

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
ENVIRONMENTAL FARMING ACT SCIENCE ADVISORY PANEL**

California Department of Food and Agriculture
Auditorium
1220 N Street
Sacramento, CA 95814

October 15, 2020

9 AM to 3 PM

Remote Access

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

MEETING MINUTES

Panel Member in Attendance

Jeff Dlott, SureHarvest (Chair and Member)
Vicky Dawley, Tehama RCD (Member)
Judith Redmond, Full Belly Farm (Member)
Michelle Buffington, PhD. CalEPA, ARB (Member)
Scott Couch, CalEPA, State Water Board, (Member)
Don Cameron, Terranova Ranch (Member)
Amanda Hansen, Natural Resources Agency (Member)
Leonard Diggs, Pie Ranch (Member)
Keali'i Bright, PhD, Assistant Director, DOC, Natural Resources Agency (Member)
Greg Norris, USDA NRCS (Subject Matter Expert)
Doug Parker, PhD. UC ANR (Subject Matter Expert)

State Agency Staff and Presenters

Scott Weeks, CDFA
Arima Kozina, CDFA
Joyce Mansfield, CDFA
Steph Jamis, MSc, CDFA
Guihua Chen, PhD, CDFA
Geetika Joshi, PhD, CDFA
Amrith Gunasekara, PhD, CDFA

AGENDA ITEM 1 – INTRODUCTION

The meeting was called to order at 9:01 a.m. by Chair Jeff Dlott. Chair Dlott introduced Mr. Greg Norris from the United State Department of Agriculture Natural Resources Conservation Services (USDA NRCS) as a new subject matter expert on the panel. He replaces Mr. Tom Hedt from the USDA NRCS. Chair Dlott thanked Mr. Hedt from the USDA NRCS for his services to the science panel over the past few years.

Chair Dlott noted that the group may take a break from the meeting for the annual Earthquake Shake Out at 10.15 am and some members may need to take on other engagements during the meeting. The group will make sure motions are passed in presence of all members. Present at the meeting were all members noted above under "Panel Members in Attendance." A quorum of at least six members was present at the meeting.

The meeting was conducted remotely to accomodate the Covid-19 pandemic. Members were able to call in and vote on action items in compliance with an Executive Order signed by Governor Newsom which allowed for remote attendance and additional flexibility in fulfilling Bagley-Keene Open Meeting Act requirements.

AGENDA ITEM 2 – Minutes from July 16, 2020

A motion to approve the minutes from the July 16, 2020 meeting was introduced by Member Couch and seconded by Member Cameron. All other members voted in favor of approving the minutes.

AGENDA ITEM 3 – Stakeholder proposal to add an Organic Transition Plan to the Healthy Soils Program (HSP)

Chair Dlott noted different terms that may be used: organic certification versus organic system planning process. These questions had been raised by members of the public in past science panel meetings.

Dr. Gunasekara gave the presentation on the staff analysis of adding an organic transition payment option to the Healthy Soils Program. He provided background on this topic, first introduced in January 2020 by several stakeholders. Of the three options provided science panel members recommended evaluation of option 3 (include the option for organic systems planning under the Technical Assistance Program). He noted that public comments were received between August 3 and August 31, 2020. Questions raised by the science panel members at the last meeting were listed and an evaluation of each question was provided. Member Couch asked to clarify what is meant by sub-contracting costs and how that takes away the grant to farmers and ranchers. Member Cameron asked if this is funding for putting together an organic transition plan that only comes into effect after a three-year transition from conventional to organic is completed. Dr. Gunasekara provided information on the questions and explained that the plan is for the planning process to get to the organic certification and not the certification itself.

Member Redmond commented that the funding in the transition period is for someone who wants to become an organic farmer and provide support when they weren't certified organic and getting the additional market benefits of being certified. Member Cameron asked about subsidizing the grower during the transition period when they don't get organic market premium and what CDFA will we be actually funded through CDFA.

