
From: Doreen Hansen <dhhcrd@gmail.com>
Sent: Wednesday, November 30, 2022 4:32 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: HSP Block Grant Pilot Program - Project Question

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Hello CDFA,

I was unable to attend the HSP/SWEEP webinar yesterday. I am hoping you can consider this question...

The attractiveness of the block grant for our RCD is that we have seen that small farms are at a disadvantage in the regular HSP grant program, as the footprint of the practices on these small farms do not generate enough a positive CO₂ sequestration in COMET, however, with the block grant, we were hoping to consolidate conservation practices across multiple small farms to generate at least the CO₂ reduction minimum. For example, 3 small individual farms applying compost to their 3 fields would generate 1 MT of CO₂ sequestered. Would that qualify for an approved project?

Thank you for any clarification,
Doreen Hansen

M. Doreen Hansen
Watershed Coordinator
Humboldt County Resource Conservation District
707.498.1072 (cell)

From: Molly Taylor <mtaylor@cecmail.org>
Sent: Monday, December 5, 2022 11:44 AM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Feedback on HSP BG Draft RGA

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Hello CDFA,

In reviewing the draft RGA, a few questions arose. One, in appendix A, I noticed the payment rate for Prescribed Grazing was listed at \$5.26/acre for basic range, where it was listed at \$15.78 during the last HSP round. Perhaps this is an error? Also, I wanted clarification on if publicly owned but privately leased grazing lands are eligible. Much grazing occurs on public land permits and would benefit greatly from the incentive for better managemt. Additionally, I wanted to ask if biochar or rock dust applications are eligible under any existing practices?

Thanks,
Molly

Molly Taylor (she/her)
Climate Smart Agriculture Program Manager
[Community Environmental Council](#)
P.O. Box 90660
Santa Barbara, CA 93190-0660
650-863-3610 (cell)

From: Rachael Long <rflong@ucanr.edu>
Sent: Wednesday, December 14, 2022 3:42 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: CDFA HSP program comments

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Dear CDFA-HSP, Thank you for the opportunity to comment on the CDFA-HSP program. As farmers, we currently have a CDFA funded HSP grant for applying compost on our field crop ground, so we're familiar with the program. My understanding is that the program is considering a new structure with Block Awards to organizations that would then work with farmers, as opposed to direct awards to farmers. While this would help alleviate much of the workload for managing the grants for CDFA, based on our experience with other block grants, we are not in favor of this approach for several reasons: 1) With a middle management approach there's a lot more overhead that would impact available funding for farmers for implementing projects. 2) We've found it difficult to find agencies to partner with on block grants. For example, for the CDFA Pollination block grant, we could not find anyone willing to partner on a project with us to plant habitat on our farm as everyone we called said it would cost way too much for them to administer the project so not worth their time. 3) How would a designated agency (e.g. RCD) determine apriori how many grants they might be giving out to farmers? Would agencies apply for and get a set amount of funding from CDFA and send a note out to the farming community sharing how many projects they could fund? We've liked working directly with key partners (e.g. compost suppliers) to get projects done on our farm rather than going through another agency that subcontracts with CDFA. Thank you, Sincerely, Rachael Long, DH Long Farming.

From: Christopher Velasco <cvelasco@thedotek.com>
Sent: Wednesday, December 14, 2022 4:57 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Comment: Request for Grant Applications (RGA) for the Healthy Soils – Block Grant Pilot Program.

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Good Afternoon,

I would like for the following comment to be entered into the public record for consideration by staff members at CA Climate Investments for the Request for Grant Applications (RGA) for the Healthy Soils – Block Grant Pilot Program:

The California Department of Food and Agriculture should include industrial-hemp to be an eligible crop for funding in the new Healthy Soils Block Grant program given its ability to sequester immense amounts of CO2 from the air, phytoremediation/soil nutrient enhancing qualities, minimal inputs, ability to serve as a base crop for a multitude of added-value agriculture products, low water consumption and suitability as a cover/rotation crop. There exists a plethora of peer-reviewed works on its carbon sequestration qualities in addition to the precedingly mentioned benefits that can be easily accessed by the CDFA.

