



HEALTHY SOILS INCENTIVES PROGRAM

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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

HEALTHY SOILS INITIATIVE

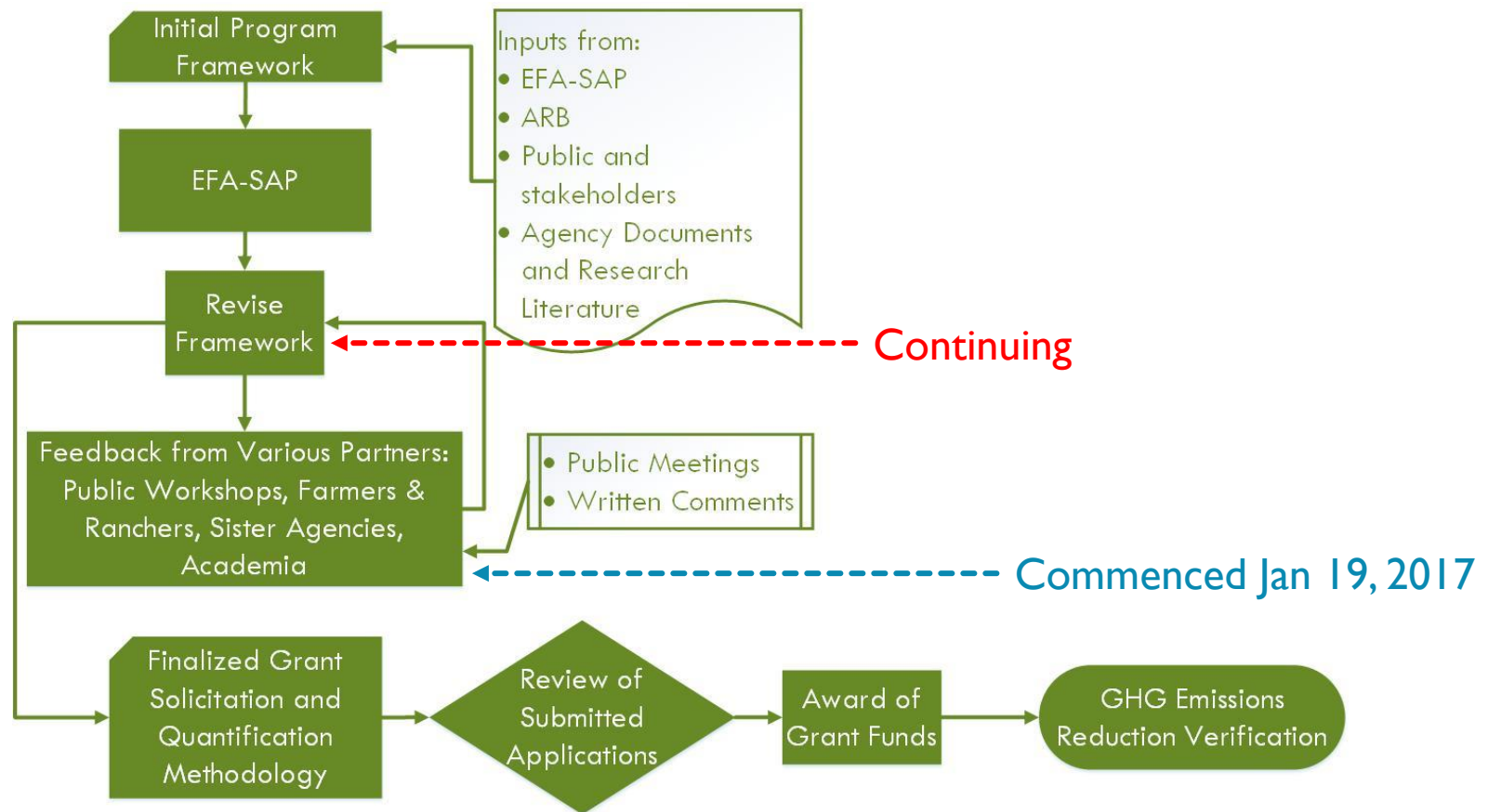
- More than 400 agricultural commodities in California, including unique specialty crops.
- California remained the No. 1 state in cash farm receipts in 2015, with \$47 billion in revenue from 76,400 farms and ranchers (#1 for more than 50 years).
- Some of the most fertile and diverse agricultural soils: soils are fundamental plant growing medium.
- 2015: United Nations declared International Year of Soils.
- Meeting with Governor's Office and administration on initiative.
- Interagency meetings with several agencies and departments:
 - CalEPA; DPR, CalRecycle, State Water Resources Control Board, Regional Water Quality Control Boards; Natural Resources Agency; Department of Conservation, SGC
- Webpage and list-serv for California Healthy Soils Initiative; short and long term actions document: <https://www.cdfa.ca.gov/oefi/healthypoils/>



HEALTHY SOILS PROGRAM: OBJECTIVE AND FUNDING

- *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)

PROGRAM DEVELOPMENT PROCESS



FRAMEWORK PROPOSED FOR DISCUSSION: INCENTIVES PROGRAM - ELIGIBILITY

- 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

- Cropland Management:
 - Improved Fertilizer Management (590a)
 - Mulching (484)
 - No-till (329)
 - Reduced-till (345)
 - Cover Crops (340)
 - Cropland Compost Application (Not an 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.
 - To be presented in next section.