The timeline comparison was followed by additional questions from science panel and answers from CDFA staff. Member Cameron asked if restrictions can be applied to someone who has started transitioning to organic so that the plan can be verified in the third year. Dr. Gunasekara answered that it could be an option to for those who already started the planning work in the first two years. CDFA climate smart agriculture technical assistance helps with another third year of planning beyond the first two years. Member Cameron commented that someone who is serious about transitioning to organic agriculture should have started the planning process earlier on. Dr. Gunasekara added that HSP practices should have started as well since many of them can be used in transition to organic although they are not limited to organic farming.

There were several questions asked by panel members around verification since this is an important component of the CDFA Climate Smart Agriculture (CSA) programs. Member Cameron noted that verification can be an issue since the plan must be verified prior to submitting it to the organic certifier. There were suggestions by the members that an affidavit could be submitted by the grower stating that the plan will be completed since funding is provided before the plan can be completed fully. Dr. Gunasekara cautioned that an affidavit is not something used in CSA programs for verification. The programs typically use invoices/videos for verification of services rendered with public funds. He noted that good accountability via verification of completed actions is needed as trust alone isn't always sufficient for use of public funding.

Member Couch asked if a 10% payment withhold until the plan is approved/implemented is a CDFA standard practice and who will do the approving or verification that the plan is being implemented. Dr. Gunasekara answered that 10% withhold is a standard practice as it is the only way the Department has to ensure contract obligations are fulfilled for awarded funds. The concern from CDFA is that the program will pay for a completed/approved plan without proper verification.

Member Couch asked if a Technical Assistant Provider subcontracts with a consultant, does the consultant need licensing and certification. Dr. Gunasekara answered that one of the responsibilities of the Technical Assistant Provider was to get the proper documentation to send to CDFA for verification. Language can be developed regarding the qualifications of the sub-contractors.

Member Redmond commented that when she thinks about verification, she is not thinking of completing a plan, but rather the grantee becoming certified. This may be difficult with timing and should be implemented as a trial or pilot program. The outcome would be to see how many of the grantees got certified. The benefits would be received when the grantee is certified organic.

Chair Dlott noted that he has been involved with organic certification on the software aspect. The largest time allocation is between certifier and grower at the time of certification and most money spent is on that event. A poor plan at that point could mean more delays and more money spent. It's very likely that when someone has completed three years of transition gets certified, the content/details of the plan must be fully accurate in order to get certified. Certifiers cannot provide assistance and consulting services. Not every agronomist has the qualifications to write a proper organic transition plan. There is no national template and each certifier has a different one for the plans. Therefore, plans might not be completed in three years and meet the obligations of CDFA funding.

The discussion moved into questions regarding timeline. Member Parker asked if we have never had cost-share with technical assistance programs, could a new element be added to existing programs. He inquired on how to score and rank technical assistance applications for organic transition plans and take GHGs into account. He inquired if Technical Assistance Provider must share with CDFA which growers they will help make organic transition plans for and will we be able to then look at who the grower is to ensure they got certified. Dr. Gunasekara answered that currently Technical Assistant Providers estimate how many growers they can assist when they apply, and they tell CDFA who they helped at the time of invoicing.

Member Dawley asked about using matching funds if a grower started to transition to an organic system. She noted that matching funds doesn't count if its outside the grant term. Work would have started before the grant agreement with CDFA. Dr. Gunasekara said that all work will need to be completed during the grant term and that most charges to the organic transition plans will most probably occur after years 2 and 3 and following verification in year three.

Member Redmond asked if is there no way that one can imagine in the program structure could go directly to the farmer rather than the Technical Assistant Provider. Dr. Gunasekara answered that Technical Assistant Provider would be a pass-through entity but not efficient as they would charge indirect costs. Farmers are not eligible entities in the Technical Assistance Provider category. For farmers to receive funding, planning grants could be in a separate new "Planning Program" or CDFA could make farmer/ranchers as an eligible entity in the existing Technical Assistance Program.

Expert Panel on Organic Certification Plans

Chair Dlott introduced the panel members. The panel members were subject matter experts who have worked on organic transition or system plans including some who have completed organic certifications. The panel members were Benjamin Lewis from Simple Organic Solutions, Shannon Murphy from The Organic Consulting Firm, Robert Milner Deputy Agricultural Commissioner from the Monterey County Certified Organic and Michelle Lawson from the Yolo County Ag Commissioners Office.

