From: d.h.redmond@att.net [mailto:d.h.redmond@att.net]

Sent: Wednesday, June 28, 2017 6:08 PM

To: CDFA OEFI@CDFA < CDFA. OEFI@cdfa.ca.gov>

Subject: soils program via carbon

To Whom It May Concern,

I am a newbie to much of this technical verbiage. But I do have one very serious comment from my direct experience. I am currently an urban farmer. This soon will change as the transition to a much more rural situation occurs and enlarges my efforts in a regenerative situation.

Please excuse my intense comments but I have felt this for many years. How in the hell is the State of California even contemplating such issues when many folks within the state send soil samples clear across the country to UMass for affordable soil testing services, which I personally have been using for some time.

How is the State of California even going to monitor any actions of this situation going forward. The state needs a non-profit soil testing lab available to it's citizens for a fair price. Now.

This is a serious weak link.

Not sure how far this comment will go so will leave it there for now. I am very welcome to any response and will reply.

Thank-you for your time.

Dan Redmond

From: David Grefrath [mailto:djgrefrath@gmail.com]

Sent: Friday, June 30, 2017 9:24 AM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov>

Subject: Re: CDFA SEEKS PUBLIC COMMENT ON \$6.75 MILLON CAP-AND-TRADE-FUNDED HEALTHY SOILS

PROGRAM

Hello,

I represent a group of farmers who practice soil conservation & carbon sequestration. We would like to see an emphasis within the Healthy Soils initiative to aid small farmers who restore soils while growing food. Also, we seek funding for projects who can show demonstrable carbon sequestration through increasing Organic Matter through Keyline Terracing and Mycological & Compost applications.

With gratitude and best wishes,

David Grefrath

- ~Mendocino Farmer's Guild
- ~Snow Mountain Research Labs

From: MikeTinney@aol.com [mailto:MikeTinney@aol.com]

Sent: Friday, June 30, 2017 9:15 AM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov>

Subject: demonstration projects

Hi,

Recycling of used carpet in California is an ongoing challenge.

40% of the weight of discarded carpet is in the backing.

Tests show that close to 50% of the backing material is calcium carbonate.

There have been several applications over the last 12 months spreading the carpet backing material on almond orchards.

How would one apply for a grant to sponsor a pilot project on a larger scale in California as part of the Healthy Soils Program to determine the materials impact on the soil and on GHG's?

Regards, Mike Tinney

President Tinney Associates 6368 Silveira Way Sacramento, Ca 95831 916-849-2114 From: Heather Nichols [mailto:Heather@yolorcd.org]

Sent: Wednesday, July 05, 2017 4:35 PM

To: CDFA OEFI@CDFA < CDFA. OEFI@cdfa.ca.gov>

Cc: Wrysinski, Jeanette @yolorcd.org < wrysinski@yolorcd.org Subject: Public comment: Healthy Soils Demonstration projects

Hello,

I would like to make a comment about the demonstration project requirement to have 100 farmers and ranchers visit the demonstration site each year. I believe this is an unrealistic expectation and would deter many potential applicants.

In my nearly 10 years at the Yolo County RCD, we have never been able to get 100 many farmers or ranchers to attend any of our workshops. Successful attendance for a free, voluntary field workshop ranges between 20-40 attendees (who are actual farmers or ranchers). If there are CEU offered, there might be up to 80, but many of those folks are crop advisors or PCAs.

My recommendation would be to lower that number to 150 total over the course of the three years.

Another suggestion would be to allow for other methods of outreach, such as online videos that require some kind of registration or survey as proof of outreach.

Thank you for your consideration of this matter.

Heather Executive Director Yolo County RCD From: Ben Wallace [mailto:benswallace@sbcglobal.net]

Sent: Thursday, July 06, 2017 10:29 AM

To: CDFA OEFI@CDFA < CDFA. OEFI@cdfa.ca.gov>

Subject: Questions for HS webinar

<u>Replications</u>. For Type A Demonstration Projects, what counts as a "replication"? For instance, would replication of the same **practice** on different operations and/or different geographic locations be ok? Or do **environmental/geographic** conditions need to be replicated as well?

<u>Indirect Costs</u>. The budget template does not appear to allow for indirect/overhead charges. Can these be charged as match?

From: Benjamin Fahrer [mailto:farmtheroof@gmail.com]

Sent: Thursday, July 06, 2017 11:34 PM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov > Cc: Benjamin Fahrer < farmtheroof@gmail.com > Subject: Application and comments for July 12

Thank you for the great webinar info session, I was unable to attend the beginning and had a few clarifying questions

the link for timetable is not active in this document, can you send me the timetable https://www.cdfa.ca.gov/oefi/healthysoils/docs/2017-HSPDemonstration_RequestforGrantApp.pdf

When is the application actually due? it states a day in August.

I am a organic farmer for 20 years with a wide range of experience and knowledge in regenerative agriculture and have moved to the urban environment to apply strategies in the city. We now have urban agricultural and rooftop projects in Oakland and Berkeley with a Urban farmer Incubator and Institute we are setting up on 120 acres just outside the city to apply scalable solutions and provide urban farmers with contact. We look forward to applying for this grant and engaging more deeply in this work. Any additional information is greatly appreciated.

In growing benjamin

Top Leaf Farms #998152

consult . design . build . farm www.farmtheroof.com
(c) 831-667-2376

Benjamin Fahrer about.me/benjamin_fahrer

From: Reed Hamilton [mailto:grassvalleygrains@gmail.com]

Sent: Monday, July 10, 2017 9:20 AM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov>

Subject: Re: Healthy Soils webinar

I have a few comments on the draft grant application process for demonstration projects and and one about the technical assistance grant application process. I am part of the Nevada County Climate Change Coalition and we had hoped to get a grant to conduct technical assistance in cooperation with the county RCD. However, the timeline for applications is very short, the staff of the RCD is small, and the rest of us are volunteers so getting that in line as well as setting up the outreach seems difficult.

In regard to the demonstration project draft application, I note three problems immediately. First, the application window will be very short. Again, our group had hoped to set up a demonstration project with the RCD and NRCS but think it will be difficult to make the deadline with NRCS facing funding cuts. Second, unless an applicant was already doing serious soil monitoring they are unlikely to have the required data and gathering it mid-summer won't be very accurate. Many of the soil measurements required should be made when soil is moist, so unless it its irrigated, infiltration data, soil chemistry, and some other measures won't fully reflect the baseline, I think. Third, I have tried to use the Comet-Planner to estimate GHG savings from agricultural land in this county and whenever I enter California as the state, the site says new data are available but it never downloads.

Humboldt County Resource Conservation District



5630 South Broadway Eureka, CA 95503 Phone (707) 442-6058 Ext. 5 hcrcd@yahoo.com

July 11, 2017

California Department of Food and Agriculture Sacramento, CA
Submitted via email to cdfa.oefi@cdfa.ca.gov

Subject: Comments regarding 2017 Healthy Soils Program Demonstration Projects Request for Grant Applications Draft for Public Comment dated June 28, 2017

To whom it may concern:

We are submitting the following comments on the Demonstration Projects RGA for your consideration. Thank you for providing this opportunity for review, and please don't hesitate to contact me if you have any questions or need further clarifications.

Sincerely,

Jill Demers

Executive Director

Section 3.1 Eligibility

Eligible organizations should also include federally recognized tribal nations.

Section 3.2 Exclusions

The threshold of exclusion for compost application on soils over 12% organic matter content is excessive. One suggestion is to modify this requirement to 6% for pasture/rangeland systems and 10% for cropland systems.

Section 6 Project Types

We recommend removing Type A Projects and have only one demonstration project type, and increase funding limits up to \$250,000 per project. The current funding limits appear to be insufficient to allow for multiple projects with a research-based structure, and 3 replications may be impractical under real farm conditions. We also recommend removing any requirement for measuring GHG. Measurement of GHG can add significant costs to projects; instead, the Air Resources Board has defined Quantification Methods that should be utilized for projects.

Section 8 Technical Specifications for Estimations of GHG Benefits

We suggest increasing eligible compost application rates by a factor of 4.

Section 9.1 Practice Implementation Requirements

Please clarify requirement number 3, 'projects must be conducted on the same field.' It is unclear if all practices proposed with a multi-practice project must be applied on the same field.

Section 9.2 Data Collection Requirements

Please clarify requirement in number 1, why crop yield information is required for Type A projects only, and specify how data will be reported.

Section 9.3 Outreach Requirements

The requirement for attendance of a minimum of 100 participants per year for 3 years would be very difficult or impossible to meet for smaller, rural counties. Even requiring outreach notifications to 100 producers may be too difficult. We suggest reworking this language with consideration for counties with smaller total population sizes.

Section 9.6 Baseline Data

Please include a soil sampling protocol with information about the number of samples to take, if composite sample is required, identification of sampling area for repeated sampling over project life, soil sampling depth, etc.

<u>Section 10.2 Proposal Development – Sub-section C Project Justification</u>

Please clarify requirement number iv., 'rationale of crop(s) that will be used for the experiment.' It is unclear if this is referring to the choice of cover crop, herbaceous or woody cover practices selected.

Please clarify requirement number iv., 'the possibility and scale for farmers and ranchers to adopt the demonstrated management practice(s).' It is unclear if this is in reference to a statewide or a regional scale.

Section G Budget Justification

We recommend using an assumed start date of December 1, 2017 to align with the timeline given in Section 9.4 Project Term and Matching Funds.

Section 15.2 Project Implementation

We recommend allowing flexibility in project start dates for consideration of appropriate timing for agronomic activities and regional climatic conditions, and suggest extending the window for starting dates from December 1, 2017 to not later than December 1, 2018.

Section 15.3 Project Reporting Requirements

We recommend removing the requirement for annual reporting of crop yield data as many of the eligible management practices could take many years before any changes in crop yields are seen.

Section 15.4 Post-Project Completion Requirements

Please clarify language for project maintenance period after project completion and if the required timeframe matches the practice lifespan. Also, please clarify if the stated 3-year period includes the project period or is after project completion.

Humboldt County Resource Conservation District

Humbold

5630 South Broadway Eureka, CA 95503 Phone (707) 442-6058 Ext. 5 hcrcd@yahoo.com

July 10, 2017

California Department of Food and Agriculture Sacramento, CA
Submitted via email to cdfa.oefi@cdfa.ca.gov

Subject: Comments regarding 2017 Healthy Soils Program Incentives Program Request for Grant Applications Draft for Public Comment dated June 28, 2017

To whom it may concern:

Humboldt County Resource Conservation District is submitting the following comments on the Incentives Program RGA for your consideration. Thank you for providing this opportunity for review, and please don't hesitate to contact me if you have any questions or need further clarifications.

Sincerely,

Jill Demers, Executive Director

Section 3.2 Exclusions

The threshold of exclusion for compost application on soils over 12% organic matter content is excessive. One suggestion is to modify this requirement to 6% for pasture/rangeland systems and 10% for cropland systems.

We suggest modifying language from "Fund projects that use potted plants or other plant growth media" to "Fund projects that use potted plants or plant growth media other than native soil."

Section 6 Eligible Agricultural Management Practices

We recommend modifying language to allow practices regardless of APN as long as they are newly installed practices on the farm.

Section 7 Technical Specifications for Estimations of GHG Benefits

We suggest increasing eligible compost application rates by a factor of 4.

Please confirm for Windbreak/Shelterbelt Establishment (CPS 380) that multiple rows of woody plantings would be credited additively.

Section 8.1 Applicant ID

Please provide clarification and definition for what constitutes an agricultural operation. For example, are there minimum annual production thresholds, gross total annual sales, or other criteria that must be met to be considered an agricultural operation for the purposes of this RGA?

Section 8.2 Project Term and Matching Funds

Please provide more clarification on matching funds, such as is there a minimum level desired that would make a proposal more competitive. The timeframe for using matching funds is very limited. There may be costs incurred by producers in early phases of the project but cannot be claimed until April – November 2020. Please consider revising this requirement.

There are typos in the dates in the Table: Timeline for funding expenditures of awarded projects.

Section 8.3 Baseline Data

Please include a soil sampling protocol with information about the number of samples to take, if composite sample is required, identification of sampling area for repeated sampling over project life, soil sampling depth, etc.

Section 9.2 Project Verification and Reporting

Please specify that Resource Conservation Districts are eligible technical service providers.

Section 10.2.3 Project Evaluation and Adoption Plan

Please provide more detail on the requirement for the plan for project evaluation. As currently written, it is vague and could be confusing to applicants.

Section 10.3 Estimated GHG Reductions

Please clarify if all eligible soil management practices are quantified in Compost-Planner. If not, revise language to require Compost-Planner for compost application practice only.

Section 10.5 Conservation Plan

Conservation plans can vary in detail depending on who completes them. Conservation plans completed by USDA-NRCS conservationists range from basic plans that show only practices to be implemented to plans more holistic and farm-wide; it depends on the request and the specific goals of the landowner. Additionally, producers may not want to share these documents with a state agency. Please consider revising this section by including only a question about whether a conservation plan is in place for the farm. We recommend removing any reference to a "certified" conservation plan as obtaining appropriate signatures for certification can be a challenge.

Section 11.3 Additional Considerations

Please clarify how distribution across county and geographic location will be determined.

Section 15.2 Project Implementation

We recommend allowing flexibility in project start dates for consideration of appropriate timing for agronomic activities and regional climatic conditions, and suggest extending the window for starting dates from December 1, 2017 to not later than December 1, 2018.

Section 16.2 Post-Project Completion Requirements

Please clarify language for project maintenance period after project completion and if the required timeframe matches the practice lifespan. Also, please clarify if the stated 3-year period includes the project period or is after project completion.

From: Heather Nichols [mailto:Heather@yolorcd.org]

Sent: Tuesday, July 11, 2017 5:28 PM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov >

Subject: Public comment: Healthy Soils projects and GHG emission reduction measurements

Hello,

I strongly urge CDFA to drop the requirement to measure/monitor GHG emission reduction on demonstration projects. While additional information and data would be valuable, monitoring would be too costly, and applicants may not be able to locate sufficient expertise.

COMET tool calculations and best available science have provided reasonable estimates of GHG emission reduction. Your program is doing its job by supporting incentives and promotion of practices that are broadly agreed to be beneficial to soil health and carbon sequestration. Resources toward complicated GHG emission reduction measurements take away from funding needed for implementing practices, basic monitoring for improvements to soil health and ag operations, and cost-benefit analysis.

Thank you for your consideration of this matter, Heather

Heather Nichols, Executive Director Yolo County Resource Conservation District 221 West Court Street, Suite 1 Woodland, CA 95695 (530) 661-1688 ext. 12 office (916) 475-8659 cell





July 12, 2017

Honorable Karen Ross, Secretary California Department of Food and Agriculture 1220 N Street Sacramento CA 95814

Dear Secretary Ross:

Thank you for the opportunity to comment on the draft Request For Grant Applications from the Healthy Soils Program's (HSP) Incentives Program. We write to express our serious concerns about the current definition of compost eligible for use in the Healthy Soils Program, and to request an amendment of that definition to allow for the use of properly finished and regulation-compliant compost produced on farms and dairies in the program.

The White Paper "Compost Application Rates for California Croplands and Rangelands for a CDFA Healthy Soils Incentives Program" (hereafter "White Paper") currently defines "compost eligible for the program" as all of the following:

- The product resulting from the controlled biological decomposition of organic wastes that are source separated from the municipal solid waste stream, or which are separated at a centralized facility [emphasis added]. Feedstocks may include green materials, food materials, wood waste, yard trimmings, agricultural materials or biosolids as defined in 14 CCR Section 17852.
- Must be produced by a facility permitted or otherwise authorized by state and local authorities that can demonstrate compliance with all state regulations regarding inspection of incoming feedstocks, finished-product testing requirements including the Process to Further Reduce Pathogens (PFRP) as described in 14 CCR Section 17868.3, maximum metal concentrations for heavy metals per 14 CCR Section 17868.2, and physical contamination limits per 14 CCR Section 17868.3.1. (14 CCR Section 17868.

By limiting eligible compost to that derived from "the municipal solid waste stream" or "separated at a centralized facility," the definition effectively prohibits the use of compost produced on farms and dairies in the program for no apparent purpose. We strongly concur with the need to ensure that only quality compost is used by the program, but the second paragraph of the definition contains all the permitting and quality assurance requirements needed to protect product integrity, public health, and the environment, no matter what the source of the feedstock or nature of the producing facility might be. Given this fact, the current definition has the effect of discriminating against a class of compost producers for no reason that can be based on the protection of



consumers or public health and safety. We recognize that the White Paper definition is grounded in CalRecycle's compost regulations, but the problematic language in the definition comes from CalRecycle's requirements for large landfill diversion operations and fails to recognize the wide range of authorized composting feedstocks and facilities that can produce high quality compost that meets all permitting and quality assurance requirements. For all these reasons, we request that CDFA delete the words "that are source separated from the municipal solid waste stream, or which are separated at a centralized facility" from the first paragraph of the definition of compost eligible for use by the HSP.

Sustainable Conservation has been doing a significant amount of work on the issue of dairy manure compost for a number of years and has recently issued a report titled "Compost: Enhancing the Power of Manure" (http://suscon.org/pdfs/compostreport.pdf), in which we find that composting dairy manure provides significant methane reduction and water quality benefits. Our study also demonstrates that there is a substantial potential market for manure compost, and that many customers prefer manure compost since it does not contain the contaminants (glass, plastic, etc.) found in compost made from urban waste streams. The fact that dairy compost (and on-farm compost) is likely to be produced in close proximity to its potential users in agriculture means that VMT and diesel emissions from transporting the compost can be significantly reduced. You and other members of the SB 1383 Dairy and Livestock Working Group have recognized the important role that manure compost can play in achieving the dairy methane emission reductions mandated by that bill. Finally, while the CDFA staff in charge of the HSP have made it clear that the program is concerned with expanding the demand for compost rather than the supply, it is generally acknowledged that achieving the goals of the HSP will require a lot of compost. Given dairy manure compost's potentially crucial role in achieving the goals of a range of state initiatives, including but not limited to the HSP, it should be embraced by the program, not excluded from eligibility for no substantive reason.

Once again, thank you for the opportunity to comment on this important program. Sustainable Conservation has been a longtime advocate for the use of incentives rather than mandates to create positive environmental change that also makes economic sense, and we applaud CDFA for taking that approach with the HSP.

Sincerely,

J Stacey Sullivan Policy Director

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July 12, 2017

SUBJECT: C-AGG comments on the draft Request for Grant Applications for the Healthy Soils

Program (HSP) Demonstration Projects and Incentives Program

TO: California Department of Food and Agriculture (CDFA)

Submitted to: cdfa.oefi@cdfa.ca.gov

FROM: Debbie Reed, Executive Director,

Coalition on Agricultural Greenhouse Gases (C-AGG)

Debbie@c-agg.org

C-AGG Background

The Coalition on Agricultural Greenhouse Gases (C-AGG) is a multi-stakeholder coalition of agricultural producers, scientists, environmental NGO's, methodology experts and developers, carbon investors, and project developers that promotes the development and adoption of science-based policies, programs, methodologies, protocols and tools for voluntary, incentive-based greenhouse gas (GHG) emissions reductions and carbon sequestration from the agricultural sector. C-AGG supports capacity-building and concrete approaches to incentivize voluntary GHG emissions reduction opportunities for agricultural producers that enhance productivity and income generation opportunities while benefiting society. C-AGG applauds the decision by the California government, including the CA Department of Food and Agriculture (CDFA) and the CA Air Resources Board (ARB) to develop the Health Soils Program as a means of financially rewarding farmers and ranchers for activities that increase soil carbon sequestration, reduce GHG emissions, and improve overall soil health. We submit the following comments and suggestions in support of ensuring a successful program.

C-AGG Comments on the Requests for Grant Applications (RGA) for Healthy Soils Program (HSP) Demonstration Projects and Incentives Program

C-AGG appreciates the opportunity to provide comments to the California Department of Food and Agriculture (CDFA) Healthy Soils Program Demonstration Projects and Incentives Program. C-AGG has been following the HSP process and providing updates to our stakeholders through our newsletter and in-person meetings. Representatives from CDFA and ARB provided status updates on the CA Healthy Soils Program at our March 2017 Sacramento meeting. This allowed C-AGG participants and stakeholders to provide comments and feedback and ask questions during the program's formative stages. We appreciate this opportunity to provide input on the draft program.