The CDFA should focus its efforts on counties with airsheds defined PM 2.5 non-attainment areas by the federal EPA, high unemployment and large portions of residents being low-income to advance the State of California's push for equity.

This concludes my comment. Thank you in advance for taking the time to process this request.

Sincerely,

Christopher Velasco
Managing Partner, Dotek LLC

Phone: (760) 618-2007
Cell: (347) 437-1987
Fax: (760) 452-7726

Email: cvelasco@thedotek.com
Web: <https://thedotek.com>

From: Rick Wilson <rickwilson@agromin.com>
Sent: Wednesday, December 14, 2022 10:33 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Comments on Health soils Program
Attachments: Liard carbon multiplier.pdf

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Hello,

- 1) We suggest that you announce who receives block grants so we can express our interest in participating in compost deployments
- 2) Our evidence is that the recommended compost application rates to limit nitrate leaching impact are not correct. They are based on compost properties of C/N ranges, instead of the C/N ratio of the compost-blended soil which we find more indicative of nitrate leaching risk through the soil matrix. In our experience, another risk of using compost and nitrate leaching is when the soil has inadequate infiltration (which compost can remediate) following application and heavy rainfall.
- 3) We would like to see you include Biochar as a qualified amendment. Our experience shows that co-composting twenty percent of biochar by volume work best improving composting process and remediating soil. Besides co-composting biochar reducing compost process methane emissions, biochar enhances maturity and reduces salinity levels of the final product rendering it superior to standard compost.

Our data shows a “Carbon Multiplier” effect when using co-composted biochar in agriculture systems. That is biochar acts as a catalyst for carbon sequestration.

This property is featured in the literature, see attached example. Of course the Terra Preta Amazonian deposits also support the claim that biochar stabilizes organic matter.

By introducing this opportunity into your program, you could begin to collect data on the carbon multiplier effect across soils and cropping systems.

In terms of pricing we recommend a \$50 per ton cubic yard equivalent price as a market clearing value. One ton of biochar is 2.2 cubic yards, so \$110 per cubic yard equivalent biochar price.

Agromin is the largest composter in California with considerable experience using compost and biochar across cropping systems. We are certainly willing to share our experiences and help you in any way we can. Let me know if you have any questions or if we can be of any assistance?

Thanks for your consideration!

Rick Wilson, Ph.D, MBA
Chief Science Officer

(650) 704-8466
www.agromin.com

December 15, 2022

Environmental Farming Act Science Advisory Panel
California Department of Food and Agriculture
1120 N Street
Sacramento, CA 95814

Re: Healthy Soils Block Grant Pilot Program Request for Grant Applications

To whom it may concern:

Thank you for providing us the opportunity to share our comments on the Request for Grant Applications for the Healthy Soils Block Grant Program. The San Mateo RCD has participated in the Healthy Soils Program as a TA provider and helped farmers in San Mateo County access funding to apply compost, plant cover crops, and hedgerows. This is a crucial program, especially for the small-scale farmers we serve, and we are grateful for the funding being offered by the state.

We understand the need for CDFA to develop an approach to the Healthy Soils Program that reduces the workload on CDFA staff. The increase in contracts for CDFA staff to manage is an indication of the need for this sort of funding and the success of the program.

San Mateo RCD staff participated in the November 29, 2022 "Workshop to Support Public Comment Period on Healthy Soils Program and State Water Efficiency and Enhancement Program Block Grant Pilots." At that workshop, we provided verbal comments and were directed to follow up with written comments.

