HEALTHY SOILS INITIATIVE AND INCENTIVES PROGRAM

C-AGG MEETING
MARCH 3, 2017
SACRAMENTO, CA

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PRESENTATION OUTLINE

- Healthy Soils Initiative
- Healthy Soils Program
  - Objective & Funding
  - Program Development Process
  - Draft program framework including:
    - Current status
    - Allocation of funds to incentive and demonstration projects, proposed award amounts
    - Potential management practices for incentives program
    - Timeline
More than 400 agricultural commodities in California, including unique specialty crops.

California remained the No. 1 state in cash farm receipts in 2015, with $47 billion in revenue from 76,400 farms and ranchers (#1 for more than 50 years).

Some of the most fertile and diverse agricultural soils: soils are fundamental plant growing medium.


Meeting with Governor’s Office and administration on initiative; interagency meetings with several agencies and departments.

https://www.cdfa.ca.gov/oefi/healthysoils/HSInitiative.html
ACTIONS FOR THE HEALTHY SOILS INITIATIVE: INTERAGENCY AND STATE-FEDERAL PARTNERSHIPS

Actions:

- Protect and restore soil organic matter in California’s soils.
- Identify sustainable and integrated financing opportunities to facilitate healthy soils.
- Provide for research, education and technical support to facilitate healthy soils.
- Increase governmental efficiencies to enhance soil health on public and private lands.
- Promote interagency coordination and collaboration to support soils and related state goals.

Working with USDA-NRCS:

- USDA-NRCS provides funding through the Environmental Quality Incentives Program to support conservation practices including soil health.
  - Comet-Planner Tool: http://www.comet-planner.com/
  
  https://www.youtube.com/watch?v=vPy5C5J1qjg&feature=youtu.be&rel=0
Soil Health

- Reduced Sediment Erosion and Dust
- Build Soil Organic Matter
- Sequester and Reduce GHGs
- Improved Plant Health and Yields
- Improved Water Quality
- Reduced Salinity
- Water Retention
- Reduced Fumigant and Synthetic Inputs
Objective: To build soil carbon and reduce agricultural GHG emissions through incentives.

CDFA appropriated $7.5 million in FY 2016-17 to develop and administer a new incentive and demonstration program on the CA Healthy Soils Initiative from the Greenhouse Gas Reduction Fund.

Funds must be encumbered by June 30, 2018 and expended/liquidated by June 30, 2020 (AB 1613, Section 13).

Funds allocation:

- Incentive projects (50%; $3.75M)
- Demonstration projects (40%; $3M).
- Remainder funds: administrative cost (10%; $0.75M)

https://www.cdfa.ca.gov/oefi/healthysoils/
PROGRAM DEVELOPMENT PROCESS

Initial Program Framework

EFA-SAP

Revise Framework

Feedback from Various Partners:
- Public Workshops, Farmers & Ranchers, Sister Agencies, Academia

Inputs from:
- EFA-SAP
- ARB
- Public and stakeholders
- Agency Documents and Research Literature

Finalized Grant Solicitation and Quantification Methodology

Review of Submitted Applications

Award of Grant Funds

GHG Emissions Reduction Verification

Continuing

Commenced Jan 19, 2017

Comments due to cdfa.oefi@cdfa.ca.gov by March 1, 2017
Eligibility: California farmers and ranchers. Projects must be located in CA and result in GHG reductions from agricultural practices for a specified time period, quantifiable using a method determined by ARB.

Projects funded under this solicitation to use one or more of the eligible USDA-NRCS Conservation Practice Standards identified in the grant solicitation, and/or compost application.

An agricultural operation to only submit one application using a unique tax identification number per round of funding to allow wide distribution of funds.

Proposed award amount: Maximum $25,000 per project (approx. 150 projects supported).
MANAGEMENT PRACTICES TENTATIVELY INCLUDED FOR INCENTIVES

- Improved Nutrient Management (590)
- Mulching (484)
- No-till (329)
- Reduced-till (345)
- Cover crops (340)
- Cropland Compost Application (Not a separate NRCS Practice)
- Grassland Compost Application (Not an NRCS Practice)
- Herbaceous Cover:
  - Herbaceous Wind Barriers (603)
  - Vegetative Barriers (601)
- Riparian Herbaceous Cover (390)
- Contour Buffer Strips (332)
- Field Border (386)
- Filter Strip (393)
- Woody Cover:
  - Windbreak/ shelterbelt establishment/renovation (380)
  - Riparian Forest Buffer (391)
  - Hedgerow Planting (422)
  - Silvopasture (381)
QUANTIFICATION METHODOLOGY FOR GHG EMISSION REDUCTIONS

- Per SB 862, the California Air Resources Board (ARB) is required to develop quantification methods (QM) for agencies receiving Greenhouse Gas Reduction Fund (GGRF) appropriations.
- ARB, in collaboration with CDFA, is developing the QM Tool.
- The QM Tool will have a public comment period.
FRAMEWORK PROPOSED FOR DISCUSSION: INCENTIVES PROGRAM – APPLICATION

- Applicant would provide information including but not limited to:
  - Description of the proposed project.
  - Estimation of greenhouse gas (GHG) reductions including baseline estimates and supporting documentation, life of the project and how GHG emission reductions will continue to occur over the required timeframe.

- CDFA and ARB will provide additional guidance for ongoing tracking and reporting of net GHG benefits from project activities.

- CDFA will generate a list of co-benefits to be given additional consideration during application review.

- Benefits to disadvantaged communities (DACs) – based on ARB guidance.
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<tr>
<th>ITEM</th>
<th>ESTIMATED DATES</th>
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<tbody>
<tr>
<td>Program framework development including Quantification Methodology</td>
<td>Nov 2016 – Apr 2017</td>
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<tr>
<td>Public Stakeholder Meetings for Program Design Feedback</td>
<td>Jan 2017 – Apr 2017</td>
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<tr>
<td>Grant solicitation released</td>
<td>May 2017</td>
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<td>Applications proposals due</td>
<td>Jun 2017</td>
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<td>Proposal evaluation (Technical Review)</td>
<td>Jun – Sep 2017</td>
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<td>Announce grant awardees</td>
<td>Sep 2017</td>
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<td>Project Implementation to begin</td>
<td>Oct 2017</td>
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FRAMEWORK PROPOSED FOR DISCUSSION: DEMONSTRATION PROJECTS

- **Objective**: Provide funding for projects that achieve net GHG benefits from soil carbon sequestration or GHG emissions reduction in the field.

- Individual grant amount: Proposed maximum $250,000 per project (approx. 12 projects).

- **Eligibility**:
  - Projects *must* have field/on-farm component with quantifiable GHG emission reductions
  - Partnerships: Ag Operations/Industry Groups + Academia and/or Non-profit organizations and/or RCDs
  - Outreach and education component (e.g. Field Day) required.
  - In finalized grant solicitations, CDFA and ARB will provide additional guidance for ongoing tracking and reporting of net GHG benefits from project activities
PARTNERSHIPS FOR SOIL HEALTH THROUGH PROPOSED INCENTIVES PROGRAM

Environmental Farming Act – Science Advisory Panel

Next Meeting:
March 16, 2017
Sacramento

https://www.cdfa.ca.gov/oefi/efasap/
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