Overarching Question:

We are interested to know whether CDFA will seek additional funding for this program and initiative, and if so, in what period. Soil carbon sequestration and soil carbon pools in particular accumulate over time horizons of years, with accruals often not detectable on an annual basis. We support continued implementation of this program over a longer time horizon, for instance 20 years, to fully capture the GHG mitigation and enhanced soil health benefits for farmers and ranchers and the state of California, as well as for GHG mitigation for society.

C-AGG Comments on the Healthy Soils Program Incentives Program:

• In §3.1 Eligibility, it is indicated that (italics added by C-AGG for emphasis):

"Projects must result in net GHG benefits from specific eligible agricultural management practices identified in this solicitation for the grant agreement term;" (and) "Applicants must provide supporting documentation directly related to actual, on-farm GHG emissions and soil quality to be eligible for funding (See: Baseline Data)."

We suggest that the language be changed to indicate instead that that project proposals should include scenarios that show how the projects *are intended* to result in net GHG benefits. Given variables such as weather, climate, and other potential factors outside the control of landowners, projects may be perfectly executed according to plans and not result in net GHG benefits due to circumstances outside the control of producers, who should not be penalized if that is the case. We suggest instead the following language be inserted in place of the language highlighted above:

"Projects must show how net GHG benefits from specific eligible agricultural management practices identified in this solicitation for the grant agreement term are intended to be achieved"

(and)

"Applicants must provide supporting documentation directly related to how actual, onfarm GHG emissions and soil quality impacts are intended to be achieved to be eligible for funding (See: Baseline Data)."

- In §6. ELIGIBLE AGRICULTURAL MANAGEMENT PRACTICES, we suggest the following addition to text for clarity (additional suggested text underlined): "Applicants must select to implement at least one of the Soil Management Practices as a minimum requirement to be eligible for funding."
- Under §8.2 PROJECT TERM AND MATCHING FUNDS, the date March 31, 2017 should be changed to March 31, 2018; and April 1, 2017 should be changed to April 1, 2018.
- Under §8.2 PROJECT TERM AND MATCHING FUNDS, it should also be possible for projects to expend matching funds concurrently with CDFA Grant Funds, or prior to April 1, 2018 should it not? Particularly if the project requires more funds be expended up front to achieve success? It



is not clear why this restriction should be maintained, and we suggest more flexibility be allowed in the timing of expenditures.

- Under §9.1 CERTIFICATION OF PROJECT COMPLETION, we suggest the language be changed as
 follows: "Applicants will be required to certify that the project will continue through the end of
 the Year 3, until project completion date of November 30, 2020 using CDFA and matching funds
 obtained for this purpose." While the intent may be that CDFA funds should be expended by a
 date certain, the statement as written implies that only matching funds can be utilized by the
 project.
- The following two statements are both labeled as §9.2; we suggest that the second be changed to §9.3 for consistency and clarity. We also suggest that both statements require additional explanations for clarity and to provide producers with assurance of exactly what actions might be entailed in either scenario.
 - §9.2 PROJECT VERIFICATION AND REPORTING "The State of California has the right to review project documents and conduct audits during project implementation and over the incentive period." We suggest clarification of what may be entailed in an audit be specified in the document, and we further suggest that the document clarify that the audit will not result in increased costs to the producers beyond the costs of project implementation as documented in proposals. In other words, if CDFA undertakes an audit, it should be at CDFA's expense and not result in increased costs to producers.
 - o §9.3 POST -PROJECT REPORTING "CDFA will contact a subset of awarded projects to collect data including, but not limited to management practice implementation and GHG reduction estimates, for 3 years after project completion, consistent with CARB Funding Guidelines for Administering Agencies (Final Supplement December 2016)." We suggest clarification of what may be entailed in this extended period of data collection, and we further suggest that the document clarify that the extended data collection period will not result in increased costs to producers beyond what is included in the project documentation as submitted. In other words, if CDFA seeks an extended period of data collection and reporting, it should be at CDFA's expense and not result in increased costs to producers.
- In §10.2.1. PROJECT NARRATIVE, please explicitly define "short and long terms", as indicated in item #2. Is this intended to be reported in months? In years? Greater clarification will ensure that the question is answered to the satisfaction of CDFA and the proposal reviewers. Also in this section, item 4 states: "Articulate how the proposed project will sequester carbon, reduce atmospheric greenhouse gases and improve soil health." We suggest this be changed as follows: "Articulate how the proposed project will sequester carbon in soil, reduce emissions of greenhouse gases and improve soil health," since asking how atmospheric GHG (concentrations?) will change via these proposals or projects is outside the scope of the work.
- In §10.4 BUDGET WORKSHEET, the following 2 statements should be clarified to ensure that project participants can expend matching grant funds at any time during the grant period, while ensuring that CDFA funds are expended within a certain period. As drafted, the language here (and in §8.2, as previously indicted) is confusing and should be clarified: "Grant recipients must



obtain matching funds for Year 3 of the projects and use these funds for all project expenses between April 1, 2020 and November 30, 2020." And "Projects are encouraged to include matching funds in Year 1 and 2 of the project term. Funding to be contributed each year must be specified."

- § 16.1 PROJECT VERIFICATION, states: "The purpose of project verification is to determine whether and when deliverables are being met and evaluate project progress to ensure management practice(s) are completed within the grant term. Recipients may be required to submit financial records and project related documentation (such as receipts for payment of services/goods) to ensure HSP Incentives Program funds are used in compliance with the Grant Agreement terms and conditions. The verification must be completed by March 31, 2020." The verification process as described here is quite vague; to clearly establish expectations and requirements of the verification process that CDFA will deem to be acceptable for projects to remain in compliance with the Grant Agreement, the verification requirements should be explicitly and clearly stated in this document.
- In §16.2 POST-PROJECT COMPLETION REQUIREMENTS, the following language is included (bold and italics added for emphasis): "Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain the proposed eligible agricultural management practice(s) for several additional years after project completion. Additionally, applicants are required to maintain documentation related to the HSP funded project, including records documenting maintenance of the agricultural management practice(s) and any soil testing reports for the project APNs, to report actual benefits achieved for a period of three years. Failure to work with CDFA to provide the necessary project-related documentation will be considered non-performance. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding." We suggest that the period for retention of management practices be made explicit, since the term 'several years' is subject to interpretation and thus disagreement. Given this vagueness, recipients should not be required to potentially return grant funding unless the terms are explicitly stated and understood by all parties to the agreement.

C-AGG Comments Specific to HSP Demonstration Projects:

- In §2. FUNDING AND DURATION, the document states: "Grant recipients must expend matching funds during April 1, 2020 November 30, 2020." We suggest that the restriction for matching funds be changed to allow matching funds to be expended during the entire length of the project, to ensure that the project allows for the appropriate flexibility. If the desire is to ensure that CDFA funds be expended within a time certain, and/or before matching funds are expended then those limitations can be added, but the temporal limitation as stated may unnecessarily prevent needed project flexibility.
- In §7. ELIGIBLE MANAGEMENT PRACTICES we suggest the following addition to text for clarity (additional suggested text underlined): "Applicants must select to implement at least one of the Soil Management Practices as a minimum requirement to be eligible for funding."



- In §7. ELIGIBLE MANAGEMENT PRACTICES we suggest the following sentence be changed for clarity and accuracy (additional suggested text underlined): "<u>Estimated</u> (r)eductions in GHG emissions from the use of these practices will be quantified using the quantification methodology (QM) and tools developed by the CARB..."
- In §9.2 DATA COLLECTION REQUIREMENTS, the following statement: "Conduct measurements of field GHG emissions and carbon sequestration values..." should be changed as follows (suggested changes underlined): "Conduct measurements of <u>estimated</u> field GHG emissions and carbon sequestration values..."
- In §9.4 PROJECT TERM AND MATCHING FUNDS we suggest it should also be possible for projects to expend matching funds concurrently with CDFA Grant Funds, or prior to April 1, 2020 should it not? Particularly if the project requires more funds be expended up front to achieve success? It is not clear why this restriction should be maintained, and we suggest more flexibility be allowed in the timing of expenditures.
- In §10.1 HOW TO APPLY, the following statement should be clarified by adding the suggested underlined text: "Estimation of GHG reduction or increased soil carbon sequestration via CARB COMET-Planner and/or Compost Planner."
- In §15.4 POST-PROJECT COMPLETION REQUIREMENTS, the following statements are included (bold and italics added for emphasis): "Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain the proposed eligible agricultural management practice(s) for several additional years after project completion. Additionally, applicants are required to maintain documentation related to the HSP funded project, including records documenting maintenance of the agricultural management practice(s) and any soil testing reports for the project APNs, to report actual benefits achieved for a period of three years. Draft for Public Comment 2017 HSP Demonstration Projects California Department of Food and Agriculture Page 20 of 21. Failure to work with CDFA to provide the necessary projectrelated documentation will be considered non-performance. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding." We suggest that the period for retention of management practices be made explicit, since the term 'several years' is subject to interpretation and thus disagreement. Given this vagueness, recipients should not be required to potentially return grant funding unless the terms are explicitly stated and understood by all parties to the agreement.

C-AGG also has the following recommendations for demonstration projects:

- The HSP demonstration projects chosen should ideally cover different sectoral approaches to maximize learnings and outcomes across program types and across the full spectrum of California crops and specialty crops, and should consider the long-term investments needed to assess benefits and outcomes.
- Considerations for perennial crops and approaches for perennial crops should explicitly be included in the Incentive and the Demonstration Programs. For example, the CA Almond Board funded research on carbon improvement in soils and found that increased soil carbon can take a



period of several years to accumulate and to show increases via measurement—particularly with perennial crops and the broad spectrum of soils in California's Mediterranean climate. With 3-year grant cycles, it is unknown how or whether perennial systems will be able to demonstrate measurable outcomes. We therefore suggest longer grant periods or project cycles for perennial tree crops.

- It is important to use metrics that growers value and can measure. How will the metrics be evaluated and assessed after year one of the program in a way that is meaningful to growers?
- C-AGG has heard that CDFA is starting to perform an analysis of biochar (a soil amendment)
 through the organic review program and is funding research in biochar. New practices and tools
 such as biochar and other carbon sequestration options should be included in this program to
 determine their efficacy in sequestering carbon and reducing GHG emissions in CA soils and
 crops.

C-AGG looks forward to the final grant applications for the Healthy Soils Program and thanks CDFA for the opportunity to comment. We would be happy to provide any additional input or clarification of these comments if desired.

From: Heather Nichols [mailto:Heather@yolorcd.org]

Sent: Wednesday, July 12, 2017 8:58 AM

To: CDFA OEFI@CDFA < CDFA.OEFI@cdfa.ca.gov>

Cc: Wrysinski, Jeanette @yolorcd.org <<u>wrysinski@yolorcd.org</u>> Subject: RE: Public comment: Healthy Soils Demonstration projects

Hello,

After further discussion with conservation partners in our community, I would like to revise my recommendation on outreach requirements to include only 100 farmers and ranchers for the total of the three years. I believe this is a more realistic and obtainable number to achieve, and recognizes that some farmers take longer to gain interest in a new practice.

Thank you for your consideration of this matter.

Heather

Heather Nichols, Executive Director Yolo County Resource Conservation District 221 West Court Street, Suite 1 Woodland, CA 95695 (530) 661-1688 ext. 12 office (916) 475-8659 cell

find us on:

----Original Message-----From: Heather Nichols

Sent: Wednesday, July 05, 2017 4:35 PM

To: cdfa.oefi@cdfa.ca.gov

Cc: Jeanette Wrysinski < Wrysinski@yolorcd.org>

Subject: Public comment: Healthy Soils Demonstration projects

Hello,

I would like to make a comment about the demonstration project requirement to have 100 farmers and ranchers visit the demonstration site each year. I believe this is an unrealistic expectation and would deter many potential applicants.

In my nearly 10 years at the Yolo County RCD, we have never been able to get 100 many farmers or ranchers to attend any of our workshops. Successful attendance for a free, voluntary field workshop ranges between 20-40 attendees (who are actual farmers or ranchers). If there are CEU offered, there might be up to 80, but many of those folks are crop advisors or PCAs.

My recommendation would be to lower that number to 150 total over the course of the three years.

Another suggestion would be to allow for other methods of outreach, such as online videos that require some kind of registration or survey as proof of outreach.

Thank you for your consideration of this matter.

Heather Executive Director Yolo County RCD

Sent from my iPhone



July 12, 2017

Bonnie Soriano Transportation and Toxics Division Climate Investments Branch Climate Investments Assessment Section

Re: GHG Quantification Methodology for the Healthy Soil Program

Dear Ms. Soriano,

Thank you for the opportunity to provide comment on the draft Quantification Methodology (QM) for the Healthy Soils Program. The California Climate and Agriculture Network (CalCAN), a coalition of the state's leading sustainable and organic agriculture organizations, has been actively engaged in the creation and development of the Healthy Soils Program for several years now.

We strongly support the decision by the California Air Resources Board to use COMET-Planner as the primary QM tool for the program. By using COMET-Planner and Compost-Planner, ARB is using scientifically robust and user-friendly tools that will make it easier for farmers and ranchers, especially under-resourced producers, to access the program.

Our comments on the QM focus on the soil test requirements for applicants and a couple areas in the QM that need clarity.

Thank you and your team for your steady and thoughtful work to advance healthy soils practices. We look forward to our ongoing work with you. Please let us know if you have any questions regarding our comments.

Sincerely,

Jeanne Merrill Policy Director

Ju Mill

Brian Shobe Policy Associate

cc: Dr. Amrith Gunasekara, Dr. Geetika Joshi, Office of Environmental Farming and Innovation, CDFA Deputy Secretary Jenny Lester Moffit, CDFA

Brin Stole

1. Require award recipients - not applicants - to conduct soil tests.

We understand that baseline data are necessary for effective outcome measurement and to meet the requirements of CCI programs. However, we believe the burden of providing that data should be shifted to award recipients, who are the only entities CDFA and ARB needs that data from, and away from applicants to the program.

Shifting the timing of this requirement from the application to the award stage will also lighten the load on applicants and increase the likelihood of a robust applicant pool. Given the short application window and the extremely busy summer growing season for many potential applicants, we anticipate that most farmers and ranchers who do not already have the required soil tests will not be able to complete them in time to submit their application.

To address concerns about soil organic matter levels above 12 percent, which occur in a very small percentage of agricultural soils in the state, applicants could be asked to confirm that their soil organic matter content does not likely exceed the 12 percent threshold by checking the online NRCS soil survey map¹. After reviewing the soil survey online, applicants could be asked to check a box on their application that they have reviewed the NRCS soil survey and their soils are unlikely to exceed 12 percent SOM.

2. Clarifying comments on the QM

There are a couple of places in the QM where we suggest clarifying language. They are:

Page 6, third paragraph:

Current language states: "Multiple practices can be implemented on the same area within a project, but only one implementation of each practice can be selected for each area."

This is somewhat confusing. We suggest the following:

"Multiple practices can be implemented on the same area. For example, cover crops, mulch and hedgerow plantings can occur on the same APN. But only one type of implementation per practice can be selected for each APN. For example, the same compost application rates or type of cover crop must be used per APN."

Page 10, first paragraph:

Current language states: "To quantify the GHG reduction for each practice implementation selected from Step 1, applicants must determine upon how many acres each practice will be implemented. Applicants can do this by developing a conservation management plan or by relying on knowledge of the project area."

This is overly confusing. We suggest the following:

"The quantification tools for the program – COMET-Planner and Compost-Planner – will require the applicant to state the total acreage each practice will be implemented on (e.g. how many acres do you plan to plant cover crops on or apply mulch to?). Below, we provide examples on how to provide this information."

¹ See: https://websoilsurvey.sc.egov.usda.gov/App/HomePage.htm



































Secretary Karen Ross California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814 July 12, 2017

Dear Secretary Ross,

On behalf of the organizations listed below, we offer the following comments on CDFA's draft Requests for Grant Applications for the Healthy Soils Program. Our comments reflect our shared objective of creating a program that is appealing to all of California's farmers, transformative in its impact on agriculture and our climate, and worthy of further investment from the state.

Many thanks to you and your dedicated staff for the extensive and groundbreaking work you all have done over the past two years to create this first-in-the-nation Healthy Soils Program.

We greatly appreciate CDFA's commitment to a collaborative process and its invitation to submit comments on the program's draft Requests for Grant Application. We look forward to working with you and your staff on implementation of this important program.

Sincerely,

Virginia Jameson

Interim California Director American Farmland Trust

L. Ann Thrupp Executive Director Berkeley Food Institute

Karen Buhr

Executive Director

California Association of Resource Conservation Districts

Jeanne Merrill, Policy Director Brian Shobe, Policy Associate

California Climate & Agriculture Network

Torri Estrada

Executive Director and Director of Policy

Carbon Cycle Institute

Jane Sooby

Senior Policy Specialist

CCOF

Dave Runsten Policy Director

Community Alliance with Family Farmers

Jim Fullmer

Executive Director Demeter USA

Jan Derecho Executive Director

Ecological Farming Association

Brittany Jensen Executive Director Gold Ridge RCD

Rex Dufour

Western Regional Office Director National Center for Appropriate

Technology

Margaret Reeves Senior Scientist

Pesticide Action Network North America

David S. Gates, Jr.

Vice President, Vineyard Operations

Ridge Vineyards, Inc.

Michael Dimock

President ROC Fund

Sopac McCarthy Mulholland

President and CEO

Sequoia Riverlands Trust

Erin Axelrod

Sonoma County Rancher

Kevin Watt

Strategy and Policy Manager

TomKat Ranch

Jo Ann Baumgartner Executive Director Wild Farm Alliance

Incentives Request for Grant Application

1. Achieve GHG emission reductions and full farmer access to the Healthy Soils Program

We share Secretary Ross's commitment to ensure that all California farmers and ranchers can take advantage of the Healthy Soils program. However, the current requirement that at least one "soil management" practice be implemented in order to be eligible for the program unnecessarily limits the impact of the Healthy Soils program and the number of producers who can access it.

Scientists from CDFA, ARB, NRCS, and the COMET-Planner team have reviewed the scientific literature and verified that all of the Healthy Soils eligible practices have demonstrable soil carbon sequestration and GHG reduction benefits¹. These benefits are reiterated in ARB's GHG Quantification Methodology for the Healthy Soils Program (see page 5 of <u>AR B's D raft QM</u>). As such, we believe farmers and ranchers should be free to apply for any one (or combination) of the eligible practices.

Under the proposed requirement of applying for at least one "soil management practice," farmers who already utilize most or all of the "soil management practices," as many organic farmers already do, will be ineligible for the program even though they may improve their carbon sequestration and GHG emissions reductions through the establishment of herbaceous cover or woody cover.

Furthermore, many ranchers may not be eligible to apply for the Healthy Soils program because their only "soil management practice" option is to apply compost to their rangelands and many may find that infeasible based on the steepness of their rangeland, the cost and availability of compost in their region, etc. Such limitations should not prevent organic farmers and ranchers from applying for herbaceous or woody cover practices that have demonstrable GHG emission reductions and Healthy Soils benefits.

What makes this program groundbreaking is its focus on the nexus between soil health and GHG reductions. All of California's farmers and ranchers should have the freedom to explore that nexus utilizing whichever eligible practices make the most sense on their land and operation.

<u>Recommendation</u>: Drop the requirement that applicants must adopt at least one "soil management practice" and allow applicants to choose freely from the list of eligible practices under the Healthy Soils program.

¹ Food and Ag Code 569(e)(2): "Healthy soils" means soils that enhance their continuing capacity to function as a biological system, increase soil organic matter, improve soil structure and water- and nutrient-holding capacity, and result in net long-term greenhouse gas benefits.

Food and Ag Code 569 (e)(1): "Greenhouse gas benefits" means greenhouse gas emissions source reduction or carbon sequestration.

2. Encourage producer interest by reducing applicant burden, simplifying application requirements, and extending proposed application deadline

We share the goal of attracting a robust pool of applicants to this program for two reasons:

- 1) broad competition is likely to increase the impact and diversity of projects awarded and
- 2) high demand for the program makes the strongest case for renewed or increased funding for the program.