As currently proposed, each block grant recipient is required to contract with technical assistance providers (TAPs). Additionally, CDFA will continue to offer contracts with TAPs to provide the same outreach and TA to the traditional HSP Incentives Program. San Mateo RCD recommends that rather than having separate TAP contracts connected to the HSP funding entity, CDFA should broaden the scope of their TA contracts so TAPs could provide outreach and technical assistance to the Healthy Soils Program generally, regardless of the funder. This approach would:

- Be more efficient. Each TAP would only have one contract to provide TA, rather than individual contracts with CDFA and block grant recipients. This approach would reduce the amount of funding spent on administrative work – TAPs would only need to invoice and report on one contract rather than multiple contracts, saving State dollars.
- Provide better support to producers. With one contract, TAPs can provide support to whoever reaches out to them regardless of which entity they are applying for funding from. The current program design would only allow a TAP to help with one specific funder's application. This approach would allow TAPs to provide more responsive

technical assistance, avoid TAPs declining service because they don't have a contract with a specific funder, and lessen the confusion of funders, producers, and TAPs.

Block grant recipients might not contract with smaller, locally based organizations to provide TA because it would require block grant recipients to have contracts with multiple TA organizations requiring more work to administer. The benefits of local organizations are that they have established relationships with producers, are in the community, can more easily meet producers on-site and provide them access to computers and the internet, have in-person workshops, and they hold locally relevant information which is important for the design of Healthy Soils practices. Losing these partnerships with local organizations will be a detriment to producers who already have a history of working with these local organizations on the Healthy Soils Program.

- Ensure TAPs receive funding to cover true costs. The proposed program disincentivizes collaboration amongst TAPs because the TAP funding is linked to the implementation funding amount. If several organizations want to collaborate to serve a larger region and to meet the minimum funding amount, the 5% available for TA gets divided between each partner which may result in the amount of funding available being far less than the amount of work it would take to deliver the program goals and objectives. A general TA contract with CDFA would ensure that TAPs can apply for funding needed to provide technical assistance and outreach, rather than a percentage of what practices get implemented. Outreach and technical assistance are still important even if it doesn't result in an application that is selected for funding.

We believe that if CDFA broadened the scope of contracts it holds with TAPs to enable them to provide outreach and technical assistance to *any* Healthy Soils Implementation Grant recipient it would result in more effective, efficient, and locally relevant support to California's farmers and ranchers, and would meet CDFA's needs to reduce the workload on CDFA staff, as CDFA already plans to contract with TAPs for the traditional Healthy Soils Incentives Program.

As enthusiastic partners we want this program to be successful and offer these suggestions to strengthen the implementation of the program. Please call on us to assist in any way we can be useful.

Sincerely,

Adria Arko

Adria Arko
Agriculture and Climate Programs Manager

From: Michael Griffin <pobox318@outlook.com>
Sent: Thursday, December 15, 2022 12:01 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Block Grants

CAUTION : [External Email] - This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe.

Dear CDFA,

We are in favor of the Block Grant System, because we feel that it will encourage the Program's outreach, be easier to navigate, and made available to more many farmers.

Without any assistance, most of our members would not participate, versus having someone "on their side" who is known to the members, who is familiar with their operation, and has an idea of where these projects would fit and benefit them, be it Healthy Soils, SWEEP, or AAMP. Now add in in you have an ally who is working on multiple projects, and understands the parameters, requests, requirements, and the reporting required by the Grant monitors, and you have a recipe for success.

On the phone conference in November, there seemed to be much opposition to exploring this option, under the premise that money would be diverted from the "pot". These people seemed to have gotten their grants without help, "it doesn't need to be changed".

Were these people the pioneers who are used to working on their own, or had staff, or recent college experiences that helped them work within the paper system that is tracking the Program?

Our experiences are that you cannot expect participation in a program like this from our members, on their own. Members have extensive experience with the NRCS, the RCD, the University. This allows them to not have to follow things down a rabbit hole, but rather a source to give them guidance and counselling, and most importantly, technical support, even down to the reporting.

Then they can do the action.

