



Proposal to Constitute Ad Hoc Subcommittee to Expand Pathways to Compensate Producers for Climate-Smart Agriculture Adoption

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Dr. Nina Bingham, Dr. B. Shaharona, Deputy Secretary for Climate and Working Lands Virginia Jameson



Guest Presenters

- Dr. Dan Sonke, Head of Sustainability at Blue Diamond Growers
- Cole B. Smith, Staff Research Associate at UC ANR/ UC Davis
- Dr. Erika Foster, Director of Soil Research and Conservation at Point Blue Conservation Science
- Alison Edwards, Director at Stewardship Index for Specialty Crops

Purpose and Overview

- CDFA goal to increase adoption of climate-smart agricultural practices and bolster economic opportunities for California producers implementing these practices
- Hear from CDFA staff and stakeholders regarding different pathways for CDFA to achieve this goal, including climate-smart labels, certifications, payments for ecosystem services, and voluntary carbon markets
- Propose ad hoc committee to support this initiative
- Focus on MMRV needs for these pathways to increase access and prevent greenwashing - Measurement, Monitoring, Reporting, and Verification
 - data collection, analysis, independent checks for validation of the findings, initial results communication and then continued tracking, validation, and results report out over time all to identify, confirm, and share the climate and environmental impacts of activity implementation

Climate-Smart Practices and the Importance of Soil Health

- Climate smart practice implementation can...
 - Reduce greenhouse gas emissions
 - Sequester carbon in soil
- Not just about climate change mitigation...
 - Animal and human health
 - Agricultural productivity
 - Environmental quality
- These items are valuable to society and also have monetary value

Grower barriers to practice adoption, mechanisms to boost implementation

- Margins are thin for growers and new adoption and/or consistent implementation is a challenge when costs and risks are weighed against other inputs
- Multiple funding pathways could increase accessibility, use, and overall effectiveness, but need California-suited MMRV
- MMRV for funding pathways can be cumbersome, discouraging investment

Uplifting Multiple Pathways, Fitting To California Needs

- Examples of existing pathways
 - State-led incentive-based system - Healthy Soils Program
 - Great for lower-risk new practice adoption, modeling-based quantification methodology provides GHG emissions and some co-benefit calculations for practice implementation
 - Only new adoption funding, year-to-year funding
 - Private Industry led Voluntary Carbon Markets
 - Protocols for measuring, monitoring, verification, and reporting that take into account the project, the surrounding region and any other potential projects, and involve third-party verifiers to produce carbon credits
 - Current protocols not well suited for small farms, diversified operations, specialty crops
- Uplift more pathways such as labels, certifications, and payments for ecosystem services to expand pathway access that reward producers for the adoption of climate-smart and healthy soils practices, while making sure these pathways fit California grower needs and prevent greenwashing - MMRV assessment!

CDFA-coordinated effort going forward - *Objectives*

- Foster the expansion of pathways that reward producers for the adoption of climate-smart and healthy soils practices
- Address California specific challenges in MMRV processes for these pathways
- Facilitate access to *multiple* support pathways, guide future state and private work

CDFA-coordinated effort going forward - *Actions thus far:*

- 2016 to now: Implemented model-based quantification system for Healthy Soils Program Practices with CARB and Colorado State
- August 2025 MMRV convening
 - Brought together academics, agricultural industry members, state agencies, and non-profits working in the state to get a picture of where we are and where we need to go to make these systems work for California
- CDFA public comment for resilience strategy (including MMRV section)
 - Stakeholders asked for systems that fit California

CDFA-coordinated effort going forward - *Proposal for Ad hoc Subcommittee*

- Establish ad hoc subcommittee of Subject Matter Experts to produce evaluation of funding pathways and recommendations on MMRV components for suitability for California agriculture
- Timeline - February 12, 2026 - Dec. 15, 2026

CDFA-coordinated effort going forward - *Ad hoc subcommittee work*

1. *Identify* - Identify funding pathways for growers that will increase climate-smart practice adoption, starting by reviewing existing catalog of funding programs, platforms, and systems from August MMRV convening
2. *Assess* - For each pathway, assess what is needed in the MMRV components to best suit California specific needs

Resulting in a report that covers viable pathways for private and public funding, identifies needed MMRV improvements to make these pathways suitable for California agricultural systems, and uplifts existing work

Alignment with state priorities

- OARS Mission – Build a sustainable and thriving future for California's farmers and ranchers through innovative programs, collaborative partnerships, and science-driven solutions, we provide practical tools to enhance environmental and economic sustainability
- CDFA Ag Vision – First priority is to foster climate-smart, resilient, and regenerative food systems
 - Grow climate smart agriculture programs
 - Establish partnerships to develop metrics and create markets for ecosystem services
- California has a goal for Climate Neutrality by 2045. State policies emphasize the importance of nature-based climate solutions, such as conserving agricultural land and supporting climate-smart ag management practices, as crucial to meeting that goal.

Example Assessment Product that uplifts 3 pathways to expand adoptions and bolster economic opportunities

Implementation Result	Related Participants	Funding Pathway	Verification Needs	CA Gaps to fill
Implementation counts towards soil and ecosystem health maintenance tracking	Public-private partnerships, Supply chain actors, non-profits, state agencies	Climate-smart practices label	Implementation-verification with no benefit quantification	Technical assistance for implementation and verification
Results feed into state-level GHG emissions tracking and/or applicable to corporate supply chain reporting	Philanthropies, Supply chain actors, state agencies	Certificate for quantified climate and ecosystem health benefits	Implementation verification with modeling or simple sampling to quantify benefits	CA-specific models for co-benefits
Carbon offset credits for corporations are created from this work	Corporations, state agencies	Carbon or ecosystem service credit	Implementation verification with modeling and intensive sampling to establish permanence and additionality for carbon or ecosystem service credits	CA soil and crop specific data for models, sampling structures

Decisional Item - Commence Ad-hoc committee

- To approve, panel needs to identify ad hoc committee leaders
- If approved, CDFA staff will work with ad hoc committee leaders to...
 - Set the scope of work for ad hoc committee and facilitators
 - Define the ad hoc committee composition and identify potential members
 - Identify potential facilitator options
 - Provide updates at the May 2026 meeting