To achieve these goals, farmers must be convinced that the time and costs invested in applying for the Healthy Soils program are worth the potential return.

We suggest the following changes to the application, which we believe strike the balance between program and applicant needs and ensure a robust applicant pool.

A. Simplify application and reduce redundancy

Section 10.2: Drop the proposed requirement to submit a separate project proposal (described as up to 6 pages in length) in addition to the FAAST application. Instead, convert the project proposal prompts into short answer questions and incorporate them into the FAAST application.

Section 10.2.1: We strongly encourage eliminating this section of the application. By offering the eligible practices under the Healthy Soils Program, CDFA is acknowledging the importance of those practices. Much like the USDA-NRCS EQIP application, we should seek to streamline (using check boxes, etc.) as much as possible and drop the narrative requirements under the application. The narrative, open-ended questions do not help reviewers to better understand the project, nor encourage the farmer or rancher to consider applying – quite the opposite. We should especially not ask farmers and ranchers to explain climate or other environmental science (questions 4 and 5). The state would not offer these practices through an incentives program if there was not sound science to support their implementation.

Section 10.2.2: This section requires applicants to provide a written description of the project work plan and design, and then to fill out and attach a work plan template and draw up and attach a schematic of the design. We suggest eliminating the written description prompts and modifying the work plan template and schematic design attachments to meet reviewers' and CDFA staff's needs. Bearing in mind that many applicants will have never applied for a grant program, we also suggest providing applicants with one or more examples of schematics and filled out work plan templates.

Section 10.2.3: Ensuring successful adoption of a project's proposed practices is critically important. We believe the proposed requirement that recipients sign a contract agreeing to the terms of the project and program, especially if it involves technical assistance from qualified conservation professionals from NRCS, Point Blue, or RCDs, should be sufficient to ensure success. This is the standard process for NRCS-EQIP, for example, which has very high success rates. Therefore, we suggest eliminating this section, which as proposed

requires farmers to speculate about the appropriate amount of detail to provide in responding to three vague and open-ended prompts. If CDFA requires specific data for its own program evaluation purposes, we suggest clarifying what data/metrics it will need and stating that in the project verification section of the RGA.

<u>Recommendations</u>: Eliminate the open-ended narrative questions of the application. Streamline the project design and work plan attachments. Offer examples of project design schematics and work plan templates to make it easier for first-time grant applicants.

B. Shift the timing of proposed soil test requirement to award recipients and reimburse them for more expensive soil tests

Section 8.3: We know baseline data are necessary for effective outcome measurement and to meet the requirements of CCI programs. However, we believe the burden of providing that data should be shifted to award recipients, who are the only entities CDFA needs that data from.

Shifting the timing of this requirement from the application to the award stage will also lighten the load on applicants and increase the likelihood of a robust applicant pool. Given the short application window and the extremely busy summer growing season for many potential applicants, we anticipate that most producers who do not already have the required soil tests will not be able to complete them in time to submit the application.

We also want to note that the list of <u>CDFA-recommended Soils Testing Laboratories</u> is quite limited. For example, the list does not include UC Laboratories. A quick web search turned up other UCANR-approved lists of accredited labs (examples: <u>Northern and Central California Soil & Plant Labs</u>; <u>UCCE-El Dorado County List</u>) that are much more extensive. We recommend expanding the current list to give farmers and ranchers more flexibility.

Section 3.2: When a question was asked about the timing of this proposed requirement on the July 6^{th} webinar, CDFA staff responded that the organic matter content was necessary in the application stage to determine if an applicant had higher than 12 percent soil organic matter (SOM), which would render them ineligible for compost application. A very small percentage of farmers in the state operate on soil that has higher than 12 percent SOM.

To address concerns about SOM levels above 12 percent, applicants could be asked to check that their SOM content does not likely exceed the 12 percent threshold by using the online NRCS Web Soil Survey Map. After reviewing the soil survey online, applicants could be asked to check a box on their application that they have reviewed the NRCS soil survey and their soils are unlikely to exceed 12 percent SOM.

Sections 8.3, 9.2, and 11.3: In multiple sections, the RGA encourages, recommends, or offers additional consideration to applicants who provide additional soil health baseline data on their soils' water holding capacity, aggregate stability, and/or biological properties. We believe soil health data is valuable to both producers and the program. However, we

suspect the ambiguity surrounding these extra categories of data and their potential reward as an "additional consideration" will confuse applicants more than encourage them.

To avoid this confusion, we suggest CDFA: 1) shift the soil test requirement to award recipients and 2) specify which additional tests the department recommends and reimburse recipients for tests that go beyond the minimum soil texture and organic matter requirements.

<u>Recommendations</u>: Shift the soil test requirement to awardees, to be completed at the beginning of the project. Provide more options for CDFA-recommended soil labs. Clarify what is encouraged under the additional considerations regarding soil monitoring data and reimburse farmers and ranchers for conducting more sophisticated and expensive soil tests that include water holding capacity data, etc.

C. Give applicants a minimum of six weeks to apply

The draft RGA did not specify how many weeks applicants would have to apply, but on the CDFA webinar on July 6th, CDFA staff indicated applicants would only have one month. For technical assistance providers and other stakeholders to effectively get the word out and for farmers to have the time to design a project and apply, CDFA should grant applicants a minimum of six weeks. We have heard near-unanimous feedback from technical assistance providers that even six weeks is often too short for farmers just learning about similar programs like SWEEP. The more time applicants have to learn about, design projects, and apply for the program, the more robust the application pool will be.

Recommendation: Ensure applicants have at least six weeks to apply.

3. Support successful implementation by allowing for fall planting (e.g. cover crops and perennial herbaceous or woody cover)

In many parts of the state, the best time to plant cover crops and establish many perennial herbaceous or woody cover plants is in the fall. The proposed timeline for project implementation makes it unclear how award recipients whose work plans involve those practices would be able to do so under the proposed project implementation timeline.

Section 15.2 states that "implementation must begin on or after December 1, 2017, but no later than June 30, 2018." If implementation is defined as "planting" for these practices, then that timeline prevents farmers from planting in the best months to do so. However, if implementation is defined as "signing one's award contract" or "ordering seed, plants, or supplies," then award recipients would be more likely to comply with the proposed timeline.

As such, we recommend clarifying the timeline and definition of implementation in order to assure producers that they will be able to plant cover crops and perennial plants in the best season for doing so. If CDFA is required by law to begin transferring funds to awarded

projects by June 30, 2018, we suggest explaining to applicants how and when they would need to request the optional 25% advance payment CDFA is offering.

Recommendation: Ensure successful practice implementation by allowing fall 2018 plantings under the program implementation timeline.

4. Describe evaluation criteria and prioritize GHG emissions reductions and soil health

To increase consistency in interpretations for both applicants and reviewers, we hope CDFA will provide descriptions of the evaluation criteria similar to what was provided at the May 19 EFA SAP meeting. Such descriptions can be vitally important in guiding applicant and reviewer decision-making.

Given the focus of the program, we feel those evaluation criteria should more heavily prioritize GHG emission reductions and soil health. Above, we recommended removing "Project evaluation and adoption" (Section 11.2), which would free up 10 points in the scoring criteria. If that recommendation is accepted, we would propose shifting those 10 points to the GHG emission reductions and soil health category, effectively giving equal weight to project impact and project feasibility/implementation.

<u>Recommendations</u>: Provide descriptions of evaluation criteria categories, drop the project evaluation and adoption category, and increase GHG reduction and soil health points by 10.

5. Incentivize the application of quality compost, regardless of its source

In recognition of the climate, soil health, and public health benefits of compost application, multiple agencies, businesses, and nonprofits are working on simultaneous efforts to boost compost production and application within the state.

We believe the role of the Healthy Soils program in that effort is to incentivize compost application – *not* a specific type of compost production. Other agency and industry efforts are directly addressing the latter. The current definition of compost in CDFA's Compost White Paper excludes the application of on-farm compost, which is an important source of compost in rural areas of the state where compost from large municipal waste streams is either non-existent or prohibitively expensive to transport.

This exclusion is based on the erroneous notion that on-farm compost is unregulated and that the quality of compost can only be verified by commercial compost producers. We agree that when it comes to estimating soil health and GHG benefits, the quality and application rate of compost matters. Instead of excluding farmers from on-farm composting, CDFA could simply require on-farm composters to provide the results of tests for C:N ratios and any other tests CDFA deems necessary, bearing in mind that on-farm compost is already regulated for human health concerns by the Food Safety Modernization Act (FSMA).

We are also concerned that the maximum allowable application rates may be so low as to discourage applicants from applying for them, given that most producers who apply compost do so in hopes of significantly offsetting reductions in synthetic N application. It is difficult to anticipate the proposed application and payment rates' appeal to producers due to the lack of comparison for this practice to other well-established conservation incentive programs (e.g. EQIP). For that reason, we hope CDFA will seek applicant and technical assistant provider feedback on the feasibility of this practice after this initial round.

<u>Recommendations</u>: Allow the application of on-farm compost. Should CDFA find it necessary, require on-farm composters to submit tests on their compost's C:N ratio.

6. Clarify Disadvantaged Communities section

There appear to be some typos in Section 10.6 on Disadvantaged Communities, which may confuse an applicant about how to meet the DAC criteria and how applications will be scored for the DAC criteria. The FAAST questions in Appendix C explain the criteria clearly, so we simply suggest clarifying the Section 10.6 paragraph and explicitly mentioning the 10-point allocation for meeting the DAC criteria in an application score.

Recommendation: Clarify the DAC evaluation criteria using the Appendix C language.

7. Clarify Project Verification, Reporting, and Post-Project Completion Requirements sections to alleviate applicant concerns about unexpected mandates and terms of award agreement

Section 9.2 (Project Verification and Reporting) states "The State of California has the right to review project documents and conduct audits during project implementation and over the incentive period." Farmers and ranchers understandably like to know under what conditions audits will happen, what kind of notice they will receive beforehand, what audits will entail, and how much they will cost. To prevent applicants from being discouraged from applying because of the ambiguous audit language, we recommend CDFA specify what audits would consist of and when and how they would happen, as well as assure applicants that the audit will be at CDFA's expense.

Section 9.3 (Post-Project Reporting) states "CDFA will contact a subset of awarded projects to collect data including, but not limited to management practice implementation and GHG reduction estimates, for 3 years after project completion, consistent with CARB Funding Guidelines for Administering Agencies (Final Supplement – December 2016)." The "but not limited to" language could raise concerns for some applicants, as could the possibility of additional costs not currently specified in the project application. We suggest clarifying to the extent possible the data that would be collected, as well as reassuring applicants that any currently unspecified post-project data collection would come at CDFA's expense.

Section 16.2 (Post-Project Completion Requirement) includes a number of ambiguous phrases like "several additional years," "records documenting maintenance," and "actual benefits." Combined with the threat of recovery of funds, this ambiguity may discourage

applications. In order for applicants to feel comfortable with the terms of the program, we strongly encourage clarifying in this section the number of years that practices and records of benefits are expected to be maintained, as well as the specific records that will be required to verify such maintenance and benefits.

<u>Recommendations</u>: Specify to the greatest extent possible the audit process and post-project record-keeping and maintenance requirements. Assure applicants that CDFA will bear the expense for any additional costs that result from these verification and reporting requirements.

Demonstration Projects Request for Grant Application

1. Prioritize investment in projects that will promote the widespread adoption of Healthy Soils practices throughout the state

We strongly agree with CDFA that the objectives of the demonstration projects (Section 1) are to "showcase conservation management practices" with soil health and climate benefits and to create "a platform promoting widespread adoption of conservation management practices throughout the state."

As such, we recommend prioritizing investments in demonstration projects that focus on reaching, inspiring, and educating farmers about the practical considerations and agronomic and economic benefits of Healthy Soils practices. More specifically, we recommend restoring the funding level for "Type B" projects to \$250,000 and removing Type A projects from the program. Should field measurements be maintained as a potential component of these projects, we suggest opening their focus up to other metrics/measurements that farmers are more likely to be interested in and motivated by.

We agree that crop, climate, and soil-specific research on actual GHG emissions is valuable for furthering our understanding of agricultural climate solutions, and our coalition actively seeks funding for such research from other sources. However, further research on GHG reductions potential is unlikely to achieve the main objectives of this program: to motivate and give farmers the information they need to adopt new practices. Most farmers are more motivated by other factors (cost/benefit, yields, pest pressure, labor, etc.). For those producers who care deeply about the climate science basis for adopting these practices, we believe they will accept the consensus from CDFA, NRCS, ARB, and the COMET-Planner team that we can reasonably expect climate and soil health benefits from the program's eligible practices.

<u>Recommendation</u>: Focus the demonstration project funding on the statutory requirements of the demonstration projects to "establish and promote" healthy soils² by eliminating the Type A project and restoring the project cap to \$250,000 for Type B projects.

2. Increase likelihood of full subscription of demonstration project funding by basing matching fund requirements on reasonably available funding sources

At this point in time, it is not clear that there is a good source of matching funds for the Healthy Soils demonstration projects, in part due to the program's pioneering nature. \$50,000-\$125,000 is a significant commitment for most organizations and their farmer partners to make without a matching funding source in mind, so we are concerned that the proposed matching requirement may result in undersubscription of the program. Recognizing the benefits of matching funds if they are available, we suggest aligning the Healthy Soils Program with the Alternative Manure Management Program's approach: make matching funds preferred (and perhaps worth additional points), but not required. Of course, if more reliable sources of matching funds become available in subsequent years, the proposed requirement could be reinstated.

<u>Recommendation</u>: Encourage matching funds for demonstration projects by making matching funds "preferred, but not required".

3. Ensure demonstrable, compelling demonstration project outcomes while taking into account differences in regions, cropping systems, and approaches to outreach and education

Very rarely does one size fit all in this big and diverse state. Demonstration projects are no exception. The proposed 100-farmer per year attendance requirement is unrealistic for many regions of the state. We heard near-unanimous feedback at the May EFA-SAP meeting from experienced agricultural professionals who expressed concern about setting an across-the-board attendee requirement for demonstration projects. They commented that 30-40 participants at an on-farm workshop in many rural areas of the state is considered a superb (and rare) outcome. Repeating such a turnout for the same practices in the same location 8-10 times over the course of 3 years seems highly unlikely, and the requirement would likely discourage experienced outreach and education entities from applying. Focusing on farmer attendance as the sole outcome measurement also limits organizations from seeking innovative and creative ways to leverage a demonstration site for outreach and educational purposes.

We share CDFA's ambition and desire to achieve measureable and consequential outcomes through this program. Based on our experiences with other outreach and education programs like the Specialty Crop Block Grant (SCBG) program and USDA's Sustainable

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² Food and Ag Code 569(e)(3): "On-farm demonstration projects" means projects that incorporate farm management practices that result in greenhouse gas benefits across all farming types with the intent to establish or promote healthy soils.

Agriculture Research and Education (SARE) program, we believe the following steps would ensure both a robust and diverse applicant pool and successful program outcomes:

- A. Require applicants to set "SMART"³ goals based on their knowledge of a region's farmers, crop types, common practices, and most effective outreach and education strategies
- B. Recruit experienced extension and outreach professionals to serve as reviewers on the Technical Review Committee

<u>Recommendations</u>: Drop the numeric requirement for farmer outreach (e.g. 100 farmers/year) and instead require robust "SMART" goals from applicants.

4. Describe the evaluation criteria, align the DAC and additional consideration criteria between the Incentives and Demonstration RGAs, and separate unrelated criteria

To increase consistency in interpretations for both applicants and reviewers, we hope CDFA will provide descriptions of the Evaluation Criteria similar to what was provided at the May 19 EFA SAP meeting. Such descriptions can be vitally important in guiding applicant and reviewer decision-making. For example, whether "Project Team Qualifications" is interpreted as academic degrees or field experience in farmer outreach and education could make a big difference for projects focused primarily on the latter.

As proposed, the DAC and additional consideration criteria (Section 11.2) and the way they are rewarded differs significantly between the Incentives RGA and Demonstration Project RGA. We think projects that provide benefits to DACs should be rewarded equally in the Demonstration Projects, as should the additional considerations for implementing multiple practices in the project and providing geographic (and crop system) diversity.

Given the focus of the program, it seems "GHG reductions and soil health" merits its own set of points. The remaining "multiple benefits and post-project impacts" portion of the proposed category needs clarification.

<u>Recommendations</u>: Describe the evaluation criteria, add 10 points each for meeting the DAC criteria and additional considerations criteria as described in the Incentives RGA, and give "GHG emissions reductions and soil health" its own set of points. Taking all of that into account, we propose the following evaluation criteria:

Criteria	Maximum Points
Project Merit:	
 Demonstration Component 	20
Outreach Component	20
GHG emissions reductions and soil health	10
Project timeline and implementation plan	10

 $^{^3}$ SMART stands for <u>Specific</u>, <u>Measurable</u>, <u>A</u>chievable, <u>Relevant</u>, and <u>Time-bound</u>

_

Project team qualifications	10
Project budget and justification	10
DAC criteria	10
Additional Considerations (including multiple management	10
practices and geographic and crop system diversity)	

5. Add tribal governments to the list of eligible entities for the program

The RGA does not list tribal governments in its list of eligible entities (Section 3.1) to apply. Given California indigenous peoples' long history of sustainable resource management and continued stewardship of croplands and rangelands across the state, we hope CDFA will make their tribal governments eligible for the demonstration projects and proactively seek their engagement in this program.

<u>Recommendation</u>: Include tribal governments as eligible entities under the Healthy Soils Program.

The Healthy Soils Program Demonstration Projects

The Healthy Soils Program is funded by the California Climate Investments Program

Request for Grant Applications

Draft Released for Public Comment: June 28, 2017

Comments Due: By 5:00 p.m. PST on July 12, 2017

Email comments to: cdfa.oefi@cdfa.ca.gov





Blarimor

2017-07-05 16:36:54

See comments on Incentive Program in addition to comments in this document.



California Department of Food and Agriculture 1220 N Street, Room 120 Sacramento, CA 95814 (916) 657-3231 grants@cdfa.ca.gov

CONTENTS 1. BACKGROUND AND PURPOSE4 2. FUNDING AND DURATION4 9. PROGRAM REQUIREMENTS......8 9.2 DATA COLLECTION REQUIREMENTS 8 9.4 PROJECT TERM AND MATCHING FUNDS9

15. 1 GRANT AGREEMENT1815.2 PROJECT IMPLEMENTATION1915.3 PROJECT REPORTING REQUIREMENTS1915.4 POST-PROJECT COMPLETION REQUIREMENTS19

Draft for Public Comment

16. PAYMENT PROCESS	20
17. PROJECT VERIFICATION	20
Appendix A: CARB Quantification Methodology and Tools	20
Appendix B: Application Check List	20
Appendix C: FAAST Grant Application Questions	21
Appendix D: Work Plan template	21
Appendix E: Budget Worksheet	21
Appendix F: Year 3 Cost Sharing Summary template	21

1. BACKGROUND AND PURPOSE

The California Department of Food and Agriculture (CDFA) is pleased to announce, in coordination with the California Air Resources Board (CARB), a competitive grant process for the 2017 Healthy Soils Program (HSP) Demonstration Projects.

The 2017 HSP Demonstration Projects is part of the Healthy Soils Program (HSP), is funded by the Greenhouse Gas Reduction Fund (GGRF) and stems from the <u>California Healthy Soils</u> <u>Initiative</u> which promotes the development of healthy soils on California's farmlands and ranchlands. All projects that receive GGRF monies are required by statute (<u>Government Code Section 16428.9</u>) to achieve greenhouse gas (GHG) emission reductions and further the purposes of the Global Warming Solutions Act of 2006 (<u>AB 32</u>).

The objectives of the HSP are to build soil organic carbon and reduce atmospheric GHGs by (1) providing financial incentives to California growers and ranchers for agricultural management practices that sequester carbon, reduce atmospheric GHGs and improve soil health, (2) funding on-farm demonstration projects that showcase conservation management practices that mitigate GHG emissions and increase soil health, and (3) creating a platform promoting widespread adoption of conservation management practices throughout the state.