The panel members provided background on their experiences and involvement with organic transition plans and system plans.

Mr. Lewis explained that organic transition plans are process based certifications. The application is the Organic Certification Plan which is submitted and reviewed by a certifying agency. There is a

process where an inspector inspects and submits a report to a certification agency who then approves or requests the plan to be revised to be in compliance. He noted it is best not to wait for the three years and then apply for certification. It is better to do the plan in years 2 or 3. CDFA has an organic registration program. All organic producers are required to register with CDFA along with who certified them.

Member Cameron agreed, adding that there was a large increase in organic growers when canning tomatoes increased. Land not being farmed due to lack of water was then immediately certified. One can become certified if the last prohibited application was three years or longer. Mr. Lewis said some certifiers want to bring that land into certification promptly. Member Cameron added that annual inspections for certified organic growers are also more complex and time consuming.

Member Redmond asked what percentage of Mr. Lewis's transition clients need three years and who needs less than three years for organic certification. Mr. Lewis responded that it is rare to have someone who would be in year two and three of organic transition apply for certification. Usually they do it sooner so that they can get help making decisions of what they can or cannot do in the transition period. Farmers can choose to pay for application and inspection with the agency rather than a consultant. The paperwork is challenging and having someone assist the farmer during this time is valuable.

Mr. Milner noted that most certifiers are in the business of making a profit. CCOF allows operations in transition to market their transition period. Other certifiers do not offer this service. Monterey County certifies organic differently by bringing in a new operation within the transition period that they are planning, provide them with tools (e.g. refer to NRCS) to monitor themselves and then submit an application after three years, which is subsequently to be accompanied with Organic Certification Plan. Mr. Milner noted they conduct research on the history of the farm and DPR history for pesticide applications and then evaluate if they are eligible. Growers do not have to pay for certification during transition period and they pay after certification has been obtained.

Ms. Lawson said they research Tax ID databases and pesticide reports to see if a farm/grower is eligible. They do not recognize the three years of the transition. If the pesticide reports are positive and consistent with organic certification requirements, they accept the application.

Mr. Milner added they do not advise farmers during the transition period. Consulting work is not completed but the disadvantage is in bringing growers and farms into certification after 36 months. Mr. Milner noted the first inspection is very time consuming.

Ms. Murphy said they provide growers advice and help them out by sitting down with the growers and work through what kind of documentation is needed, and how to make it not overwhelming and time consuming.

Chair Dlott asked how much time it takes for organic transition or system plans, and Ms. Murphy answered 15-18 hours for a small farm grower, 18-21 for medium farm grower and 21-25 for larger farm growers. A lot of the time is explaining what the certifier is requesting. Chair Dlott asked Ms. Lewis if they do similar work, and he replied yes, the hours are similar in his experience. Ms. Murphy said smaller and medium growers need most help.

Chair Dlott asked if there are there other options for organic transition and system plan development. Ms. Murphy said most people don't know about the organic transition options as they get contacted in their last year of their process. It would be a positive effort if growers can find out about funding for organic transition planning in advance. Mr. Lewis noted he lets growers know about opportunities and to check with USDA NRCS as they can assist with on-site conservation practice standards.

Member Redmond asked if a grower would go through a transition process and not get certified.

Ms. Murphy answered by saying yes. Some of the growers have made decisions not to go forward with the particular crop due to a market situation. She noted this is rare however. Mr. Milner said most farmers find that profit margins and crop loss do not add up positively and they often drop out of the organic program after being certified.

Chair Dlott asked if they come across requests for other programs such as fair trade or sustainable winegrowers and if the programs ever get bundled. Ms. Murphy answered, it's mostly organic and food safety that get bundled. Mr. Milner said they we have seen requests for regenerative organic certification and Mr. Lewis said they have seen this also.