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 according to an ARB approved methodology developed in consultation with CDFA:
 - Include baseline estimates and supporting documentation.
 - Specify the life of the project and how GHG emission reductions will continue to occur over the required timeframe.
- In finalized grant solicitations, CDFA and ARB will provide additional guidance for ongoing tracking and reporting of net GHG benefits from project activities.

FRAMEWORK PROPOSED FOR DISCUSSION: INCENTIVES PROGRAM – CO-BENEFITS

- 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.

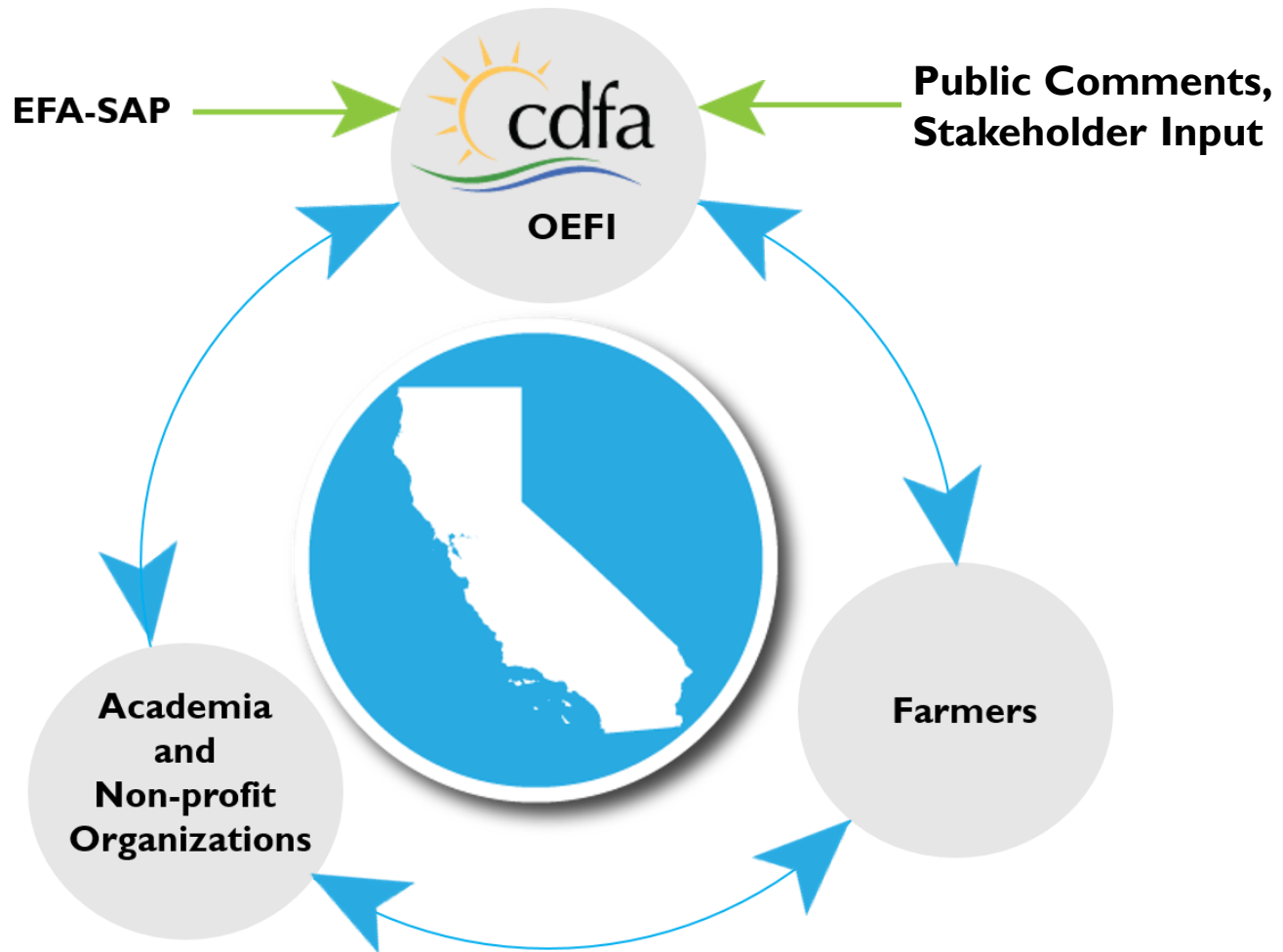
FRAMEWORK PROPOSED FOR DISCUSSION: INCENTIVES PROGRAM – TENTATIVE TIMELINE

ITEM	ESTIMATED DATES
Program framework development including Quantification Methodology	Nov 2016 – Apr 2017
Public Stakeholder Meetings for Program Design Feedback	Jan 2017 – Apr 2017
Grant solicitation released	May 2017
Applications proposals due	Jun 2017
Proposal evaluation (Technical Review)	Jun – Sep 2017
Announce grant awardees	Sep 2017
Project Implementation to begin	Oct 2017

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



PROGRAM CONTACTS

Please send comments to;

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