The HSP Demonstration Projects addresses Objectives 2 and 3. Objective 1 is addressed in the 2017 HSP Incentives Program. Request for Applications for the HSP Incentives Program and HSP Demonstration Projects are available on the HSP webpage: https://www.cdfa.ca.gov/oefi/healthysoils/.

2. FUNDING AND DURATION

The HSP Demonstration Projects will provide up to \$3 million in funding for on-farm demonstration projects. The projects must showcase conservation management practices that mitigate GHG emissions, increase soil health and create a platform promoting widespread adoption of conservation management practices throughout the state.

- The maximum grant award is \$250,000 for projects that implement eligible agricultural management practices, conduct required outreach, and, measure and collect data on GHG emissions and carbon sequestration.
- The maximum grant award is \$100,000 for projects that implement eligible agricultural management practices and conduct required outreach.
- Matching funds must be obtained for approximately one third of the anticipated project costs.
- The grant agreement term, i.e., project duration is from December 1, 2017 to November 30, 2020 (three years).
 - CDFA grant funds cannot be expended before December 1, 2017 or after March 31, 2020.
 - o Grant recipients must expend matching funds during April 1, 2020 November 30, 2020.

Please see <u>Table: Timeline for funding expenditures of awarded projects</u>, which clarifies grant agreement term, and spending duration for CDFA grant funding and matching funds.

- CDFA reserves the right to offer an award different than the amount requested.
- The HSP Demonstration Projects funds may be combined with other funds from public and private sources as matching funds for the same project.

3. ELIGIBILITY AND EXCLUSIONS

3.1 ELIGIBILITY

- Not-for-profit entities, University Cooperative Extensions, Federal and University Experiment Stations, Resource Conservation Districts (RCDs), and farmers and ranchers in partnership with one of the aforementioned entities are eligible to apply.
- A single lead organization/entity may not be the principal applicant for more than two projects. However, the lead applicant may be a collaborator on other applications.
- Projects must include an actual farm (privately or university/government owned) to fulfill demonstration requirements.
- More than one farm can be listed on a single application. However, those same farms cannot be listed on multiple applications.
- Applicants must demonstrate control of the land under APNs where project is proposed to ensure project implementation for three years' grant agreement term. If leasing land, applicants must have documented landowner approval to implement proposed practices(s) for the duration of the grant agreement term.

3.2 EXCLUSIONS

- HSP Demonstration Projects funds cannot be used to implement management practices that are not listed as an **eligible agricultural management practices** in this grant solicitation.
- Awards made through the HSP Demonstrations Projects cannot be used as matching funds for awards made through the HSP Incentives Program.
- Compost application may not be implemented on APNs consisting of soils with organic matter content greater than 12% by dry weight (20 cm depth).
- Fund projects that use potted plants or other plant growth media.

4. TIMELINE

The application period begins [day], July [date], 2017. The deadline to submit a grant application is [day], August [date], 2017 at 5:00 p.m. (PST). *No exceptions will be granted for late submissions.*

Invitation to Submit Grant Applications	July, 2017
CDFA Grant Application Workshops and Webinar	July – August, 2017
Project Review Period	August – November, 2017
Award Announcement	November, 2017
Project Implementation Begins	December, 2017

5. APPLICATION ASSISTANCE WORKSHOPS

CDFA will conduct three workshops and one webinar on the 2017 HSP grant application process. For the CDFA Grant Application Workshop schedule and locations, visit the HSP webpage: https://www.cdfa.ca.gov/oefi/healthysoils/.

6. PROJECT TYPES

CDFA will fund two types of Demonstration Projects to facilitate applicants from diverse groups for widespread adoption of eligible conservation management practices. Applicants must indicate which type of projects they are applying for on the application.

- Type A: Projects are required to implement the selected eligible management practice(s) and include field measurements of GHG emissions at the on-farm demonstration sites where management practices are implemented, in addition to conducting outreach and education to other farmers and ranchers. The maximum grant award for a Type A project is \$250,000.
- Type B: Projects are required to implement the selected eligible management practice(s) and conduct outreach to other farmers and ranchers at the on-farm demonstration sites. The maximum grant award for a Type B project is \$100,000.

7. ELIGIBLE MANAGEMENT PRACTICES

CDFA has identified eligible agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases and improve soil health for the 2017 Healthy Soils Program. Applicants must select at least one of the Soil Management Practices as a minimum requirement to be eligible for funding. The selected eligible agricultural management practice(s) must include the APN(s) of the field(s) where the management practices will be implemented. An applicant is allowed to include multiple practices in the same APN or the same practice in multiple APNs.

The following management practices were selected from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Conservation Practice Standards (CPS) and CDFA specified Compost Application:

Soil Management Practices (at least one must be selected)

• Cropland Management Practices

- o Mulching (USDA NRCS CPS 484)
- o Residue and Tillage Management No-Till (USDA NRCS CPS 329)
- o Residue and Tillage Management Reduced Till (USDA NRCS CPS 345)
- o Cover crops (USDA NRCS CPS 340)
- Compost Application Practices (CDFA)
 - o Compost Application to Annual Crops (CDFA)
 - o Compost Application to Perennials, Orchards and Vineyards (CDFA)
 - o Compost Application to Grassland (CDFA)

<u>Cropland to Herbaceous Cover Practices</u> (must be implemented in combination with at least one soil management practice(s))

- Herbaceous Wind Barrier (USDA NRCS CPS 603)
- Vegetative Barriers (601) (USDA NRCS CPS 601)
- Riparian Herbaceous Cover (USDA NRCS CPS 390)
- Contour Buffer Strips (USDA NRCS CPS 332)
- Field Border (USDA NRCS CPS 386)
- Filter Strip (USDA NRCS CPS 393)

<u>Establishment of Woody Cover Practices</u> (must be implemented in combination with at least one soil management practice(s)

- Woody Plantings Practices
 - o Windbreak/Shelterbelt Establishment (USDA NRCS CPS 380)
 - o Riparian Forest Buffer (USDA NRCS CPS 391)
 - o Hedgerow Planting (USDA NRCS CPS 422)
- Grazing Lands Practices
 - o Silvopasture (USDA NRCS CPS 381)

Reductions in GHG emissions from the use of these practices will be quantified using the quantification methodology (QM) and tools developed by the CARB and can be accessed at the CARB Quantification Materials webpage:

https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm.

There are two quantification tools:

- (i) QM and tool to estimate net annual GHG benefits from compost application (hereafter referred to as Compost-Planner), and,
- (ii) QM and tool to estimate net annual GHG benefits from all other management practices included below (hereafter referred to as COMET-Planner).

8. TECHNICAL SPECIFICATIONS FOR ESTIMATION OF GHG BENEFITS

• For the purpose of estimating the net GHG benefits due to a practice implementation, the expected life of the practice is as follows:

Eligible Agricultural Management Practice	Practice Lifespan
Soil Management Practices	3 Years
Cropland to Herbaceous Cover Practices	3 Years
Woody Cover Establishment Practices	10 Years

• Compost Application Rates Eligible for Funding:

Crop Type	Compost Type	<u>Dry</u> Tons/Acre
Annual Crops	Higher N (C:N \leq 11)	2.2 - 3.6
Aimuai Crops	Lower N (C:N > 11)	4.0 - 5.3
Tree /	Higher N (C:N \leq 11)	1.5 - 2.9
Perennial	Lower N (C:N > 11)	4.0 - 5.3
Rangeland	Lower N (C:N > 11)	4.0 - 5.3

NOTE: Compost application rates eligible for funding through this program were developed under the guidance of the Environmental Farming Act – Science Advisory Panel (EFA-SAP) and are published in a white paper report titled "Compost Application Rates for California Croplands and Rangelands for a CDFA Healthy Soils Incentives Program" (abbreviated as Compost Application White Paper) by CDFA.

9. PROGRAM REQUIREMENTS

9.1 PRACTICE IMPLEMENTATION REQUIREMENTS

- 1) Projects must include at least one of the eligible Soil Management Practices (applies to both Type A and B projects).
- 2) Projects must have a control treatment (e.g., a current management practice) as a comparison (applies to both Type A and B projects).
- 3) Projects must be conducted on the same field (i.e., the same location within the APN proposed in the project) during the project term (applies to both Type A and B projects).
- 4) Have minimum of three replicates (applies to Type A projects only).

9.2 DATA COLLECTION REQUIREMENTS

The following data collection requirements apply to HSP Demonstration Projects:

- 1) Record crop yields (applies to Type A projects only).
- 2) Conduct measurements on soil organic carbon or soil organic matter. Other data on soil health and co-benefits, such as air and water quality, are not required but encouraged (applies to both Type A and Type B projects).

3) Conduct measurements of field GHG emissions and carbon sequestration values (applies to type A projects only).

9.3 OUTREACH REQUIREMENTS

Outreach requirements apply to both Type A and Type B projects. A minimum of 100 farmers and ranchers per year for three years must attend the demonstration projects so the project awardees can showcase the project benefits and co-benefits and share information on the implemented management practice(s).

Demonstration project awardees will be required to provide a list of participants as part of the biannual and annual reporting to CDFA. Failure to meet outreach and education requirements may be considered grounds for termination of the CDFA HSP Demonstration Projects Grant Agreement. Projects that fail to meet outreach and education obligations will not be considered for future HSP Demonstration Project funding.

9.4 PROJECT TERM AND MATCHING FUNDS

The project duration is three years for all awarded projects. The HSP Demonstration Projects will provide funds for implementation of management practice(s) from December 1, 2017 to March 31, 2020. Applicants are required to implement management practice(s) during April 1, 2020 – November 30, 2020 with matching funds (see table below).

Applicants will be required to certify the project will continue to completion in order to receive any funds withheld for verification (See: <u>Project Verification</u>) by March 31, 2020. Applicants will be required to sign documents of matching funds for the period of April 1 – November 30, 2020 and be verified by providing invoices occurred in the period.

Table.	Timeline	for fund	ling evnendi	tures of awar	ded projects.
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	Begin	Begin	Conclude	Begin	Conclude	End grant
	grant	spending	spending	spending	spending	agreement
	agreement	CDFA	CDFA	required	required	term
	term	grant	grant	matching	matching	
		funds	funds	funds	funds	
December 1,	X	X				
2017						
March 31,			X			
2020						
April 1, 2020				X		
November					X	X
30, 2020						

9.5 ALLOWABLE AND UNALLOWABLE COSTS

9.5.1. Allowable Costs

Project costs must be itemized and clearly support installation of eligible management practices, including supplies, equipment, labor, and any other allowable cost necessary for project implementation. Project cost must be reasonable and consistent with cost paid for equivalent work on non-grant funded activities or for comparable work in the labor market. Examples of allowable costs include but are not limited to, cost of implementation of proposed agricultural management practices, cost of sample analysis for type A projects, cost of materials needed for outreach activities, e.g. printed handouts or brochures.

9.5.2. Unallowable costs

Unallowable costs, include, but are not limited to:

- Costs incurred outside of grant agreement term.
- Training costs to obtain professional certification and certification costs for project award recipients.
- Costs covered by another State or Federal grant program/match funds.
- Pre-development costs, including, but not limited to, project design and other activities that contributed to a project's readiness.
- General purpose equipment which is not required for research, scientific and technical activities (e.g., office equipment and furnishings).
- Expenditures for purchasing or leasing land or buildings.

9.6 BASELINE DATA

Applicants must submit baseline data at the time of application. Required baseline data include:

- 1. Cropping and management practice history for the past three calendar years (January 2014 – December 2016) in field(s) in all APN(s) included in the proposal (for both Type A and Type B projects).
- 2. Soil texture and organic carbon content measured in the past one yes accredited Soils Testing Laboratories recommended by CDFA, acce 2017-07-10 16:26:58 http://ccmg.ucanr.edu/files/51308.pdf for all APNs included in the p 2. Suggest adding "or soil organic Type A and Type B projects).
- 3. Other soil data such as water holding capacity, aggregate stability and density gical properties are encouraged and may be required for Type A projects, if applicable. Applicants must include the laboratory report as an attachment to the application.

matter". 3. Suggest adding soil bulk

9.7 GHG REDUCTION DATA

Reductions in GHG emissions from the applicant's selected eligible agricultural management practices must be estimated using the Quantification Methodology (QM) and calculator tools developed by the CARB (See: Eligible Agricultural Management Practices). The QMs and calculator tools used for this program can be accessed at the CARB Quantification Materials webpage. Once on the site, click on the appropriate QM (as indicated below) for instructions on how to use the GHG reduction calculation tool. The web link to the GHG reduction calculation tool will be provided in the QM.

There are two GHG reduction calculation tools:

- Compost-Planner QM and Tool
 This will be used to estimate GHG reduction from *compost application*.
- COMET-Planner QM and Tool
 This will be used to estimate GHG reduction from all other eligible agricultural management practices.

The COMET or Compost-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Soil Management Practices and must be included as an attachment in FAAST when any of these practices are selected. Since including a Soil Management Practice as a management practice is a requirement for all HSP Demonstration projects proposals, all applications must include this report.

The Comet-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Cropland to Herbaceous Cover Practices and Woody Cover Establishment Practices and must be included as an attachment in FAAST when any of these practices are selected.

If more than one management practice is proposed, GHG emission reduction from each of the management practices must be calculated and summed to provide the total GHG reductions; data from individual management practices must also be reported.

10. PROPOSAL APPLICATION PROCESS 10.1 HOW TO APPLY

CDFA has partnered with the State Water Resources Control Board (SWRCB) to host a web based application submission process. Applicants will utilize the SWRCB's Financial Assistance Application Submittal Tool (FAAST). FAAST can be accessed through the SWRCB website at http://faast.waterboards.ca.gov/. Applicants must create a user account in FAAST to submit a grant application.

FAAST is organized into several tabs and includes a question and answer format. The questionnaire tab in FAAST contains the grant application, which is a series of questions regarding the proposed project. Questions are answered in one or more of the four following formats: a drop down menu; a check box; a text box with predetermined character limitations; or

as a document attachment. Responses to all questions must be submitted in the manner and format required by the application questionnaire in FAAST without exception.

The SWRCB website contains a Frequently Asked Questions section and a User Manual for the FAAST system. Applicants that have additional questions about the FAAST System should contact FAAST customer service at (866) 434-1083, Monday through Friday, 8:00 am to 5:00 pm or via email, faast_admin@waterboards.ca.gov.

Prior to completing the application questionnaires in FAAST, applicants are encouraged to gather all required information using <u>Appendix B</u>: Grant Application Checklist and <u>Appendix C</u>: FAAST Grant Application Questions to facilitate effective and timely submission of the grant application.

Applicants are required to submit the following attachments:

- Baseline data (cropping and management histories in the past three years, soil texture and latest soil organic carbon/matter content).
- Soil texture and organic matter laboratory report.
- Estimation of GHG reduction via CARB COMET-Planner and/or Compost Planner.
- Project Proposal (See: Proposal Development).
- Budget Worksheet Template (<u>Appendix D</u>).
- Work Plan Template (<u>Appendix E</u>).
- Year 3 Cost Sharing Summary Template (Appendix F).

10.2 PROPOSAL DEVELOPMENT

The Project Proposal must include Sections A through I as described below. The Proposal must be submitted in PDF format, single spaced using one inch margins and 12 point Times New Roman font and Sections A through I must not exceed a total of 15 pages, not including CDFA provided templates, and, resumes and publication lists required under Section I. Full proposals that do not meet the formatting requirements or exceed 15 pages will not be accepted or considered for funding.

A. Cover Page

- i. <u>Project Title:</u> Provide a unique and concise name for the proposed project.
- ii. <u>Project Leader(s):</u> Specify each project leader's name, title, affiliation, mailing address, telephone number, and email address.
- iii. <u>Cooperator(s)</u>, <u>Collaborator(s)</u> and/or <u>Farmer Partner:</u> Specify each one's name, title, affiliation, mailing address, telephone number, and email address, their role in the project, and estimated time commitment.

iv. <u>Funding Request Amount:</u> Provide the dollar amount requested from CDFA and the amount committed from academic research or in-kind sources for each year of the project. Specify organizations that have committed funding to this project including funding amounts, contact names, addresses, and telephone numbers.

B. Summary

The summary should include the proposal title, a brief description of the need and why this demonstration project for soil health is important. Describe the outreach components and research to be conducted (if Type A projects), and explain how the project will distinctively or creatively address the objectives of this Request for Grant Applications. A clear and concise description of the proposal is important for the review process. The summary should minimize the use of technical terms and may be included with information shared publicly for projects funded through California Climate Investments (CCI).

C. Project Justification

The Project Justification section must include, at a minimum, the following:

- i. A short description on the mechanisms of proposed management practices in reducing GHG emissions, increasing carbon sequestration, improving soil health, and/or providing other environmental benefits.
- ii. Baseline data (cropping and management histories in the past three years, soil texture and latest soil organic carbon/matter content).
- iii. A description about geographic location and/or regional representation of the experimental site.
- iv. Rationale of crop(s) that will be used for the experiments.
- v. Agronomic, environmental or other impacts on a local, regional and statewide basis.
- vi. The possibility and scale for farmers and ranchers to adopt the demonstrated management practice(s).

D. Project Objectives

Provide a clear, concise and complete statement of the project objectives for both the demonstration and outreach components.

E. Project Implementation

The Project Implementation section must include the following:

Data collection component (Type A projects only):

i. An experimental design that is statistically sound (randomized and replicated) and includes a schematic representation of management practice implementation that fits in the production plan.

ii. A proposed approach, procedure or methodology that is clearly described and must be suitable and feasible to complete the project. Specifically, methods and scheme of monitoring of soil health parameters, economic analysis, and field GHG emissions measurements must be included.

Outreach component (Type A and B projects):

- i. A description of outreach activities that must include farmer or rancher Field Day activities. Other activities such as workshops, farmer and rancher meetings, social media communications, and publications are encouraged.
- ii. A proposed approach, procedure or methodology for outreach activities, for example, methods of notification, record of attendance, distribution and collection of surveys, etc. must be clearly described, suitable and feasible.

Work Plan component (Type A and B projects):

A completed Work Plan template (See: Appendix E) that must be uploaded as a separate attachment in FAAST. For Data Collection tasks (Type A projects only), organize the plan into workable tasks and sub-tasks which are designed to achieve the specific project objectives. Each task should be numerically identified with a descriptive title and include a detailed description of activities and methods. Describe interim and final tasks and completion dates or milestones. For Outreach Component tasks (Type A and B projects), the plan should include a timeline for completing activities, approximate dates, individuals/organizations invited, expected number of participants, etc.

F. Evaluation of Project Success

The Evaluation of Project Success section must include the following:

- i. Methods to assess the progress and success of the project, including soil organic matter content and/or other parameters on soil health, GHG emission reduction, and cost/benefit analysis of adoption of the management practice(s) as well as barriers to adoption, where applicable (Type A projects).
- ii. Definitions and means to analyze success of outreach activities beyond counting numbers of participants in outreach events. Applicants must provide indicators and methods to quantify potential impacts in short and mid-term (e.g., percent increase in farmer/rancher participation and/or percent adoption of the management practices (Type A and B projects).

G. Budget Justification

Provide a detailed narrative to justify the proposed budget. Assume a start date of January 2018 and explain in the respective budget category.

H. Budget Worksheet (Microsoft Excel workbook)

Download the Budget Worksheet Template from FAAST (<u>Appendix D</u>). Applicants are required to download and complete a Budget Worksheet by entering the amount of grant funds budgeted for each category and itemizing all costs included in the grant request for the proposed project. The Budget Worksheet must be attached in Microsoft Excel format and be consistent with the project design. Failure to submit the required Budget Worksheet or submission of an alternate template/file type may result in disqualification.

Budget Cost Categories

- Personnel expenses
 - o Salary: For each individual working on the project, list the name, percent time based on fulltime salary, and their role in the project in the salary section.
 - o Benefits: Percentage of benefits (fringe) to be paid may be listed in this section.
 - o Labor costs: For hourly contract worker payment.
- Supplies: Itemize the estimated cost of supplies by providing a description and quantity to be purchased. Supplies are items with an acquisition cost less than \$5,000 per unit that are used exclusively for the project (e.g., cover crop seeds or plantings).
- Equipment: Itemize the estimated cost for any equipment by providing a description and quantity to be purchased. Equipment is an article of nonexpendable, tangible personal property, which equals or exceeds \$5,000 per unit. This includes only *special purpose equipment* that is used for research, scientific, or other technical activities (e.g., spectrometers).
- Cost of field sampling and sample analysis: Itemize the estimated cost of allowable expenses for field GHG sampling, soil sampling, and sample analysis.
- Outreach expenses: Itemize the estimated cost for outreach events, providing details including but not limited to, event name (e.g., field day, workshop), number of events, and expected number of participants.

