# USDA cancels $35m climate-smart farming grant to Maine’s Wolfe’s Neck Center over funding rules



After nearly three months of suspended payments, the U.S. Department of Agriculture (USDA) has officially cancelled a five-year, $35 million grant awarded to Wolfe's Neck Center for Agriculture & the Environment, a demonstration farm based in Freeport, Maine. This announcement comes as part of a broader move by the USDA to terminate most of the 135 projects originally funded under the $3.1 billion Partnerships for Climate-Smart Commodities (PCSC) programme.

The USDA cited that Wolfe's Neck Center failed to comply with new guidelines implemented under the Trump administration, which require that at least 65% of funding be paid directly to farmers. Due to the centre’s overhead costs exceeding this threshold, the grant was rescinded. Wolfe's Neck communications director Harry Kimball explained that although indirect spending was significant, it still benefited farmers through technical assistance, soil analysis, and development of data systems and technology.

“This PCSC-funded work provided a critical amount of funding to support farmer practice transition,” Kimball said in an email. He further detailed that the funding was being used to equip and train workers at 400 farms across the United States in climate-smart agriculture, establish financial incentives for transitional farming practices, and create a marketplace for climate-smart commodities. To date, 75 farms, including several in Maine, had been enrolled in the project.

The centre also pledged to dedicate 40% of the funds to historically underserved farmers, including farmers of colour, veterans, low-income farmers, and newcomers to farming. Support was planned to be offered in multiple languages such as English, Spanish, Chinese, Hmong, Vietnamese, and Punjabi.

Maine’s agricultural sector faces mixed impacts from climate change, with longer growing seasons potentially benefiting farmers but increased risks from pests, plant diseases, and extreme weather events posing challenges to sustainable farm management. Wolfe's Neck was working to help farmers navigate these changes through innovative climate-smart strategies.

Prior to the cancellation, Wolfe's Neck had braced for the likelihood of losing funding. In mid-March, the centre notified 25% of its staff that they would face furloughs by mid-April and potential layoffs by May if USDA funds were not restored. The organisation now has until 20 June to reapply for funding under the USDA’s new Advancing Markets for Producers programme, which replaces the earlier scheme but retains the controversial 65% direct-to-farmer payment rule. Wolfe's Neck staff are currently assessing the feasibility of this new grant opportunity.

Executive Director Dave Herring reflected on the impact in an online blog post earlier this month: “We knitted a beautiful sweater and now we are being forced to pull out a number of strands of yarn. While it is painful to see this 'sweater' that we have worked so hard on unraveling, it does not mean the (grant) work will end.”

The USDA has confirmed it will honour all eligible expenses incurred before 13 April under the original climate-smart programme.

Commissioner Brooke Rollins, speaking last week, criticised many climate-smart projects for having “sky-high administrative costs” and highlighted that many programmes paid less than half of their funds directly to farmers. Rollins stated that the new market programme aims to reduce bureaucratic hurdles, simplify reporting, and prioritise farmers.

Wolfe's Neck Center is not the only Maine organisation affected by this decision. The Maine Organic Farmers and Gardeners Association (MOFGA) was set to receive $150,000 to assist local farmers with sustainable farming practices. However, the Pennsylvania Association for Sustainable Agriculture, which was serving as MOFGA's fiscal sponsor, received a termination letter from the USDA for failing to meet the direct-to-farmer payment threshold. This group is currently appealing the USDA’s determination.

MOFGA had planned to use the funding to assist farmers with soil and financial data analysis, conservation project design, environmental reviews, increased market access for environmentally friendly products, and monitoring of practice outcomes, according to a recent newsletter from the organisation.

Last summer, the USDA reported that 14,000 farms nationwide had already adopted climate-smart practices such as cover cropping, furrow-based irrigation, and manure management across 3.2 million acres. The termination of funding has created uncertainty for many similar initiatives that were aimed at supporting and expanding such efforts across the country.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.centralmaine.com/tag/wolfes-neck-farm> - This source confirms the USDA's cancellation of the $35 million climate grant to Wolfe's Neck Center for Agriculture & the Environment, supporting the claim of suspended payments and grant termination due to compliance issues.
* <https://www.pressherald.com/2025/04/16/farmers-angry-over-federal-funding-cuts-rally-at-maine-state-house/> - This article discusses the anger among farmers in Maine over federal funding cuts, specifically mentioning Wolfe's Neck Center's $35 million award and the broader impact of USDA budget cuts on local farmers.
* <https://civileats.com/2025/02/11/trumps-funding-freeze-creates-chaos-and-financial-distress-for-farmers/> - This report details how USDA funding freezes under the Trump administration created financial distress for farmers and disrupted regenerative agriculture programs, corroborating the article's claim about new guidelines impacting funding distribution.
* <https://www.wolfesneck.org/partnerships-for-climate-smart-commodities/> - Wolfe's Neck Center's official page on the Partnerships for Climate-Smart Commodities program describes the $35 million investment and its objectives to support climate-smart agricultural practices, affirming the article's description of the grant's purpose.
* <https://www.maineorganic.org/newsletters/> - The Maine Organic Farmers and Gardeners Association's newsletters outline plans to use USDA funding for sustainable farming support and mention funding challenges, supporting the article's information about MOFGA's involvement and funding termination.