Member Cameron asked if growers applying for organic certification funding from NRCS. Ms. Murphy said they always recommend this to growers and include it in an email. Mr. Lewis said other than federal cost share through CDFA or CCOF grants, he is not aware of other funding opportunities.

Member Cameron said he has seen information from Anheuser-Busch Company and asked if the invited panel member could tell growers about the other programs. Mr. Lewis said federally funded program administered by CDFA offer up to 75% or up to \$750 of your annual certification costs which include inspection costs and annual fees. This does not include any technical service provider costs and limited to purely certification agency cost reimbursed. Ms. Murphy noted that USDA NRCS requests a conservation expert to visit the farm and recommend conservation practices which NRCS may pay for. Mr. Milner noted that cost-share programs cap out at \$500 and not \$750.

Chair Dlott asked if the invited panel members had seen anything with soil health. Mr. Lewis said there is no actual certification right now for anything with soil health. He noted that the USDA National Organic Program includes a monitoring component where soil testing may be included. Farmers do nitrogen, phosphorus and potassium soil testing in general, but soil carbon or soil organic matter testing is less common.

Member Redmond said she would like to see how the grower can be held responsible and would like to explore the separate planning program. Member Parker agreed, as the concept isn't fitting perfectly in the existing programs.

Chair Dlott thanked the invited panel members for attending and sharing their knowledge with the science panel and public.

Member Couch agreed on the accountability aspect. He said if certification question happens after the grant agreement, not much can be done to recover fund and hold grantee accountable. However, he noted that some water board programs have such a structure. Member Buffington said her organization, CARB, has such a structure as well where information is given back to the agency after the grant agreement has been executed and completed. Member Cameron agreed but noted that the CARB can ask for funds back unlike the CDFA programs. He noted that the discussion now is centered around organic transition plans but in future we will see additional requests for assistance with other programs/certifications. Carving out something separate should be discussed was his recommendation.

Member Buffington said CARB recently released solicitation with money for planning and scoring criteria in next round of funding which includes participation in the planning process. CARB can recover funding if not in compliance with service obligations but that is not universal for all other agencies. She noted her agency also considers past performance, and if unsuccessful, future competitiveness reflects that.

Chair Dlott asked was the supporting planning because it was recognized that implementation would be better. Member Buffington said yes, especially in equity programs, planning was needed because smaller communities did not have knowledge to apply or compete in these programs.

Chair Dlott asked if CDFA see hurdles in a new planning program. Dr. Gunasekara said no and this would give CDFA more flexibility to expand the eligibility criteria for planning grants as a separate program. Timelines would still need to be considered and important so that CDFA can do verification and have adequate government accountability on disbursed funds. He noted that post-project data collection and information gathering is distinct from verification. Verification is so that CDFA can pay out the grant for the work that was to be done as part of a contract.

Dr. Joshi from CDFA shared a summary of public comments received to date. Chair Dlott facilitated verbal public comments on this agenda item.

- Allison Johnson from NRDC supported \$4,300 directly to producers, consistent with the original proposal. This proposal is very important for SDFRs wanting to go into organic farming. To address systemic racism and inequities in agriculture, it is important to consider these funds for SDFRs and consider at the beginning of the transition to remove barriers. No extra verification should be required. Even if someone does not become certified, the process of preparing an organic transition or system plan helps them learn about the practices and educate themselves. NRDC supports the original proposal in full.
- Brian Shobe from CalCAN provided support for the multiple environmental and equity benefits in this investment. CalCAN supported CCOF's proposal to fund the farmer directly. He noted the panel should set standard criteria for review of plans on a case-by-case basis if they can help achieve climate and soil health benefits. He welcomed CFBF comments for a planning program. CalCAN has supported legislation in the past for this which received bipartisan support but did not go through due to lack of funding. He noted that creating such a program requires new legislation and funding.
- Jane Sooby of CCOF thanked CDFA and community groups that have supported this proposal. She supported a modest stipend of at least \$2,100 to offset the cost of the organic system and transition plans. She noted it should be modeled on NRCS EQIP organic initiative and noted the proposal fits into the existing framework and does not need a new program. Stipends should be directly provided to growers rather than funneling through the Technical Assistance Program. Community and environmental justice groups support this proposal as this will reduce environmental impacts on disadvantaged communities near farming areas.
- Taylor Roschen from the CFBF does not oppose the proposal to achieve soils organic matter benefits. She noted that the CFBF feels organic transition or system plans doesn't fit into the existing program frameworks and support an alternative program since planning is a necessary component for climate resilience. Currently farmers and ranchers are having to be reactionary and planning will help. Currently there is no funding for the HSP so this time should be used to create and develop a new program for planning. CFBF is willing to support and be a stakeholder in discussions for this process.