Matching Funds

- Matching funds are defined as a portion of project costs not borne by the HSP
 Demonstration Projects grant award and can include cash and/or in-kind contributions.

 In-kind contributions include costs associated with labor involved with the implementation of the project.
- ii. Applicants must complete and attach to FAAST the Year 3 Cost Sharing Summary template (Appendix F).
- iii. Provide written description of the source of matching funds and specify the funds to be contributed each year. Provide supporting documentation (e.g. commitment letter), if applicable.

I. Project Team and Matching Fund Documentation

Project Team and Matching Fund attachments may be submitted in Microsoft Word (doc/docx) or PDF format.

- i. For each Project Leader Include:
- A two-page resume.
- A list of recent publications (Type A projects only, if applicable).
- A description of current outreach activities; provide information on all current, planned, pending, and recent research and/or outreach projects, whether or not there is a specific time commitment and how it will impact the proposed project.
- ii. For each cooperator/collaborator include:
 - A letter describing the role in the project, estimated time commitment, and statement of agreement to participate in the project.
 - Copies of faxed letters are acceptable if attached to the proposal at submission time.

11. REVIEW AND EVALUATION PROCESS

11.1 REVIEW PROCESS

CDFA will conduct multiple levels of review during the grant application process:

- 1. The first level review is an administrative review to determine whether application requirements were met.
- 2. The second level review is a technical review by The HSP Technical Advisory Committee (TAC), comprised of a group of experts affiliated with the University of California, California State University systems, and, state and federal agencies. The technical reviewers will evaluate grant applications based on the overall expected success of the project, including sufficient data generated to demonstrate the expected benefits on GHG emissions reduction, carbon sequestration, soil health improvement and dissemination of the information to a wide audience.
- CDFA will select applications for funding based upon the score provided by the review committee. CDFA aims to fund projects that will result in increased knowledge in management practices and widespread adoption of these management practices by California farmers and ranchers.

11.2 EVALUATION CRITERIA

Proposals are evaluated based on the following criteria.

Criteria	Maximum Points
Project merit:	

Demonstration Component	20
Outreach Component	20
Project timeline and implementation plan	10
Project team qualifications	10
Project budget and justification	15
GHG reductions, multiple benefits and post-project impacts	25
Total	100

Additional Considerations

During the review process, the following additional considerations will be evaluated when selecting projects for an award of funds based on the number of additional criteria met:

- Soil management practices may vary with climatic regions, soil conditions, and crop
 production systems. Therefore, projects with greater regional and crop production
 representation may be given additional consideration in order to achieve widespread
 adoption of the management practices.
- Projects that provide benefits to Disadvantaged Communities¹ (DACs), targeted outreach
 to farmers located in DACs, and/or providing translation services for languages other
 than English.

12. ASSISTANCE AND QUESTIONS

CDFA cannot assist in the preparation of grant applications; however, general questions may be submitted to grants@cdfa.ca.gov. In order to ensure all potential applicants benefit from receiving all submitted questions and answers, CDFA will post Frequently Asked Questions (FAQ) on [release date] on the Healthy Soils Program webpage and an additional FAQ will be posted according to the following schedule:

Questions received by	Responses posted by
TBD	TBD
TBD	TBD

¹ SB 535 requires that a minimum of 25 percent of California Climate Investments is allocated to projects that provide benefits to disadvantaged communities, and of that 25 percent, a minimum of 10 percentage points is allocated to projects that are also located within disadvantaged communities. The California Environmental Protection Agency (CalEPA) identified disadvantaged communities using CalEnviroScreen, a tool developed by the Office of Environmental Health Hazard Assessment that assesses all census tracts in California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution.

In order to maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide applicants with any information regarding specific grant applications during the solicitation process.

13. NOTIFICATION AND FEEDBACK

All applicants will be notified regarding the status of their grant application. Applicants not selected for funding will receive feedback on their grant application within 60 days after receiving notification.

14. DISQUALIFICATIONS

The following will result in the disqualification of a grant application:

- Incomplete grant applications: applications with one or more unanswered questions necessary to administrative or technical review.
- Incomplete grant applications: applications with missing, blank, unreadable, corrupt, or otherwise unusable attachments.
- Applications for more than the maximum award amount.
- Applications with unallowable costs or activities necessary to complete the project objectives.

APPEAL RIGHTS: Any discretionary action taken by the Office of Grants Administration (OGA) may be appealed to CDFA's Office of Hearings and Appeals Office within ten (10) days of receiving a notice of disqualification from CDFA. The appeal must be in writing and signed by the responsible party named on the grant application or his/her authorized agent. It must state the grounds for the appeal and include any supporting documents and a copy of the OGA decision being challenged. The submissions must be sent to the California Department of Food and Agriculture Office of Hearings and Appeals, 1220 N Street, 4th Floor, Sacramento 95814 or emailed to CDFA.LegalOffice@cdfa.ca.gov. If submissions are not received within the time frame provided above, the appeal will be denied.

15. AWARD PROCESS

15. 1 GRANT AGREEMENT

CDFA will initiate the Grant Agreement process with applicants selected to receive a 2017 HSP Demonstration Projects grant award. Applicants with projects selected for award of funds will receive a Grant Agreement package with specific instructions regarding award requirements including information on project implementation, project reporting, verification, and payment process.

15.2 PROJECT IMPLEMENTATION

Once a Grant Agreement is executed, the grant recipient can begin implementation of the project. Recipients are responsible for the overall management of the awarded project to ensure all project activities are completed as identified in the Project Work Plan.

Implementation must begin on or after December 1, 2017, but no later than June 30, 2018.

Failure to implement the project later than June 30, 2018 may result in all or any portion of the grant funding withheld or termination of the Grant Agreement.

15.3 PROJECT REPORTING REQUIREMENTS

Recipients are required to submit mid-year and annual progress reports during the grant term and a final report in the third year. Financial records and project documentation may be required to ensure HSP funds are used in compliance with the Grant Agreement terms and conditions.

Recipients must submit progress and final reports during the project term:

- Mid-year progress report due every June should include:
 - o Status of project implementation (what has been completed) and any reportable data.
 - o Plan for next 6 months.
- Annual progress report due every December should include:
 - O Demonstration component: Soil carbon and crop yield (required for both Type A and Type B Projects); co-benefits, ecosystem service, and economic analysis (optional); and annual GHG emissions (Type A Projects only).
 - o Outreach component activities and impacts.
 - o Demonstration and outreach plan for next year.
- Final report due December 2020 should include:
 - O Demonstration component: Soil carbon and crop yield (required for both Type A and Type B projects); co-benefits, ecosystem service, and economic analysis (optional); and annual GHG emissions (Type A Projects only).
 - Outreach component activities and impacts.

15.4 POST-PROJECT COMPLETION REQUIREMENTS

Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain the proposed eligible agricultural management practice(s) for several additional years after project completion. Additionally, applicants are required to maintain documentation related to the HSP funded project, including records documenting maintenance of the agricultural management practice(s) and any soil testing reports for the project APNs, to report actual benefits achieved for a period of three years.

Failure to work with CDFA to provide the necessary project-related documentation will be considered non-performance. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding.

Project Outcome Data Collection

CDFA will contact a subset of awarded projects to collect data including, but not limited to, management practice implementation and GHG reduction estimates, for three years after project completion, consistent with <u>CARB Funding Guidelines for Administering Agencies (Final Supplement – December 2016)</u>.

16. PAYMENT PROCESS

CDFA will provide the grant recipient with the necessary grant award and invoicing documents. Grant recipients may be eligible to receive an advance payment up to 25 percent of the total grant award for a project. The remaining funds will be allocated on a reimbursement basis through quarterly or monthly invoicing.

CDFA will withhold 10 percent from the total grant award until the verification requirement is complete to ensure grant recipients complete their project as approved by CDFA. . Invoicing and closeout of all project expenditures must be completed no later than March 31, 2020.

Applicants will be required to certify the project will continue to completion as part of the verification process and to receive funds withheld (See: <u>Project Verification</u>).

17. PROJECT VERIFICATION

The purpose of project verification is to determine whether and when deliverables are being met and evaluate project progress to ensure management practice(s) are completed within the grant term. Recipients may be required to submit financial records and project related documentation (such as receipts for payment of services/goods) to ensure HSP Demonstration Projects funds are used in compliance with the Grant Agreement terms and conditions. The verification must be completed by March 31, 2020. Applicants will be required to certify that the project will continue through the end of the Year 3 project completion date of November 30, 2020 using the matching funds obtained for this purpose.

Appendix A: CARB Quantification Methodology and Tools

Accessible at: https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm

Appendix B: Application Check List

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix C: FAAST Grant Application Questions

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix D: Work Plan template

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix E: Budget Worksheet

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix F: Year 3 Cost Sharing Summary template

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

The Healthy Soils Program Incentives Program

The Healthy Soils Program is funded by the California Climate Investments Program.



Request for Grant Applications

Draft Released for Public Comment: June 28, 2017

Comments Due: By 5:00 p.m. PST on July 12, 2017



Email comments to: cdfa.oefi@cdfa.ca.gov

Blarimor

2017-07-12 18:14:09

We recommend that compost be purchased from a California compost facility permitted or otherwise authorized by CalRecycle. That will ensure that compost meets public health and safety standards.

Preference is given to compost



California Department of Food and Agriculture 1220 N Street, Room 120 Sacramento, CA 95814 (916) 657-3231 grants@cdfa.ca.gov

CONTENTS

1. BACKGROUND AND PURPOSE4
2. FUNDING AND DURATION
3.1 ELIGIBILITY5
3.2 EXCLUSIONS
4. TIMELINE
5. WORKSHOPS AND TECHNICAL ASSISTANCE.66. ELIGIBLE AGRICULTURAL MANAGEMENT PRACTICES.67. TECHNICAL SPECIFICATIONS FOR ESTIMATION OF GHG BENEFITS.88. PROGRAM REQUIREMENTS.9
8.1 APPLICANT ID9
8.2 PROJECT TERM AND MATCHING FUNDS
8.3 BASELINE DATA
8.4 ESTIMATION OF GHG REDUCTION
9. PROGRAM AGREEMENT
9.1 CERTIFICATION OF PROJECT COMPLETION
9.2 PROJECT VERIFICATION AND REPORTING
9.2 POST-PROJECT REPORTING
10. GRANT APPLICATION PROCESS
10.1 HOW TO APPLY
10.2 PROJECT PROPOSAL 12
10.3 ESTIMATED GHG REDUCTIONS
10.4 BUDGET WORKSHEET
10.5 CONSERVATION PLAN
10.6 DISADVANTAGED COMMUNITIES
11. REVIEW AND EVALUATION PROCESS
11.1 REVIEW PROCESS
11.2 EVALUATION CRITERIA
11.3 ADDITIONAL CONSIDERATIONS
12. ASSISTANCE AND QUESTIONS1713. NOTIFICATION AND FEEDBACK1714. DISQUALIFICATIONS1715. AWARD PROCESS18
15.1 GRANT AGREEMENT

15.2 PROJECT IMPLEMENTATION	18
16. PAYMENT PROCESS	18
16.1 PROJECT VERIFICATION	18
16.2 POST-PROJECT COMPLETION REQUIREMENTS	19
Appendix A: CARB Quantification Methodology and Tools	19
Appendix B: Application Check List	19
Appendix C: FAAST Grant Application Questions	
Appendix D: Work Plan Template	19
Appendix E: Budget Worksheet	
Appendix F: Management Practice Payment Rates	
Appendix G: Year 3 Cost Sharing Summary Template	

1. BACKGROUND AND PURPOSE

The California Department of Agriculture (CDFA) is pleased to announce, in coordination with the California Air Resources Board (CARB), a competitive grant process for the 2017 Healthy Soils Program (HSP) Incentives Program.

The 2017 HSP Incentives Program is funded by the Greenhouse Gas Reduction Fund and stems from the <u>California Healthy Soils Initiative</u> which promotes the development of healthy soils on California's farmlands and ranchlands.

The objectives of the HSP are to build soil organic carbon and reduce atmospheric greenhouse gases (GHGs) by (1) providing financial incentives to California growers and ranchers for agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases and improve soil health, (2) funding on-farm demonstration projects that showcase conservation management practices that mitigate GHG emissions and increase soil health, and (3) creating a platform promoting widespread adoption of conservation management practices throughout the state. All projects that receive GGRF monies are required by statute (Government Code Section 16428.9) to achieve GHG emission reductions and further the purposes of the Global Warming Solutions Act of 2006 (AB 32).

The HSP Incentives Program addresses Objective 1. Objectives 2 and 3 are addressed in the 2017 HSP Demonstration Projects. Request for Applications for the HSP Incentives Program and HSP Demonstration Projects are available on the HSP webpage: https://www.cdfa.ca.gov/oefi/healthysoils/.

2. FUNDING AND DURATION

The HSP Incentives Program will provide up to \$3.75 million in financial incentives to California growers and ranchers for implementation of agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases, and improve soil health.

- The maximum grant award is \$50,000.
- The grant agreement term is from December 1, 2017 to November 30, 2020 (three years).
 - CDFA grant funds cannot be expended before December 1, 2017 or after March 31, 2020.
 - o Grant recipients must expend matching funds from April 1, 2020 November 30, 2020

Please see <u>Table</u>: <u>Timeline for funding expenditures of awarded projects</u>, which clarifies grant agreement term, and spending duration for CDFA grant funding and matching funds.

- CDFA reserves the right to offer an award different than the amount requested.
- The HSP funds may be combined with other funds as matching funds for the same project, such as funds from the United States Department of Agriculture (USDA), Natural Resource Conservation Service (NRCS) Environmental Quality Incentive Program (EQIP).

3. ELIGIBILITY AND EXCLUSIONS

3.1 ELIGIBILITY

- California farmers and ranchers are eligible to apply.
- Projects must be located on a California agricultural operation. For the purpose of this program, an agricultural operation is defined as row, vineyard, field and tree crops, commercial nurseries, nursery stock production and livestock and livestock product operations.
- Awards are limited to one per agricultural operation using a unique tax identification number per round of funding.
- Projects must result in net GHG benefits from specific eligible agricultural management practices identified in this solicitation for the grant agreement term.
- Applicants must provide supporting documentation directly related to actual, on-farm GHG emissions and soil quality to be eligible for funding (See: <u>Baseline Data</u>).
- Applicants must demonstrate control of the land under APNs where project is proposed to ensure project implementation for the three year grant agreement term. If leasing land, applicants must have documented landowner approval to implement proposed practices(s) for the duration of the grant agreement term.

3.2 EXCLUSIONS

The HSP Incentives program funds cannot be used to:

- Fund ongoing eligible agricultural management practices unless one of two conditions is satisfied:
 - o The continuing management practice(s) is/are expanded to new field(s) identified by the Assessor's Parcel Number (APNs); or
 - The continuing management practice(s) is/are implemented with an additional quantifiable conservation management practice. This requirement is needed to ensure alignment with the CCI program which is required to reduce GHGs relative to a baseline or business as usual scenario.
- Compost application may not be implemented on APNs consisting of soils with organic matter content greater than 12% by dry weight (20 cm depth).
- Implement management practices that are not listed as an eligible agricultural management practice in this grant solicitation.
- Fund projects that use potted plants or other plant growth media.

4. TIMELINE

The application period begins [day], July [date], 2017. The deadline to subtelligible under 3.1, but seem to be is [day], August [date], 2017 at 5:00 p.m. (PST). No exceptions will be gra excluded under this section (3.2) as submissions.

Blarimor 2017-07-12 18:17:20

Commercial nurseries are listed as funds cannot be used to fund projects that use potted plants or other plant growth media. Suggest this be clarified.

CDFA will conduct three workshops and one webinar on the 2017 Healthy Soils Program grant application process. For the CDFA Grant Application Workshop schedule and locations, visit the HSP webpage: https://www.cdfa.ca.gov/oefi/healthysoils/.

Invitation to Submit Grant Applications	July, 2017
CDFA Grant Application Workshops and Webinar	July – August, 2017
Project Review Period	August – November, 2017
Award Announcement	November, 2017
Project Implementation Begins	December, 2017

5. WORKSHOPS AND TECHNICAL ASSISTANCE

CDFA will offer three workshops and one webinar on the 2017 Healthy Soils Program grant application process.

In addition, in partnership with the Strategic Growth Council, Technical Assistance Workshops (hosted by a non-CDFA entity, such as not-for-profit organization and/or academic experts) will be offered on the technical aspects of the application process, including the GHG calculation requirements. CDFA strongly encourages applicants to obtain technical assistance when developing a grant application.

CDFA will post the time and locations for grant application and technical application workshops to the HSP webpage: https://www.cdfa.ca.gov/oefi/healthysoils/.

6. ELIGIBLE AGRICULTURAL MANAGEMENT PRACTICES

CDFA has identified eligible agricultural management practices that sequester carbon, reduce atmospheric greenhouse gases and improve soil health for the 2017 Healthy Soils Program. Applicants must select at least one of the Soil Management Practices as a minimum requirement to be eligible for funding. The selected eligible agricultural management practice(s) must include the APN(s) of the field(s) where the management practices will be implemented. An applicant is allowed to include multiple practices in the same APN or the same practice in multiple APNs.

The following management practices were selected from the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) Conservation Practice Standards (CPS) and CDFA specified Compost Application:

Soil Management Practices (at least one must be selected)

- Cropland Management Practices
 - o Mulching (USDA NRCS CPS 484)
 - o Residue and Tillage Management No-Till (USDA NRCS CPS 329)

- o Residue and Tillage Management Reduced Till (USDA NRCS CPS 345)
- o Cover crops (USDA NRCS CPS 340)
- Compost Application Practices
 - o Compost Application to Annual Crops (CDFA)
 - o Compost Application to Perennials, Orchards and Vineyards (CDFA)
 - o Compost Application to Grassland (CDFA)

<u>Cropland to Herbaceous Cover Practices</u> (must be implemented in combination with at least one soil management practice(s))

- Herbaceous Wind Barrier (USDA NRCS CPS 603)
- Vegetative Barriers (601) (USDA NRCS CPS 601)
- Riparian Herbaceous Cover (USDA NRCS CPS 390)
- Contour Buffer Strips (USDA NRCS CPS 332)
- Field Border (USDA NRCS CPS 386)
- Filter Strip (USDA NRCS CPS 393)

<u>Establishment of Woody Cover Practices</u> (must be implemented in combination with at least one soil management practice(s)

- Woody Plantings Practices
 - o Windbreak/Shelterbelt Establishment (USDA NRCS CPS 380)
 - o Riparian Forest Buffer (USDA NRCS CPS 391)
 - o Hedgerow Planting (USDA NRCS CPS 422)
- Grazing Lands Practices
 - o Silvopasture (USDA NRCS CPS 381)

Reductions in GHG emissions from the use of these practices will be quantified using the quantification methodologies (QM) and tools developed by the CARB and can be accessed at the CARB Quantification Materials webpage:

https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm.

There are two quantification tools:

- (i) QM and tool to estimate net annual GHG benefits from compost application (hereafter referred to as Compost-Planner), and,
- (ii) QM and tool to estimate net annual GHG benefits from all other management practices included below (hereafter referred to as COMET-Planner).

Management practices cannot be accounted as creating GHG benefits if they have been previously implemented in the past year on APNs included in project. However, management practices can be implemented on the previous APNs if additional APNs can be brought into the management practice. This requirement is needed to ensure alignment with the CCI program where reduction of GHGs relative to a baseline level is required.

