net more than \$20.6 million in USDA's Financial Management Modernization Initiative system and/or USAspending.gov for the 38 projects.

**NRCS Response:** USDA agrees with recommendation 2; however, the magnitude of the discrepancy is overstated. The inconsistency noted was primarily due to the timing of OIG's review rather than discrepancies in the financial data. USDA provided financial management system data dated December 2, 2024, and OIG pulled the USAspending.gov data on January 15, 2025. During the intervening time, \$8,809,886.00 was successfully transmitted to USAspending.gov as amendments that were already in process (but not yet posted) at the time of OIG's review were executed and posted to the USDA financial systems. NRCS and the FPAC Business Center reviewed the more recently posted data and will reconcile and correct the transmission errors that caused the apparent inconsistency in the financial data (totaling \$11,795,681.91).

**Estimated Completion Date:** The estimated completion date is April 1, 2026.

**LOUIS  
ASPEY**

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Louis Aspey  
Associate Chief, NRCS

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