



45Z CLEAN FUEL CREDIT: FARM READINESS CHECKLIST

A Practical Checklist for Farmers and Ag Businesses



FarmRaise

45Z Clean Fuel Credit: Farm Readiness Checklist

How grain and feedstock producers can document climate-smart practices, lower carbon intensity scores, and capture premiums from ethanol and biofuel buyers.

What is the 45Z Clean Fuel Production Credit?

The 45Z credit (created under the Inflation Reduction Act, amended by the One Big Beautiful Bill in 2025) pays biofuel producers up to \$1.00 per gallon for domestically produced clean transportation fuel sold through December 31, 2029. The credit is based on how low a fuel's carbon intensity (CI) score is. Farmers are not direct recipients, but the way you grow your crop directly affects your buyer's CI score and, in turn, your potential to earn premiums or stronger local basis prices.

How to use this checklist: Work through each section before or during your current growing season. Check off what you already have in place, and flag gaps where you need to take action. The earlier you start documenting, the stronger your position will be when your local ethanol plant or biofuel buyer asks for verification of your practices.

1 Farm and Field Baseline Information

- ☐ **Know which crops qualify under 45Z**
Current USDA guidance covers corn, soybeans, and sorghum as primary biofuel feedstock crops. If you grow multiple crops, identify which fields and acres are eligible.
- ☐ **Confirm your buyer is participating in 45Z**
Talk to your local ethanol plant, biodiesel processor, or grain elevator. Ask whether they are registered with the IRS as a clean fuel producer (Form 637) and whether they have a low-CI feedstock procurement program in place.
- ☐ **Map your eligible fields by location and acreage**
Field-level data matters. Accurate records of which fields grow qualifying feedstocks, with GPS boundaries if possible, will be required for third-party verification.
- ☐ **Understand your current baseline CI score**
If you are not already using climate-smart practices, your crop may carry a default CI score. Ask your buyer or cooperative what that baseline looks like and how much room there is to improve it.

2 Climate-Smart Agricultural Practices

- ☐ **No-till or reduced tillage**
Eliminating or reducing tillage is one of the highest-impact levers for lowering your CI score. Document the tillage method used on each field and growing season.
- ☐ **Cover cropping**
Cover crops are the single biggest factor in reducing carbon intensity for corn and soy. Record species planted, planting date, termination date, and any cover crop seed purchase receipts.
- ☐ **Nitrogen management and inhibitors**
Roughly 70% of corn's carbon intensity is tied to nitrogen use. Track application rates, timing, application method (split-apply, side-dress, variable rate), and use of nitrification or urease inhibitors.
- ☐ **Enhanced efficiency fertilizers (EEFs)**
If you use slow-release or stabilized nitrogen products, document brand, rate, and application date.
- ☐ **Nutrient management plans**
A USDA- or state-approved nutrient management plan strengthens your verification case. Keep a current copy on file.
- ☐ **Manure or organic amendment applications**
If applicable, record source, quantity, application method, and nutrient content analysis.

3 Field-Level Data and Recordkeeping

- ☐ **Seed purchase and planting records**
Crop variety, planting date, seeding rate, and field ID for each field.
- ☐ **Fertilizer application records**
Product name, nutrient content (N-P-K), rate per acre, application date, and method (broadcast, injected, foliar). Include receipts or application maps.
- ☐ **Pesticide and herbicide records**
Product, rate, timing, and applicator license number where required.
- ☐ **Yield records by field**
Bushels per acre at harvest, including moisture content and harvest date. Combining it with precision ag monitors makes this easier to document.
- ☐ **Tillage pass records**
Equipment used, depth, date, and field. Even one recorded pass changes the classification.
- ☐ **Cover crop records**
Seed tags or invoices, planting date, termination method, and date. Photos with dates are a useful supplement.
- ☐ **Soil health data (if available)**
Soil test results with organic matter levels, pH, and CEC can support CI score adjustments as the USDA FD-CIC model is finalized in 2026.

4 Verification Readiness and Chain of Custody

- ☐ **Understand that third-party verification will be required**

The proposed regulations require carbon intensity scoring to be verified by qualified third parties before premiums can be paid. Incomplete records will delay or eliminate payments.
- ☐ **Ask your buyer which verification platform they use**

Different ethanol plants may work with different data aggregators or platforms. Confirm early so your records are in the right format.
- ☐ **Establish a consistent field ID system**

Use the same field names and boundaries across all your record sources: application maps, yield data, invoices, and any platform you submit data through.
- ☐ **Keep records digitally and backed up**

Paper records get lost; digital records with timestamps are more defensible in an audit. Organize by crop year and field.
- ☐ **Know your grain's custody pathway**

Understand whether your grain will be tracked as 'identity-preserved' or commingled at the elevator. Identity-preserved grain with verified practices typically commands higher premiums.

5 Stay Current on Regulations

- ☒ **Monitor USDA FD-CIC finalization (expected 2026)**

The USDA Feedstock Carbon Intensity Calculator is still in beta. Final rules will determine exactly how your practices translate into CI score reductions. Watch for USDA announcements.
- ☒ **Watch for final IRS 45Z regulations**

Treasury proposed regulations in February 2026 with a public comment deadline of April 6, 2026, and a public hearing on May 28, 2026. Final rules are expected later in 2026.
- ☒ **Confirm the North American feedstock requirement**

Under the One Big Beautiful Bill (OBBBA), fuel produced after December 31, 2025, must use feedstocks grown in the U.S., Mexico, or Canada. Domestic grain qualifies; this should not affect most operations.
- ☐ **Understand the 2025 growing season opportunity**

Treasury and IRS have indicated that 45ZFD-CIC may be used for fuel produced and sold in 2025. If you implemented qualifying practices this season, preserve those records now.
- ☐ **Connect with your state's USDA Farm Service Agency or extension office**

FSA and land-grant extension offices are actively publishing guidance. Your local FSA office is also a resource for integrating related conservation programs.

Quick Reference: What Moves Your CI Score

Practice	CI Impact	Documentation Needed
Cover crops	High (largest single lever)	Seed receipts, planting + termination dates
No-till / reduced till	High	Tillage pass records by field
Nitrification inhibitors	Medium-High	Product name, rate, application date
Nitrogen rate + timing optimization	Medium	Application records, split-apply logs
Enhanced efficiency fertilizers	Medium	Product receipts and application maps

Ready to get your farm data organized for 45Z?

FarmRaise helps agricultural producers and program administrators collect, organize, and verify field-level practice data, the exact documentation your biofuel buyer will ask for.

Whether you are preparing for your first low-CI grain contract or running a feedstock verification program across thousands of acres, FarmRaise gives you a single place to track practices, manage records, and produce audit-ready reports.

See how FarmRaise supports 45Z reporting:

farmraise.com

This checklist is for informational purposes only and reflects proposed regulations as of mid-2026. Final 45Z rules had not been published at the time of production. Consult your tax advisor, agronomist, and biofuel buyer before making program or marketing decisions. FarmRaise does not provide tax or legal advice.