7. TECHNICAL SPECIFICATIONS FOR ESTIMATION OF GHG BENEFITS

• For the purpose of estimating the net GHG benefits due to a practice implementation, the expected life of the practice is as follows:

Eligible Agricultural Management Practice	Practice Lifespan		
Soil Management Practices	3 Years		
Cropland to Herbaceous Cover Practices	3 Years		
Woody Cover Establishment Practices	10 Years		

• Compost Application Rates Eligible for Funding:

Crop Type	Compost Type	Dry Tons/Acre	
Annual Crops	Higher N (C:N \leq 11)	2.2 - 3.6	
Aimuai Crops	Lower N ($C:N > 11$)	4.0 - 5.3	
Tree /	Higher N (C:N \leq 11)	1.5 - 2.9	
Perennial	Lower N (C:N > 11)	4.0 - 5.3	
Rangeland	Lower N (C:N > 11)	4.0 – 5.3	

NOTE: Compost application rates eligible for funding through this program were developed under the guidance of the Environmental Farming Act – Science Advisory Panel (EFA-SAP) and are published in a white paper report titled "Compost Application Rates for California Croplands and Rangelands for a CDFA Healthy Soils Incentives Program" (abbreviated as Compost Application White Paper) by CDFA.

• Feet-to-acre conversion for Agricultural Management Practices.

Several practices supported by the HSP Incentives Program are implemented by length (in feet). However, applicants must enter the total acres of practice implementation in COMET-Planner and Compost-Planner tools to estimate GHG reductions achieved from their project. A methodology to convert feet of practice implementation to acres is provided below. For the practices listed in the table, applicants must enter total length of implementation (feet) in the Budget Worksheet template, and acres of implementation in COMET-Planner.

Category	Practice name and CPS code	Minimum width at which practice must be	Total Length of implementatio n (feet)	Acres of Implementation
----------	-------------------------------	---	---	-------------------------

		implemented (feet)		
Cropland to Herbaceous	Herbaceous Wind Barriers (CPS 603)	2	L	(2xL)/43,560
Cover	Vegetative Barriers (CPS 601)	3	L	(3xL)/43,560
Establishment of Woody Cover	Windbreak /Shelterbelt Establishment (CPS380)	8	L	(8xL)/43,560
	Hedgerow Planting	8	L	(8xL)/43,560

8. PROGRAM REQUIREMENTS

8.1 APPLICANT ID

An agricultural operation can only submit one grant application using a unique tax identification number. If an agricultural operation does not have a unique tax identification number, that operation should only use the *last four digits* of their social security number (e.g., 000-00-1234) as their unique business identification number in their grant application.

An agricultural operation must use the operation's legal business name and associated tax identification number in their application. The business name provided in the application is the entity to which CDFA will extend a Grant Agreement if the project is selected for an award. (See Award Process.)

- Applicants must have control of the agricultural operation for duration of the project (three years).
- If leasing land, applicants must have documented landowner approval to implement proposed management practice(s) for the duration of the grant.

8.2 PROJECT TERM AND MATCHING FUNDS

The project duration is three years (December 1, 2017 to November 30, 2020) for all awarded projects. The program will provide funds for implementation of management practice(s) from December 1, 2017 to March 31, 2020. Applicants are required to implement management practice(s) during April 1, 2020 – November 30, 2020 with matching funds.

Applicants will be required to certify the project will continue to completion as part of the verification process and to receive funds withheld (See: <u>Project Verification</u>) by March 31, 2020. Applicants will be required to sign documents of matching funds for the period of April 1 – November 30, 2020 and be verified by providing invoices occurred in the period (see Table below).

Table: Timeline for funding expenditures of awarded projects.

	Begin	Begin	Conclude	Begin	Conclude	End grant
	grant	spending	spending	spending	spending	agreement
	agreement	CDFA	CDFA	required	required	term
	term	grant	grant	matching	matching	
		funds	funds	funds	funds	
December 1,	X	X				
2017						
March 31,			X			
2017						
April 1, 2017				X		
November					X	X
30, 2020						

8.3 BASELINE DATA

Applicants must submit baseline data at the time of application. Required baseline data include:

Cropping and management practice history for the past three calend Blarimor 2014 – December 2016) in field(s) in all APN(s) included in the pro 2017-07-12 18:22:45

organic matter (SOM). I realize SOC to

Soil texture and organic carbon content measured in the past one ye This section requires measurement of accredited Soils Testing Laboratories recommended by CDFA, accessil organic carbon (SOC), while http://ccmg.ucanr.edu/files/51308.pdf for all APNs included in the section 9.2 requires reporting of soil data such as water holding capacity, aggregate stability and biologics on be used, encouraged but not required. Applicants must include the laboratory but is the use of different terms attachment to the application.

8.4 ESTIMATION OF GHG REDUCTION

Applicants are required to use the quantification methodologies developed by the California Air Resources Board (CARB) for GHG calculations listed at the CARB Cap-and-Trade Auction Proceeds Quantification Materials webpage:

https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm (i.e. COMET-Planner and/or Compost-Planner). Detailed information on GHG reduction estimation is provided by CARB and accessible at the link provided in Appendix A.

Applicants must include these GHG calculations as attachment to the application.

9. PROGRAM AGREEMENT

If selected for an award, execution of the Grant Agreement is conditional upon applicants agreeing to the following program requirements:



intended? May need to clarify that

9.1 CERTIFICATION OF PROJECT COMPLETION

Applicants will be required to certify that the project will continue through the end of the Year 3, until project completion date of November 30, 2020 using the matching funds obtained for this purpose (See: <u>Payment Process</u>).

9.2 PROJECT VERIFICATION AND REPORTING

The requirements will be within the three -year project term.

- Verification: Applicants will be subjected to verification that the management practices were implemented consistent with the USDA-NRCS Conservation Practice Standards (CPS) by CDFA or a third-party contracted entity who will conduct field evaluations by APN to verify program compliance during the grant agreement term.
- 2) Reporting: Data of soil organic matter is required to be reported to CDFA for each year of the three year project management practice implementation period. Other soil health data (water holding capacity, biological properties) are recommended but not required.

The State of California has the right to review project documents and conduct audits during project implementation and over the incentive period.

9.2 POST-PROJECT REPORTING

CDFA will contact a subset of awarded projects to collect data including, but not limited to management practice implementation and GHG reduction estimates, for 3 years after project completion, consistent with <u>CARB Funding Guidelines for Administering Agencies (Final Supplement – December 2016)</u>.

10. RANT APPLICATION PROCESS

10.1 HOW TO APPLY

CDFA has partnered with the State Water Resources Control Board (SWRCB) to host a web based application submission process. Applicants will utilize the SWRCB's Financial Assistance Application Submittal Tool (FAAST). FAAST can be accessed through the SWRCB website at http://faast.waterboards.ca.gov/. Applicants must create a user account in FAAST to submit a grant application.

FAAST is organized into several tabs and includes a question and answer format. The questionnaire tab in FAAST contains the grant application, which is a series of questions regarding the proposed project. Questions are answered in one or more of the four following formats: a drop down menu; a check box; a text box with predetermined character limitations; or

as a document attachment. Responses to all questions must be submitted in the manner and format required by the application questionnaire in FAAST without exception.

The SWRCB website contains a Frequently Asked Questions section and a User Manual for the FAAST system. After reading the information available on the website, applicants that have additional questions about the FAAST System should contact FAAST customer service at (866) 434-1083, Monday through Friday, 8:00 am to 5:00 pm or via email, faast_admin@waterboards.ca.gov.

Prior to completing the application questionnaires in FAAST, applicants are encouraged to gather all required information using <u>Appendix B</u>: Grant Application Checklist and <u>Appendix C</u>: FAAST Grant Application Questions to facilitate effective and timely submission of the grant application.

All applicants are required to submit the following attachments in the FAAST. Additional attachments may be required depending on the individual project proposal (See <u>Project Proposal</u>).

- 1. Laboratory report of soil texture and organic carbon content for each APN.
- 2. GHG reduction estimation report using CARB COMET-Planner and/or Compost Planner.
- 3. Schematics of the project design.
- 4. Work Plan Template (Appendix D).
- 5. Budget/Cost Summary Template (Appendix E).
- 6. Matching Funds Required: Year 3 Cost Sharing Summary Template (Appendix G).

10.2 PROJECT PROPOSAL

Applicants are required to submit a project proposal, in addition to providing answers to the questions within FAAST (see <u>Appendix C</u>: FAAST Grant Application Questions). The project proposal is limited to six pages using a font no smaller than 12-point Times New Roman and 1-inch margins. A complete proposal should include section A through C as described below.

10.2.1. Project Narrative

Within the Project Narrative text box in FAAST, clearly address the following:

- 1. Explain why the proposed project is important to the agricultural operation.
- 2. What critical needs will the proposed project address in the short and long-terms?
- 3. Identify any limitations in the current production system for the identified APNs and how the proposed project will address them.
- 4. Articulate how the proposed project will sequester carbon, reduce atmospheric greenhouse gases and improve soil health.

5. Provide a qualitative description of the environmental co-benefits of the proposed project such as water and air quality improvements and ecosystem protections. Examples of co-benefits include reduction of on-farm fuel use and GHG emissions due to changes from conventional to no-till/reduced tillage and reduced sediment as a result of establishing a riparian buffer.

10.2.2. Project Implementation Plan

The Project Implementation Plan includes the Project Design and the Project Work Plan.

Within the Project Design text box in FAAST, clearly address the following:

- 1. Purpose of the design.
- 2. How the design will reduce environmental impacts.

Project implementation plan should include project design and a yearly project work plan for a total of three years. A schematic of the Project Design should be drawn up and included as an attachment in FAAST. The Schematic attachment should consist of a detailed map of the field operations that identifies the following:

- 1. Each APN included in the proposed project.
- 2. The acreage for each eligible agricultural practice being implemented.
- 3. The location of all major activities that will be completed.

The Work Plan Template (See: <u>Appendix D</u>) provided in FAAST should be completed and included as an attachment in FAAST. The Work Plan attachment should include the following:

- 1. Identification of the field(s) by APN(s) and the eligible management practices that will be implemented on each.
- 2. A breakdown of activities to be completed for each year of the project(s).

10.2.3. Project Evaluation and Adoption Plan

The Project Evaluation and Adoption Plan require applicants to evaluate and consider how to ensure project success during and beyond the project term.

Within the Project Evaluation and Adoption text box in FAAST, clearly address the following:

- 1. How current resources (e.g., water use) will be utilized or adapted to ensure the three-year implementation of the project and maintenance for the life of practice (up to 10 years).
- 2. The plan for the project evaluation (i.e., how to assess/measure possible changes/impacts after project implementation).

 The plan for adoption and continuation of the eligible agricultural management practices implemented in the proposed project based on the project's success or lessons learned.

10.3 ESTIMATED GHG REDUCTIONS

Reductions in GHG emissions from the applicant's selected eligible agricultural management practices must be estimated using quantification methodologies (QM) and calculator tools developed by the ARB. The QMs and calculator tools used for this program can be accessed at the <u>ARB Quantification Materials webpage</u>. Once on the site, click on the appropriate QM (as indicated below) for instructions on how to use the GHG reduction calculation tool. The web link to the GHG reduction calculation tool will be provided in the QM.

There are two GHG reduction calculation tools:

- Compost-Planner QM and Tool
 This will be used to estimate GHG reduction from *compost application*.
- COMET-Planner 2.0 QM and Tool
 This will be used to estimate GHG reduction from all other eligible agricultural management practices.

The Compost-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Soil Management Practices and must be included as an attachment in FAAST when any of these practices are selected. Since including a Soil Management Practice as a management practice is a requirement for all HSP Incentive Program project proposals, all applications must include this report.

The Comet-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Cropland to Herbaceous Cover Practices and Woody Cover Establishment Practices and must be included as an attachment in FAAST when any of these practices are selected.

10.4 BUDGET WORKSHEET (Microsoft Excel workbook)

Applicants are required to download and complete a Budget Worksheet (<u>Appendix E</u>) from the <u>CDFA HSP webpage</u>. The Budget Worksheet attachment should include the following:

- The acreage or linear feet (depending on management practices selected).
- The sum of the cost for each proposed management practice in the application.

A standard payment rate per unit acre or foot for each of the listed management practices is provided as <u>Appendix F</u> and incorporated in the Budget Worksheet.

The Budget Worksheet template must be attached in Microsoft Excel format and be consistent with the project design. Failure to submit the required Budget Worksheet or submission of an alternate template/file type will result in disqualification.

Matching funds are defined as a portion of project costs not borne by the HSP Incentives Program grant award and can include cash and/or in-kind contributions. In-kind contributions include costs associated with labor involved with the implementation of the project.

Grant recipients must obtain matching funds for Year 3 of the projects and use these funds for all project expenses between April 1, 2020 and November 30, 2020.

Projects are encouraged to include matching funds in Year 1 and 2 of the project term. Funding to be contributed each year must be specified.

Applicants must complete the Year 3 Cost Sharing Summary template (Appendix G) and upload to FAAST.

10.5 CONSERVATION PLAN

Providing a Conservation Plan is optional, however, applications that include a qualified conservation plan with the application will receive additional points during review (See: Evaluation Criteria).

A conservation plan is a broad environmental/ecological impacts and solutions plan for the whole farm and is prepared by an NRCS specialist, an NRCS-trained individual or entity, or a professional agronomist. A Conservation Plan, should include, at a minimum:

- An aerial photo or diagram of project fields.
- A list of current management decisions.
- The location of and schedule for applying new conservation practices.
- A soil map and soil descriptions.
- Information explaining how to carry out specific management decisions.
- A plan for operation and maintenance of the management practice(s).

10.6 DISADVANTAGED COMMUNITIES

Providing benefits to disadvantaged communities (DACs) is optional, however, applications that include this consideration are eligible to receive-during review (See: Evaluation Kpogue Consistent with CARB Funding Guidelines for Administering Agencies (F) 2017-07-12 18:06:22 <u>December 2016</u>), priority will be given to those projects that maximize ber communities¹, (DACs) using the following criteria. These criteria are addre questions described in Appendix C: FAAST Grant Application Questions.

Seems like something is missing here. A confusing sentence. I believe this is intended to say that additional points documents verifying that the projects meet the criteria below to receive add will be received, but not sure.

¹ SB 535 requires that a minimum of 25 percent of California Climate Investments is allocated to projects that provide disadvantaged communities, and of that 25 percent, a minimum of 10 percentage points is allocated to projects that are also located within disadvantaged communities. The California Environmental Protection Agency (CalEPA) identified disadvantaged communities using CalEnviroScreen, a tool developed by the Office of Environmental Health Hazard Assessment that assesses all census tracts in California to identify the areas disproportionately burdened by and vulnerable to multiple sources of pollution

11. REVIEW AND EVALUATION PROCESS

11.1 REVIEW PROCESS

CDFA will conduct multiple levels of review during the grant application process:

- 1. The first level review is an administrative review to determine whether application requirements were met. All required documentation must be submitted to avoid disqualification.
- 2. The second level review is a technical review by a committee made up of academic researchers, extension specialists, and farm advisors affiliated with the University of California and California State University systems, and state and federal agency experts. The technical reviewers will evaluate grant applications based on the overall expected success of the project, including the potential for the project to reduce GHG emissions, sequester carbon, improve soil health and provide other co-benefits (e.g., air and water quality improvement).
- 3. CDFA will select applications for funding depending on the scores provided by the review committee based on Evaluation Criteria outlined in section 11.2.

11.2 EVALUATION CRITERIA

Proposals are evaluated based on the following criteria.

Criteria	Score
Project feasibility and implementation plan	30
Project evaluation and adoption	10
GHG emission reductions and soil health	20
Environmental co-benefits	10
DAC criteria	10
Certified conservation plan	10
Additional considerations (Please see Section 11.3)	10
Total	100

11.3 ADDITIONAL CONSIDERATIONS

During the review process, the following additional considerations will be evaluated when selecting projects for an award of funds based on the number of additional criteria met:

- Implementing multiple eligible new management practices or expanding existing eligible practices to new APNs.
- Providing the additional soil health baseline data (e.g., water holding capacity, biological properties) and a plan for future assessments on soil health.
- County and geographic location (in order to maximize distribution of funds across counties and the State).

12. ASSISTANCE AND QUESTIONS

CDFA cannot assist in the preparation of grant applications; however, general questions may be submitted to grants@cdfa.ca.gov. In order to ensure all potential applicants benefit from receiving all submitted questions and answers, CDFA will post Frequently Asked Questions (FAQ) on [release date] on the Healthy Soils Program webpage and an additional FAQ will be posted according to the following schedule:

Questions received by	Responses posted by
TBD	TBD
TBD	TBD

In order to maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide applicants with any information regarding specific grant applications during the solicitation process.

13. NOTIFICATION AND FEEDBACK

All applicants will be notified regarding the status of their grant application. Applicants not selected for funding will receive feedback on their grant application within 60 days after receiving notification.

14. DISQUALIFICATIONS

The following will result in the disqualification of a grant application:

- Incomplete grant applications: applications with one or more unanswered questions necessary for administrative or technical review.
- Incomplete grant applications: applications with missing, blank, unreadable, corrupt, or otherwise unusable attachments.
- Applications for more than the maximum award amount.
- Applications with unallowable costs or activities not necessary to complete the project objectives. Blarimor

APPEAL RIGHTS: Any discretionary action taken by the Office of Grants (OGA) may be appealed to CDFA's Office of Hearings and Appeals withir unallowable costs. receiving a notice of disqualification from CDFA. The appeal must be in writing and signed by the responsible party named on the grant application or his/her authorized agent. It must state the grounds for the appeal and include any supporting documents and a copy of the OGA decision being challenged. The submissions must be sent to the California Department of Food and

Recommend identifying allowable and

2017-07-07 18:13:07

Agriculture Office of Hearings and Appeals, 1220 N Street, 4th Floor, Sacramento 95814 or emailed to CDFA.LegalOffice@cdfa.ca.gov. If submissions are not received within the time frame provided above, the appeal will be denied.

15. AWARD PROCESS

15.1 GRANT AGREEMENT

CDFA will initiate the Grant Agreement process with applicants selected to receive a 2017 HSP Incentives Program grant award. Applicants with projects selected for award of funds will receive a Grant Agreement package with specific instructions regarding award requirements including information on project implementation, verification, and payment process.

15.2 PROJECT IMPLEMENTATION

Once a Grant Agreement is executed, the grant recipient can begin implementation of the project. Recipients are responsible for the overall management of the awarded project to ensure all project activities are completed as identified in the Project Work Plan.

Implementation must begin on or after December 1, 2017, but no later than June 30, 2018.

Failure to implement the project later than June 30, 2018 may result in all or any portion of the grant funding withheld or termination of the Grant Agreement.

16. AYMENT PROCESS

CDFA will provide the grant recipient with the necessary grant award and invoicing documents. Grant recipients may be eligible to receive an advance payment up to 25 percent of the total grant award for a project. The remaining funds will be allocated on a reimbursement basis through quarterly or monthly invoicing.

CDFA will withhold 10 percent from the total grant award until the verification requirement is complete to ensure grant recipients complete their project as approved by CDFA. Invoicing and closeout of all project expenditures must be completed no later than March 31, 2020.

Applicants will be required to certify that the project will continue to completion as part of the verification process and to receive funds withheld (See: <u>Project Verification</u>).

16.1 PROJECT VERIFICATION

The purpose of project verification is to determine whether and when deliverables are being met and evaluate project progress to ensure management practice(s) are completed within the grant term. Recipients may be required to submit financial records and project related documentation (such as receipts for payment of services/goods) to ensure HSP Incentives Program funds are used in compliance with the Grant Agreement terms and conditions. The verification must be completed by March 31, 2020.

16.2 POST-PROJECT COMPLETION REQUIREMENTS

Execution of the Grant Agreement is conditional upon agreement to post-project completion requirements. Recipients are expected to maintain the proposed eligible agricultural management practice(s) for several additional years after project completion. Additionally, applicants are required to maintain documentation related to the HSP funded project, including records documenting maintenance of the agricultural management practice(s) and any soil testing reports for the project APNs, to report actual benefits achieved for a period of three years. Failure to work with CDFA to provide the necessary project-related documentation will be considered non-performance. In the event of non-performance, CDFA may take any action deemed necessary to recover all or any portion of the grant funding.