Chair Dlott asked if CDFA has authority to make a new program within its existing authority, and Dr. Gunasekara said he believes the statutory authority is broad and does allow for its creation under existing statute. He noted that CDFA can do a formal legal analysis. He also noted that adding farmers as an eligible entity to Technical Assistance Program is possible without additional statutory authority.

Member Hansen asked if a new program be time consuming versus existing program. Dr. Gunasekara answered that a new program request for proposal development can take between 9-12 months. The request for proposals is also brought for science panel review and public comment. He noted that there is currently no funding for this new program since all funding has already been allocated with other climate smart agriculture grant program. This program will support any new

funding that is received.

Chair Dlott asked if CDFA has the time/staff/resources to develop this new program. Planning in separate funding carves out a program where plans compete with other plans and not with rest of the Technical Assistance. Dr. Gunasekara answered that Technical Assistance Program is a separate program of its own and not part of the HSP. Nor would it compete with the plans as a separate program. He noted that existing staff may be able to get a planning program request for proposal out in the timeframe noted above with existing staff resources.

Member Buffington asked if a separate planning program will create a disconnect between what the farmer does with the planning and the healthy soils program at CDFA. Dr. Gunasekara answered that it will be hard to line the healthy soils practices with the planning program since there may be growers that require plans that do not apply to the healthy soils program and vice versa.

Member Redmond asked if the new planning program can still be included in the healthy soils program. Dr. Gunasekara answered, this is possible. However, CDFA staff have brought in the programmatic perspectives and the benefits of creating a separate new planning program to the science panel for their consideration. If the science panel unanimously agrees, CDFA would consider working on this request.

Member Hansen asked if the science panel could be walked through the options that are being voting on.

Member Cameron said the idea of putting planning in a separate box is the smart way to go and we expect a lot of new proposals to come into the new planning program. The upcoming budget is going to be a very difficult one and depends on Federal funding coming to California. It makes sense to have a well-planned separate planning program for this work than to rush now and then do this again each time a new proposal comes up.

Member Parker expressed concerns with rolling it into healthy soils program and how will it be evaluated against the actual project proposals for practices. He agreed with Member Cameron to have the dedicated separate new planning program for plans.

Chair Dlott framed options based on what was heard. There is a broad vision and value from practices and technical assistance. He noted it makes logical sense to have a planning program that goes into assistance, implementation and evaluation. It represents a perfect opportunity for larger vision of planning.

Member Diggs inquired if organic transition options fall under planning. Chair Dlott answered that it does because funding is for and organic system and transition plan process to start the journey towards certification. There will be separate funds for technical assistance. There is also separate funding for soil management practices. He noted that funds for certification fees is not on the table right now per discussion.

Chair Dlott and Dr. Gunasekara reframed to add a new planning program to climate smart agriculture CDFA programs under of the Office of Environmental Farming and Innovation. Add a new planning program to support organic system and transition plans and other plans and allocate funds to it when CDFA appropriates funding. A CDFA team will start developing the request for proposals and generate criteria to support the new program. CDFA will also obtain a legal analysis to ensure it has statutory authority on developing this new program.

Member Cameron introduced the following motion:

1. Recommendation to the Secretary to add a planning program to the climate smart agriculture programs and when there is funding allocate funding to it.
2. CDFA will work to generate a request for proposals to support the new planning program,

including organic transition planning and other environmentally friendly and climate smart plans.

Member Dawley seconded the motion.

All members voted to pass the motion. There were not abstain votes or votes in opposition.

AGENDA ITEM 4 – Establishment of SWEEP Ad-hoc Advisory Group

Chair Dlott noted there was an abundance of nominees received. Dr. Gunasekara presented purpose of the advisory group. Chair Dlott said one option is to consider breakout groups with a large group that self-selects into either technical or outreach based or agency coordination questions.

Member Redmond asked how large the group needs to be, which was followed by discussion that it depends on facilitator and other logistics.

Member Buffington recommended setting a threshold of minimum people who must attend for the meeting to count. The science panel could hand-select or choose all. Ultimately the most experienced would be speaking the most but including everyone provides an opportunity to participate.

Discussion on ways to choose participants and meeting dates followed as well as adding guidelines such as no promotion of private sector/products/services/proprietary information. Options include deciding on a core group, asking stakeholder groups to pick representative (i.e., one from UC).

Member Redmond made the motion to include everyone and move the recommendation to Secretary. The motion was seconded by Member Buffington.

The motion was approved by all Panel members. There were not abstain votes or votes in opposition.

AGENDA ITEM 5 – Healthy Soils Initiative Partnership Efforts

Arima Kozina provided a presentation on the healthy soil partnership framework. There was a workshop series based on proposals presented to this science panel in January 2020. There was a general request to the science panel to partner with these private programs and recognize them so they can help meet state goals in carbon sequestration of greenhouse gases. The workshops were conducted in coordination with USDA-NRCS, CARB and CDFA. The science panel expressed appreciation for the framework developed.

AGENDA ITEM 6 – Healthy Soils Week

Joyce Mansfield gave an update on California Healthy Soils Week. World Soils Day will be on December 5, 2020. Over 20 partner agencies and NGOs will hold activities from Nov 30 – Dec 5. Past events were centered around legislative briefings, events at the Capitol and field visits. This year's events will be virtual to accommodate Covid-19 concerns. Themes may include "On the Farm and in Your Home" and World Soils Day theme "Keep soil alive, protect soil biodiversity." Some topics to be covered include climate change, soil carbon, soil health, composting and agricultural residues, ag in the classroom, science fair and potential in-field activities. Messages will be spread across social media platforms.

AGENDA ITEM 7 - State Water Efficiency and Enhancement Program Updates

Scott Weeks from CDFA gave a presentation on SWEEP updates. Questions from science panel members were facilitated by CDFA staff.

AGENDA ITEM 8 - Healthy Soils Program Updates

Dr. Chen from CDFA gave a presentation on HSP updates. Questions from science panel

members were facilitated by CDFA staff.

AGENDA ITEM 9 – Technical Assistance Program Updates

Steph Jamis from CDFA gave a presentation on Technical Assistance Program updates. Questions from science panel members were facilitated by CDFA staff. Chair Dlott asked about survey responses that CDFA conducted, and Ms. Jamis said they haven't seen the survey results yet.

AGENDA ITEM 10 – Public Comments

Chair Dlott facilitated public comments:

Brian Shobe, CalCAN: AB 2377 requires 25% of the funds used and inquired how this is tracked. Dr. Geetika Joshi answered that the numbers shown are for those assisted to apply. CDFA will have better estimates once post-award activities start and funds are expended on those tasks.

Mr. Shobe also said he wanted clarification on the motion, was it a separate component to healthy soils program or a new program. Chair Dlott responded that it was a new program component. Science panel members discussed further, and it was confirmed this was a separate program. A legal referral will confirm that this new program can be developed under existing statutory authority without a new legislation.

AGENDA ITEM 11 – Next meeting and Location

January 14, 2021, remotely conducted.

Chair Dlott introduced the motion to adjourn the meeting which was seconded by Member Cameron. Panel members unanimously voted to adjourn. Meeting was adjourned at 3:24 p.m.

Respectfully submitted by:

A handwritten signature in black ink, appearing to read 'Amrith Gunasekara', written over a horizontal line.

Amrith Gunasekara, Ph.D.

Liaison to the Environmental Farming Act Science Advisory Panel