Appendix A: CARB Quantification Methodology and Tools

Accessible at: https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/quantification.htm

Appendix B: Application Check List

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix C: FAAST Grant Application Questions

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix D: Work Plan Template

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix E: Budget Worksheet

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix F: Management Practice Payment Rates

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Appendix G: Year 3 Cost Sharing Summary Template

Accessible at: https://www.cdfa.ca.gov/oefi/healthysoils/

Dear Amrith Gunasekara,

The Center for Carbon Removal thanks and congratulates the California Department of Food and Agriculture on its current work with the Healthy Soils Program. Our organization, which strives to remove carbon pollution from the atmosphere, would like to show our ongoing support for the Healthy Soils Program as it endeavors to sequester carbon in agricultural soils. Thus far the receptiveness to public comments and general stakeholder engagement has made for promising prospective outcomes.

The draft Request for Grant Applications provides a comprehensive informational grant application guide for potential rancher and farmer applicants. However, the framework can elaborate on a few key details of the application submission. For example, it can:

- 1. Include additional clarification on the content of each criterion in the Evaluation Criteria table for section 11.2 (page 16). Farmers that apply for the Healthy Soils grants should have a well defined understanding of the elements in their submitted proposals. To ensure that this is the case, it would be beneficial to give a brief description of each criterion in the evaluation rubric, so farmers can best address the program's objectives through their proposals. There are already descriptions for the "conservation plan" criterion and the "additional considerations" criterion. On the other hand, differentiation between the "project feasibility and implementation plan" criterion and the "project evaluation and adoption" criterion is not definitively defined. The application should provide a description for all the criteria in the evaluation.
- 2. Offer a brief overview section that describes the various components required to complete an application, as well as the optional components for the application. Although the Healthy Soils Program webpage contains a comprehensive checklist for the grant application process, it would be beneficial to include a paragraph in the Request for Grant Application document that presents the "Application Requirements" and links to the checklist. This could be inserted within the "Grant Application Process" section, and therefore would help prevent any initial confusion for prospective applicants. This section could also summarize the application components that are encouraged, but not required.

Adding additional informational details will help ensure compliance with the application process and will facilitate the creation of comprehensive high quality proposals. By providing additional clarity on these points, implementation plans will maintain stronger alignment with the program's objective to generate environmental and communal prosperity through carbon farming incentives.

Respectfully Submitted,

Noah Deich

Executive Director

Center for Carbon Removal

Mouh Deich

About Us: The Center for Carbon Removal is a team of experts and advocates for a new kind of climate action: carbon removal. We empower scientists, policy makers, and industry leaders to embrace climate solutions that can build a cleaner, stronger economy. To achieve our mission, we conduct research, convene events, and curate an online hub for information and discussion on carbon removal. Visit our website to learn more (www.centerforcarbonremoval.org) or join the discussion on Twitter (@CarbonRemoval).



1221 Farmers Lane, Suite F Santa Rosa, CA 95405 707.569.1448 www.SonomaRCD.org

July 12, 2017

Submitted via email to Cdfa.oefi@cdfa.ca.gov

Re: The Healthy Soils Program Demonstration Projects, Comments on Request for Grant Applications Draft dated June 28, 2017

Section 6. Project Types Are there defined protocols that can be used for collecting field measurements of GHG emissions for Type A projects? Field GHG measurement typically involves complex research equipment and requires laboratory equipment to analyze the gaseous samples collected, which could be beyond the budget allowed within this grant program.

Section 7. Eligible Management Practices. Is there a practice standard developed for "Compost Application Practices" or is all guiding information regarding how to implement this practice derived from the White Paper referenced in Section 8 (page 8)?

Section 8. Technical Specifications For Estimation of GHG Benefits. The allowable compost application rates appear to be low and may not allow an adequate amount of compost (minimum of ¼ - ½" coverage, as shown in research done by Marin Carbon Project on rangelands) to be applied to the study plots within this research trial.

Section 9.3. Outreach Requirements. Requirement of "minimum of 100 farmers and ranchers per year for three years must attend the demonstration projects" is too restrictive due to several factors – compared to total amount of farmers/ranchers within the region may be lower, site access may be limited for such a large group, and guaranteeing attendance of 100 in general seems impractical. Suggest to modify outreach requirements to include hosting an annual field day to tour the demonstration site + outreaching to a minimum of 100 farmers and ranchers with information regarding the field trial and field tours.

Section 9.4 Project Term and Matching Funds. Project Term is prohibitive of completing two full field years under CDFA funding, particularly if compost application and tillage is involved. Tillage typically occurs through the summer and compost application is advised in the fall, just prior to winter rains. A start date of December 1, 2017 would make it difficult to apply compost in 2017 as it may be too wet in early December for any applications. If not applying in Fall 2017, the demonstration trial would not begin until Fall of 2018 with compost application followed by soil sampling in Spring of 2019 and Spring 2020. Soil conditions in March could be too saturated to allow soil sampling to occur so the timeline for concluding CDFA funds and starting Match

funds should be extended beyond April 1, 2020 in order to cover the first two years of field data collection.

Section 9.5 Allowable and Unallowable Costs.

- -Please clarify if funds can be used to cover CEQA or any other permitting needs for eligible management practices.
- Can indirect costs (per a federally-approved indirect cost rate agreement) be included in the project budget?

Section 9.6 Baseline Data. Item 3 notes that other soil data parameters "may be required for Type A projects, if applicable". Please clarify in what instances this additional data collection would be required.

Section 10.2 Proposal Development, (G) Budget Justification. An assumed start date of January 2018 is noted here, which contradicts the start or implementation date of December 1, 2017 noted elsewhere. Please clarify the anticipated date when funds could begin to be billed. **(H) Budget Cost Categories**. Please clarify if subcontracting costs will be allowed and covered.

Section 11.2 Evaluation Criteria. Required match is estimated to be approximately 1/3 of the project costs. Please clarify if more points will be awarded if more than a 1/3 match is obtained.

Sincerely,

Anya Starovoytov, Project Manager astarovoytov@sonomarcd.org

and

Kari Wester, Project Manager kwester@sonomarcd.org

Sonoma Resource Conservation District





3820 Cypress Drive, #11 Petaluma, CA 94954 T 707.781.2555 | F 707.765.1685 pointblue.org

June 27, 2017

Dr. Geetika Joshi CA Department Food and Agriculture 1220 N Street Sacramento, CA 95814

Chair Don Cameron Environmental Farming Act Scientific Advisory Panel (EFA SAP) Sacramento, CA 95814

Dear Chair Cameron and Dr. Joshi,

Thank you for the opportunity to comment on the draft Request for Grant Applications for both the HSP Incentives Program and the HSP Demonstration Projects.

Point Blue Conservation Science (Point Blue) advances conservation of wildlife and ecosystems through science, partnerships, and outreach. Our 160 scientists work hand-in-hand with land, ocean and wildlife managers to improve conservation outcomes for ecological and economic benefits. We collaborate with the USDA Natural Resource Conservation Service (NRCS), other agencies and more than 500 ranchers on over a half million rangeland acres in California to implement practices that capture and store rainwater naturally, sequester carbon in the soil, enhance biodiversity, and improve ranchers' bottom lines.

Timeline for Implementation and Use of CDFA Funds

We are concerned that a December 1 start date for practice implementation and expenditure of CDFA funds will be late for successful implementation of some of the practices. This is a greater concern in northern areas of the State with shorter growing seasons and winter ground-freeze limitations where fall planting needs to occur earlier than more temperate, southern regions of the State. We recommend that producers and demonstration site practitioners be allowed to initiate practice implementation upon notification of proposal acceptance, with reimbursement requests not to be submitted till December 1 or after to meet program requirements.

Benefits of Rangeland Practices

The current practice list has good potential for contributing to the desired GHG benefit; however, we feel that the list is incomplete. A number of additional NRCS practices have potential for reaching GHG reduction goals due to the level of anticipated carbon capture (based on COMET Planner quantification) and feasibility of implementation (i.e. producer cost/benefit, accessible acreage). Many of these practices are already included in the CA COMET Planner GHG assessment tool. We recommend that all practices with quantification methodologies be included in the program, including but not limited to, Conservation Cover (CPS 342), Prescribed Grazing (CPS 528), and Tree/Shrub Establishment (CPS 612).

Incentivizing Compost Application

We would like to reiterate our previous comment that we are concerned that the \$35 per ton, per acre payment for compost application is insufficient. We inquired with two North State compost suppliers for cost estimates on certified compost delivered (not spread) within 20 miles of the composting facility. The costs estimates provided

to us were \$132 per dry ton and \$125 per dry ton. Based on the GHG benefits calculated to occur through compost application on rangeland using the COMPOST Planner tool (4 to 5 tonnes CO_2 equivalent per acre per year) versus GHG benefits calculated to occur through riparian forest buffer establishment on rangeland using the COMET Planner tool (2 tonnes CO_2 equivalent per acre per year) we encourage a higher cost share payment to adequately incentive producers to utilize this practice so the program may recognize the anticipated GHG benefits.

Questions

- Can data from other soil labs (including University based labs) be used for baseline data provided that specific details of the assay methodology are provided?
- Can Mulching (CPS 484) be applied to specific locations on rangeland sites, such as in conjunction with Hedgerows or Windbreaks/Shelterbelts? It seems to meet the intent and criteria identified in the Conservation Practice Standard description, but it is unclear if rangeland application is allowed under HSP.
- It is unclear to us what the planting requirement is under the Riparian Forest Buffer (CPS 391) practice. Other woody planting practices require at least one row of plants with a minimum of 200 plants/acre. The planting requirement is not specified for CPS 391.
- How is producer match in year 3 envisioned for one-time practices, such as hedgerow or windbreak/shelterbelt establishment? Producer match is understood for annual practices such as reduced tillage and cover cropping, but not for the permanent practices. Is the maintenance cost considered as producer match?
- Is compost application considered a one-time implementation practice or are multiple applications of compost required?

With continued gratitude for CDFA's diligence in developing a meaningful Healthy Soils program, we hope these comments are helpful in finalizing the program guidelines. Please let me know if you have any questions or would like clarification on any of our comments (ecohen@pointblue.org, ext. 318). Thanks again!

Sincerely,

Ellie M. Cohen
President and CEO

Cc: Karen Ross, CDFA Secretary

Jennifer Lester Moffitt, CDFA Deputy Secretary Carlos Suarez, NRCS State Conservationist





July 12, 2017

Karen Ross Secretary, California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814

Dear Secretary Ross:

The Resource Conservation District of Santa Cruz County (RCD) would like to express its full support to all the comments contained in the letter from CalCAN and partners and the letter from the Carbon Cycle Institute in response to California Department of Food and Agriculture's (CDFA) request for comments on the two Healthy Soils Program Request for Grant application (RGA) draft guidelines (incentives and demonstration projects). The comments in both of these letters represent well our observations and concerns, and they reflect our shared objective of creating a program that is appealing to all of California's farmers, transformative in its impact on agriculture and our climate, and worthy of further investment from the state. In addition to those comments, we would like to provide the following additional recommendations:

- Provide a less restrictive timeframe for expending required match funds. The rationale for requiring all
 match funds to be spent only during the last 8 months of the project's third year is unclear, and such
 timeframe poses cash flow challenges for small farming operations/businesses and non-profit
 organizations.
- Consider posting a grant agreement template for review during the solicitation process so that applicants can be clear on the detailed statutory, legal, etc. requirements.
- Clarify how the matching fund percentage is to be calculated: on total project costs (i.e. direct costs + match) or direct costs only?
- Clarify if indirect costs are allowed, and if so at what percentage, and on what (i.e total direct costs, personnel only, etc.)?
- Use the same practice implementation units (acres) for the Budget worksheet template and COMET-Planner and Compost-Planner tools to estimate GHG reductions achieved from their project.

We greatly appreciate CDFA's effort to make this program a reality and your commitment to a collaborative process by inviting stakeholders to submit comments on the program's draft RGA guidelines. We look forward to working with you and your staff on implementation of this important program.

Sincerely,

Chris Coburn
Executive Director

Carbon Cycle Institute

July 12, 2017

Secretary Karen Ross California Department of Food Agriculture 1220 N Street Sacramento, CA 95814

Re: Healthy Soils Program – Comments in Draft Request for Grant Application

Dear Secretary Ross:

On behalf of the **Carbon Cycle Institute** (**CCI**), we are writing to offer comments and suggestions to the Draft Request for Grant Applications for the Healthy Soils Program (HSP). The HSP will increasingly play a central role in the State meeting its goals under AB32 and climate adaptation policy. We deeply appreciate CDFA and its staff for their work to shape and refine the HSP. And, we look forward to working with CDFA to strengthen the Program.

We have worked with a coalition of organizations, including CALCAN, to develop a comprehensive set of recommendations for the HSP. We have provided additional and complimentary recommendations in that comment letter as well. And, in addition, we will provide additional comments and thoughts in response to the Air Resources Board's Greenhouse Gas Quantification Methodology for the CDFA Healthy Soils Program.

The Carbon Cycle Institute's mission is to stop and reverse climate change by advancing science-verified solutions that remove atmospheric carbon while promoting environmental stewardship, social equity and economic sustainability. To that end, we support and develop projects that promote climate-beneficial management practices on working lands throughout California, work to build the technical capacity of land managers and producers to plan and implement impactful projects that reduce GHGs and sequester carbon in the land base, and are heavily engaged in gathering scientific data on the important role these practices can play in sequestering carbon from the atmosphere.

Currently, we are working in over 20 counties with farmers, ranchers, and land managers to plan and implement on-farm conservation measures that improve soil health, sequester carbon, and improve resilience to climate change and drought – the very goals and practices supported by HSP. With this on-the-ground experience, we offer the recommendations below.

Sincerely,

Pelayo Alvarez, Director, Outreach and Partnerships

Jeff Creque, Director of Rangeland and Agroecosystem Management

Torri Estrada, Executive Director

Demonstration Projects - Request for Grant Application

The HSP, generally, and the Demonstration Projects program, specifically, represents an important achievement in integrating agriculture and working lands in State climate change mitigation and adaptation policy. The central goals of the Demonstration Projects program are to showcase conservation management practices that mitigate GHGs and increase soil health, and create a platform promoting widespread adoption of conservation management practices throughout the state. For the most part, the draft request for grant application will achieve these goals, with some refinements we have included below.

However, the current focus of the Demonstration Projects program on conducting research and collecting data on sociological, economic and GHGs undermines its overall foundation and ultimate feasibility. CDFA and ARB, working with Colorado State University and others, have adopted an effective and scientifically valid quantification platform for agriculture, in terms of measurement of soil carbon and GHG impacts. In layering additional quantification, analysis and reporting requirements onto program participants, CDFA may undermine the success of its own program.

We strongly urge CDFA to limit quantification and reporting to those criteria specified by ARB and contained within the QM. If CDFA wants additional information on sociological or economic impacts of the program, or verification of GHG models, it should fund that work under a separate program, rather than trying to fit it into the limited budget allocated for on the ground, on-farm GHG reduction projects.

Summary of Recommendations

Soil Health should be defined, perhaps in a footnote.

<u>Sections 3.1 and 8.1</u>: Clearly state the criteria that defines an "actual farm" or agricultural operation in order to determine eligibility for the funding.

Section 3.2: The threshold of exclusion for compost application on soils over 12% OM (to 20cm depth) is excessive. While we recognize ARB established this threshold as the point beyond which Compost-Planner can no longer accurately predict the impact of compost additions to soil, we suggest 6% for pasture/rangeland systems and 10% for cropland systems are much more realistic values. This should also allow compost use to be focused on soils that have greater room for SOM improvement.

<u>Section 6</u>: We would recommend not splitting the projects into A/B type and not requiring measurement of GHG in these projects. GHG measurement is extremely costly; ARB's QM has been defined and should be utilized (as indeed required). CDFA seems to want to structure the type A projects as pseudo-research projects, but there is insufficient funding provided for effective research and the criteria (3 replications) are impractical, if not impossible, in real farm conditions. The effect will be to produce un-publishable data not amenable to the rigorous statistical analyses needed to draw meaningful conclusions and therefore of little utility (especially since every project will vary widely) at great expense. We urge funding all

demonstration projects up to \$250,000 and eliminating the "3 replication" and GHG measurement requirements, and support using ARB's QM to derive GHG values.

<u>Section 8</u>: The eligible compost application rates listed are a lot lower than the rates currently used by producers and may not meet the GHG capture goals and/or co-benefits. These rates should be increased by a factor of 4.

<u>Section 9.2-3</u>: The requirement to "Conduct measurements of field GHG emissions and carbon sequestration values" suggests a level of research expertise and instrumentation that the grant amount does not support. Nor will 1-3 years of field measurement be significant to draw any reliable (and generalizable) conclusions nor scientifically valid results from, especially across multiple funded projects across the State.

<u>Section 9.3</u>: The requirement for attendance of 100 participants 3 years in a row is not practical or meaningful. It is impossible to guarantee attendance of that many farmers and ranchers at a field day, and three years in a row for the same project will be particularly difficult. Hosting an annual field day and requiring *outreach* to at least 100 farmers/ranchers is a more reasonable approach.

<u>Section 10.2-E-i</u>: Experimental design, randomization and replication are not practical nor effective in the context of a demonstration project. A control may be possible in some cases, but how does one "control" for a windbreak? What is meant by "management practice implementation that fits in the production plan."?

<u>Section 10.2-F-i</u>: A cost-benefit analysis is beyond the scope of this work and should not be required.

<u>Section 10.2-F-ii</u>: The requirement of sociological analysis is beyond the scope of this work; it should not be required.

<u>Section G</u>: Project work may need to start as soon as funds are allocated, which could be December 1, 2017. We would suggest eliminating the reference to January 2018 as a required start date to provide projects with flexibility for implementation.

Section 15.2: Implementation requirements do not necessarily fit the agronomic calendar. Compost should be applied in Fall, prior to Fall rains; woody planting should occur with onset of fall rains (e.g. November). We would recommend extending the start date to December 1, 2018, and specifying inclusion of planning, sourcing material and logistical staging as "implementation". For above reasons, we would recommend changing "Failure to implement the project" date from June 30, 2018 to January 1, 2019.

<u>Section 15.3</u>: We recommend removing the requirement for crop yield information as it is meaningless within the timeframe of a funded project. Reporting co-benefits, including ecosystem services and economic analysis, should be optional; the purpose of the program is GHG reductions.

Points of Clarification

<u>Section 9.1-3</u>: What is meant by the statement: 'Projects must be conducted on the same field'? Does CDFA mean to require all practices in a multi-practice project to be applied on the same field? If so, this is not practical, as all practices may not be appropriate or needed on the same field.

<u>Section 9.2-1</u>: We are unclear of the value of reporting crop yield information for type A (or any) projects. How will this be reported and how will the information be used?

<u>Section 9.6</u>: While labs are identified, there is no sampling protocol identified. Is the assumption that any soil sampling protocol will suffice? Will sampling depth be specified?

<u>Section 10.2-C-iv</u>: What is meant by "Rationale of crops..." does this refer to the choice of cover crop, herbaceous or woody cover practices selected? Please clarify.

<u>Section 10.2-C-vi</u>: What is meant by "possibility and scale"; statewide potential? Regional? Please clarify.

<u>Section 10.2-E-ii</u>: If a QM has already been adopted by ARB, why is "monitoring of soil health parameters, economic analysis, and field GHG emissions measurements..." required? Please clarify. The funding (\$250K) may not cover these costs and these activities do not lead to GHG reductions.

<u>Section 15.4</u>: This section is unclear: "Recipients are expected to maintain the proposed...practice(s) for several additional years after project completion ... Additionally, applicants are required to...report actual benefits achieved for a period of three years." Are the 3-year period and the "several years" period the same? . Is the 3-year period "after project completion or included in the project period? Please clarify.

Healthy Soils Program - Incentives Request for Grant Application

Summary of Recommendations

<u>Section 3.2</u>: Again, the threshold of exclusion for compost application on soils over 12% OM (to 20cm depth) is excessive. -We suggest a threshold of 6% for pasture/rangeland systems and 10% for cropland systems.

Section 7: The suggested incentivized compost application rates are very low; we suggest increasing these limits by at least a factor of 4x.

Section 8.2: Delete the requirement that matching funds need to be spent on the third year.

Section 9.2-1: Please specify that RCD's are eligible technical service providers.

<u>Section 10.2.3</u>: Add RCDs as authorized entities to write up, sign, and complete the terms of an award contract

<u>Section 10.3:</u> "The Compost-Planner Carbon Sequestration and GHG Estimation Report is required for all eligible Soil Management Practices." If only compost impacts are quantified in Compost-Planner, this requirement should be specific to compost application only, not "all eligible soil management practices."

<u>Section 10.5</u>: We strongly urge eliminating "certification" requirement for conservation plans, as NRCS is not currently structuring Conservation Planning Certifications around GHG reductions. ("... applications that include a qualified conservation plan with the application will receive additional points during review." This becomes a "certified" conservation plan later in the document [11.2, table]). At the same time, ARB's requirement for *apriori* use of COMET-Planner and Compost-planner to quantify anticipated GHG impacts of project implementation suggests the imperative of producer engagement of a Technical Service Provider and a previously-developed Carbon-Plan.

Section 15.2: "Implementation must begin on or after December 1, 2017, but no later than June 30, 2018." Compost application on grassland/rangeland and perennial crops should occur in the fall, prior to fall rains. The December-June window for project initiation conflicts with this. Similarly, it may take some time for a project to gather the plant materials for a major shelterbelt planting (for example). Planting is typically best carried out in November-December, after the start of Fall rains. Strongly recommend changing language to read: Implementation initiation should occur December 1, 2017 but not later than January 15, 2018.

Points of Clarification

<u>Section 3.2</u>: The statement, HSP cannot "Fund projects that use potted plants or other plant growth media" is ambiguous; please clarify.

<u>Section 6</u>: This section is ambiguous and unclear. "Management practices cannot be accounted as creating GHG benefits if they have been previously implemented in the past year on APNs included in project. However, management practices can be implemented on the previous APNs if additional APNs can be brought into the management practice." *This is ambiguous and appears to contradict requirement for all practices to fall within the same APN. Please clarify.*

<u>Section 7</u>: Windbreak and shelterbelt establishment; please confirm that multiple row woody plantings would be credited additively (eg, assume 8' width for EACH ROW, not the entire windbreak or shelterbelt).

Section 8.3: A suggested sampling protocol, including sampling depth, should be provided.

Section 10.6: The first sentence is incomplete; please clarify.

<u>Section 11.2</u>: The criteria stated are ambiguous. "Project evaluation and adoption;" "GHG emission reductions and soil health;" What is meant here? Also, please change "Certified conservation plan" to "Conservation plan."

<u>Section 16.2</u>: This section is unclear. "Recipients are expected to maintain the proposed...practice(s) for several additional years after project completion...Additionally, applicants are required to...report actual benefits achieved for a period of three years." Are the 3-year period and the "several years" period the same? Is the 3-year period "after project completion or included in the project period? Please clarify.



CDFA Healthy Soils Initiative – Draft RGA Comments

The Monterey Bay Regional Climate Action Compact (Compact) is a network comprised of local jurisdictions, non-profits organizations, academic institutions, and private businesses from throughout the 21 jurisdictions within Monterey, Santa Cruz, and San Benito counties. The Compact works to support the causes and effects of climate change on a local level through regional collaboration. The Compact is interested in supporting local projects that meet the goals of the CDFA and Healthy Soils Initiative. Due to the narrow application period, we request your consideration of the following comments.

Comment #1: On the CDFA Healthy Soils Webinar held on July 6th, it was stated that the application period would likely be one month, whereas in the Healthy Soils Webinar held on May 30th the application period was anticipated to be six weeks. We respectfully request that the application period be extended up to eight weeks with a minimum of six weeks to allow adequate time to prepare a quality proposal.

Comment #2: Please reconsider the minimum outreach requirement of 100 farmers and ranchers attending the demonstration projects per year for project sites in rural communities. Population may be an obstacle in meeting this requirement for sites in rural communities. Furthermore, the number of individuals in the farming community engaged in carbon farming practices may be an additional limiting factor in meeting this requirement. We request that this minimum threshold be lowered for projects established in rural communities, giving them the opportunity to meet the outreach and education requirement and participate in future Healthy Soils Initiative projects.

Comment #3: We request that the baseline data requested at the point of application submission, outlined in section 15.3, be allowed submission with the first mid-year progress report (June 2018) as opposed to submission with the application. The availability of this information for target demonstration sites prior to the application period may be a potential deterrent for prospective applicants.

Comment #4: The discussion regarding demonstration project requirements on the Healthy Soils Initiative webinar on May 30th stated that a cropland component would be required for demonstration projects. In reading the draft RGA, this requirement is unclear. It would be helpful to have more specific instructions pertaining to whether or not demonstration projects can be conducted on rangeland or if they must be on cropland for funding eligibility. If the demonstration projects require a cropland component, we request that it be removed. California has approximately 62,960,129¹ acres of rangeland and covers approximately 50% of California². Requiring a cropland component for all demonstration projects eliminates potential projects aimed at reducing greenhouse gas emissions and increasing carbon sequestration through carbon farming practices that may otherwise not be appropriate for cropland management.

Thank you kindly for your consideration of these comments. We look forward to reviewing the official solicitation.

¹ http://rangelandarchive.ucdavis.edu/Online_Learning_Resources/_file196534_/

² https://nicholasinstitute.duke.edu/sites/default/files/ni ggmoca r 4.pdf



Dr. Amrith Gunasekara Science Advisor to the Secretary California Department of Food and Agriculture

July 12,2017

Dear Dr. Gunasekara,

Thank you for the oppmtunity to comment on *The Healthy Soils Incentives Program, Requestfor Grant Applications*. I appreciate the work that went into preparing the document and the complexity of creating guidance for the program, my hope is that these recommendations are constructive as you refine program guidance.

Section 6. Eligible Agricultural Management Practices

• Recommend that the categmy *Cropland to Herbaceous Cover Practices* be changed to vegetative practices. This will align with NRCS terminology.

Section 7. Technical Specifications for Estimation of GHG Benefits

- For NRCS practices, it should be noted that installation needs to meet NRCS practice standards, and site specific implementation requirements. The requirements listed in this section appear to be intended to be additional requirements for GHG benefit calculation.
- Practice lifespans for soil management, cropland and herbaceous cover practices do not
 correspond with the lifespans for the NRCS practices. These should be changed, or it should be
 noted that, even though the practices utilized are NRCS practices, the practice lifespans differ
 from NRCS practice lifespans due to CDFA program constraints.

Section 8.2 Project Term and Matching Funds

• The language in this section is confusing, for example: "Applicants are required to implement management practice(s) during April I, 2020- November 30, 2020 with matching funds." The requirement for spending matching funds may need to be reworded in order to not confuse other program requirements. Unless a waiver is granted, EQIP practices cannot begin until after the contract is obligated, and a practice in the contract must commence within 12 months of the contract obligation

Section 10.5 Conservation Plan

• The language in this announcement implies that NRCS may provide the conservation planning technical assistance. NRCS does not have the staffing capacity to provide the conservation planning for this initiative. Other types of certifications should be recognized in order to adequately meet the technical assistance needs of applicants. Some options may include Soil and Water Conservation Society (SWCS) Certified Professional in Erosion & Sediment Control, Certified Crop Advisors, Certified Professional Soil Scientist, and Certified Professional Agronomist.

- Since NRCS is referenced as a technical authority, and NRCS practices are used, reference to conservation plan needs to be consistent with NRCS requirements. This includes: statement of landowner objectives, plan map, soils map, resource inventory and assessment, record of decision to implement conservation practices that will address the resource concerns identified in the assessment. For each of the practices, implementation requirement and/or design should be included. The intent may be to provide an alternative to a conservation plan, if this is the case, it should be referred to simply as application supporting documentation.
- Proper terminology for NRCS trained conservation planners are NRCS certified Conservation Planners.
- I recommend that Resource Conservation Districts (RCD's) be referenced as a source for technical assistance.

Thank you for your continued partnership. Feel free t? contact me if you would like to discuss these issues.

Sincerely,

Thomas Hedt

State Resource Conservationist

Cc:

Carlos Suarez, NRCS State Conservationist Tony Rolfes, NRCS State Soil Scientist



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE ALHAMBRA, CALIFORNIA 91803-1331 Telephone: (626) 458-5100 http://dpw.lacounty.gov

ADDRESS ALL CORRESPONDENCE TO: P.O. BOX 1460 ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE

REFER TO FILE EP-4

July 12, 2017

Ms. Karen Ross, Secretary California Department of Food and Agriculture 1220 North Street, Room 120 Sacramento, CA 95814

COMMENTS ON THE HEALTHY SOILS PROGRAM REQUESTS FOR GRANT APPLICATIONS

Dear Ms. Ross:

The County of Los Angeles Department of Public Works (Public Works) appreciates the opportunity to comment on the California Department of Food and Agriculture's (CDFA's) draft Requests for Grant Applications (RGA) for the Healthy Soils Program (HSP). Public Works is supportive of practices and projects that sequester carbon, reduce atmospheric greenhouse gas emissions, and improve soil health. Public Works has been pursuing and promoting the use of anaerobic digestion and other conversion technology for many years to meet similar goals through sustainable management of municipal solid waste.

Based on our review of documents available for public review for the HSP Incentives Program and the HSP Demonstration Projects, including public comments previously submitted to CDFA, we encourage CDFA to expand the applicability of the RGA to include healthy soil amendments in addition to compost that provide carbon sequestration and GHG reductions, such as biochar. Biochar is a product of the thermochemical conversion of organic material in an oxygen-limited environment, typically pyrolysis or gasification. Biochar is commonly produced from biomass, such as wood and manure, and can also be produced from the pyrolysis of the organic fraction of municipal solid waste, pest-infested green waste, or biosolids. Allowing for projects that produce biochar within the RGA would be consistent with CDFA's goals for the Healthy Soils Program and with Public Works objectives for sustainable management of municipal solid waste.

On that basis, Public Works recommends that the RGA be expanded for inclusion of projects that produce biochar from any feedstock of organic waste for healthy soils.

Ms. Karen Ross, Secretary July 12, 2017 Page 2

If you have any questions, you may contact Mr. Patrick Holland at (626) 458-3592.

Very truly yours,

MARK PESTRELLA Director of Public Works

CARLOS RUIZ

Principal Engineer
Environmental Programs Division

CA:jl
P:\Sec\DPW Comment Letter CDF Grants.docx



July 12, 2017

Secretary Karen Ross California Department of Food and Agriculture 1220 N Street Sacramento, CA 95814

Re: Comments on the Draft Request for Applications for the HSP

Dear Secretary Ross;

Thank you for the opportunity to submit comments regarding the Draft Request for Applications for the Healthy Soils Program (HSP) on behalf of Fibershed, a nonprofit organization developing regional fiber systems that build soil and protect the health of our biosphere. Fibershed's Producer Program is a membership-based network that includes over 80 farmer and rancher members in Northern California. We offer soil carbon baseline testing and processing to our producer members, along with opportunities throughout the year for carbon farming education and support.

We are hopeful that California's Healthy Soils Program will be effective in enlisting the widespread participation of producers and inspiring land managers across the state to act quickly in increasing adoption of all practices that have been shown to reduce GHG emissions and build soil carbon.

We are grateful to participate in the process to inform and support this important new program for California's agricultural producers. We hope that these comments will be helpful in supporting the important work of the HSP. The outcome of this program is critical for all Californians, and we wish you and your staff great success in achieving the goals and objectives you have put forward for the Healthy Soils Program.

Sincerely,

Rebecca Burgess, Executive Director

Marie Hoff, Producer Program Coordinator

Heather Podoll, Grants and Policy Coordinator

PO Box 221 San Geronimo, CA 94963 harvestingcolor@gmail.com

Comments Regarding HSP Incentives Program:

Application length and narrative complexity: We have concerns that the length of the application, with detailed narratives required in several sections, will prevent many producers from applying. This is especially a concern for smaller producers who will be eligible for less funding based on their available land base. We encourage you to shorten and streamline the proposal contents, including the narrative, implementation plan and adoption plan.

Compensation rates are too low to effectively incentivize some practices, particularly for woody cover installation: The level of compensation for many of the practices seems far too low to cover the actual costs of implementation, which will therefore present an inadequate incentive for producers. For example, the rate of \$193 per acre for silvopasture, when at least 200 tree and shrub plantings are required per acre: given the cost of nursery stock, labor, and plant protection materials, this amount seems unreasonably low.

Compost application rates: We recommend that higher compost application rates be permitted/recommended. The current allowable range is too low to meet the needs of many producers. In addition, on-farm composting is of interest to many producers. We encourage you to consider including incentives for on-farm produced compost in the future.

Adjustments to implementation timeline: Some practices, including compost application and establishment of perennial plantings, are best carried out at the onset of fall/winter rains. The timeline created here does not accommodate this schedule. Please consider how the grant program's timeline can be adjusted to accommodate the optimum annual production and planting cycle on the land.

Technical Review Committee with practitioner representation: We encourage you to include a practitioner with experience implementing these practices in the grant review committee.

Eligible practices list encouraged to include prescribed grazing: One of the most common requests we hear from our producer members is for technical support and funding to develop a prescribed grazing program. As this is a practice already included in the NRCS-developed COMET-Planner, and one with a high degree of interest and potential for building soil carbon levels, we hope that prescribed grazing will be added to the list of incentive practices in the HSP.

Comments Regarding Demonstration Program:

GHG emissions research does not match the objectives of this program: Given the objectives of this program are to incentivize and demonstrate the effective implementation of practices already shown to have carbon sequestering and GHG emissions reductions, it is not appropriate to utilize a large percentage of the funding from this program for research. This is not intended to be a research program, and therefore the burden of establishing statistically robust controls

and replicate sampling plots within the demonstration projects of the HSP is inappropriate for the design of the program. Requiring a study of the GHG emissions of each practice in separate field applications likely will not allow the demonstration site to focus on and showcase the ideal combination of practices for that farm or ranching operation.

Number of attendees required for outreach events should be reasonable: 100 attendees each year on a site is a very large number to accommodate, especially for three years in a row. For most sites this seems too large of a number, and unrealistic to expect for three years in a row.

Technical Review Committee must include reviewers who work directly with producers and also individuals who have experience implementing these practices: For demonstration projects especially, it is critical to prioritize evaluation by individuals whose expertise allows them to understand the likelihood of effectiveness in outreach. We hope that the evaluation process will emphasize well-designed projects for demonstration and outreach purposes, rather than focusing on generating sufficient data for new research.

From: Christopher MacDonald [mailto:chris@filamentscientific.com]

Sent: Wednesday, July 12, 2017 4:37 PM

To: CDFA OEFI@CDFA < CDFA. OEFI@cdfa.ca.gov>

Subject: Comments on the draft Request for Grant Applications

Dear CDFA Healthy Soils Program Regulators

Nice to meet you via this channel.

As a former emissions trade regulatory scientist from EPA's Office of Air Quality Planning and Standards (OAQPS) and current cofounder of a soil-centered "ancillary" cannabis service corporation, warm thanks for your recent and effective departmental work in soil and cannabis.

The Heathy Soils Program Demonstration Projects is the best current chance to open up and educate the newly forming cannabis industry to soil based carbon sequestration as a method to combat global warming.

Our ask is that to the extent that it may be possible during this rapid transformation of the new cannabis industry, that soil centered cannabis cultivation practices be included as within both program grant structures.

Thank you for your consideration.

CALIFORNIA ASSOCIATION OF RESOURCE CONSERVATION DISTRICTS

801 K Street, 14th Floor Sacramento, CA 95814 **Phone:** (916) 457-7904 **Fax:** (916) 457-7934

www.carcd.org



California Department of Food and Agriculture 1220 N St. Sacramento, CA 94814

Dear Environmental Advisory Panel,

Feren Buch

Thank you for the opportunity to offer comments on the Requests for Grant Applications (RGA) for the Healthy Soils Program (HSP). We are honored to participate and greatly appreciate of the collaborative process. We recognize the extensive work and commitment that CDFA has made to create this ground-breaking program.

Following are our comments that reflect our 75-year history working directly with landowners to spur conservation and healthy soils. We look forward to our continued partnership.

Sincerely,

Karen Buhr

Executive Director

Incentives Program

Section 3.2: The notion of Agricultural Operation should be defined.

Section 8.3: Collecting baseline soil data will be crucial for demonstrating effectivity of implemented GHG reduction practices. However, soil sampling would be too burdensome as an application requirement for growers and is a costly expenditure, particularly if not awarded the grant.

1) We recommend not requiring soil sampling as an application requirement, but CDFA could contract the sampling and laboratory as a first after the grant has been awarded to ensure no cost is expended without need.

Secondly, The CDFA recommended soil labs list is somewhat limited and does not include University of California laboratories. We recommend that CDFA recommends more soil labs, including those accredited by UCANR, for ease of access and flexibility for producers.

Section 7: Given the NRCS-RCD compost field trials and current scientific literature, the incentivized compost applications rates are too low for effective sequestration. We recommend increasing these limits by 4x.

Section 9.2 (Project Verification and Reporting): The final sentence is ambiguous and needs clarification for greater transparency. We recommend more specification as to the conditions that would prompt an audit., what it would involve, when they would happen, the amount and form of notification beforehand, and to assure applicants that the audit would be at CDFA's expense. More information upfront will allow producers to be as knowledgeable as possible and thus more comfortable with terms of agreement and will reduce the chance of surprise.

Also, we recommend suggesting Resource Conservation Districts (RCDs) as an eligible third-party contract to conduct verifications. RCDs are located throughout the State for ease of access and have the necessary technical expertise deeming them most appropriate.

Section 9.2 (Post-Project Reporting): This section is somewhat ambiguous and needs clarification in two specific instances. First, how the subset of awarded projects would be chosen. Second, the phrase "but not limited to" could raise concerns for some applicants, as could the possibility of additional costs not currently specified in the project application. We recommend clarifying the potential data collection as much as possible and assuring the applicants that the audit would be at CDFA's expense. More information upfront will allow producers to be as knowledgeable as possible and thus more comfortable with terms of agreement and will reduce the chance of surprise.

Section 10.2.2: We recommend offering examples of schematics and an example filled-out work plan template to make it easier for first-time grant applicants.

Section 10.2.3: The Project evaluation needs to be as clear as possible for the success of a project. We recommend offering examples of project design and an example filled-out work plan template to make it easier for first-time grant applicants.

Section 10.5: We concur that including an NRCS conservation plan should receive additional points in the application. However, we noted that the term "certified" conservation plan is later used (11.2) although NRCS is not currently structuring conservation planning certifications around GHG reductions. We recommend eliminating the "certification" requirement.

Section 11.1.2: We recommend including a wider breadth of experts on the technical review committee to include people with experience implementing practices.

Section 16.2: This section has a few ambiguities we recommend clarifying in order for greater transparency for the producer. First, "several additional years" should be as specific as possible. Second, the phrase "actual benefits" should be clarified as to what exact data will be sought. More information upfront will allow producers to be as knowledgeable as possible and thus more comfortable with terms of agreement, particularly in duration, and will reduce the chance of surprise. We recommend including as specific information as possible in regards to length of post-project documentation and practice maintenance, and assuring applicants that post-project verification costs will be at CDFA's expense.

Note: The draft RGA did not specify the length of time applicants would have to apply. We recommend that applicants be given a minimum of six weeks to apply. Outreach of this opportunity may take time to reach all interested producers and generate a broad application pool. This would then give producers more time to learn about the program, coordinate with partners, and generate interesting and effective projects.

Demonstration Projects

Section 3.2: We recommend that CDFA includes Tribal Governments as eligible applicants.

Section 6: We recommend that CDFA offers only one type of Demonstration Project that eliminates the applicants' responsibility to measure GHG and to conduct three replicates (section 9.1), yet to fund all the demonstration projects at \$250,000. We understand the need for quantifiable data and urge CDFA to take responsibility of GHG measurement, utilizing Air Resource Board's Quantification Methodology for accuracy, replicability of collection, and producing publishable data.

Section 7: Given the NRCS-RCD compost field trials and current scientific literature, the incentivized compost applications rates are too low for effective sequestration. We recommend increasing these limits by 4x.

Section 9.3: The project's goal of large-scale adoption of healthy soil and GHG reduction practices is crucial for ensuring the sustainability of California's soils and agricultural economy. However, requiring 100 farmers' attendance per year is unrealistic for many parts of the State and is not necessarily the method for wide adoption. We recommend requiring documentable outreach and attendance records at farm events. We also recommend CDFA encourage including inviting educational institutions and other creative ways to leverage the demonstration site.