We hope you consider our points in a favorable light,

Michael Griffin
For the Sonoma Marin Pasture Club

Sent from [Mail](#) for Windows



December 15, 2022

Dr. Jeff Dlott
Environmental Farming Act Science Advisory Committee
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: Healthy Soils and State Water Efficiency
and Enhancement Block Grant Pilot Programs

Dear Chair Dlott:

Thank you for the opportunity to provide comment on the proposed Requests for Grant Applications for the Healthy Soils Program (HSP) and State Water Efficiency and Enhancement Program (SWEEP) Block Grant Pilots. On behalf of this coalition, we write to request that California's agricultural commissions be included as eligible block grant recipients within the HSP and SWEEP pilot programs.

Developed by legislative fiat, agricultural commissions are foundationally created to provide for the advertising and promotion of commodities, conducting market research and public education, which enables global market access and competition for California-grown products. Under the guidance of elected farmer leaders, Commissions allow their members to exercise self-determination and empowers them to guide the future of their respective industries. Overtime, commissions have evolved, as has their work, to include new fields such as pest management, food safety and research. Increasingly, commissions have engaged in climate adaptation and mitigation and resources scarcity issues, educating their farmer members and the public of the capacity of working lands. Considering the State's charge to achieve carbon neutrality by 2045 and the necessity to further engage and commit the agricultural community, employing the capabilities of California's commissions can provide significant communal value.

Commissions offer the Department an unprecedented opportunity to work with agricultural thought leaders and trusted partners to expand utilization of SWEEP and HSP, thereby rapidly

accelerating adoption of climate smart management practices on-farm. Through grower-to-grower advocacy, the traditional barriers to adoption (i.e., distrust, cost, and time) can be better overcome with peer resources. Commissions also have experience managing and distributing large fund sources such as grower assessments, research initiatives, and U.S. Department of Agriculture's Specialty Crop Block Grants. Finally, as governmental entities operating within the framework of the California Department of Food and Agriculture (Department), commissions embrace accountability, access and equity which have become emblematic of HSP and SWEEP. As eligible recipients of block grants, these shared values will be further tended to.

Thank you for the opportunity to offer this amendment to the RGAs. The State's actions to advance climate smart management activities, including water use, energy efficiency and soil carbon enhancement, is best furthered by partnering with farmer-led organizations. Enabling California's agricultural commissions to serve as block grant recipients will strengthen and leverage the connections between the Department and the agricultural community.

Sincerely,

Rick Tomlinson, President
California Strawberry Commission

Claudia Carter, Executive Director
California Wheat Commission

Todd Sanders, Executive Director
California Apple Commission
California Blueberry Association
California Blueberry Commission
Olive Growers Council of California

Tim Johnson, President & CEO
California Rice Commission

Jeff Oberman, President
California Avocado Commission

Robert Verloop, Executive Director & CEO
California Walnut Commission

cc: Members, Environmental Farming Act Science Advisory Panel
Karen Ross, Secretary, California Department of Food and Agriculture
Virginia Jameson, Deputy Secretary, California Department of Food and Agriculture

From: marco rinaldi <mjragservices@yahoo.com>
Sent: Thursday, December 15, 2022 2:37 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Healthy Soils Block Grant Recipient Program

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Good afternoon,

My name is Marco Rinaldi, my family and I farm in both Tulare and Fresno counties. We are disappointed and upset to hear of your proposed Block Grant Recipient Program. This will not help us as California growers or aid us in becoming sustainable.

Sincerely, Marco J. Rinaldi

[Sent from Yahoo Mail for iPhone](#)



CALIFORNIA ASSOCIATION OF
RESOURCE
CONSERVATION DISTRICTS

Carbon Cycle Institute



SUTTER COUNTY



UPPER SALINAS-LAS TABLAS
RESOURCE
CONSERVATION DISTRICT

December 15, 2022

Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

Re: Comments on Draft Request for Grant Applications for HSP Block Grant Pilot

Dear OEFI Staff:

On behalf of the undersigned organizations and individuals, we write to provide feedback on the Draft Request for Grant Applications for HSP Block Grant Pilot.

We are excited that HSP received an unprecedented \$85 million in the FY 22-23 budget. Farmers are already experiencing the rapidly intensifying impacts of climate change, from severe drought to extreme heat, and desperately need investments to help them transition to more resilient agricultural management systems that simultaneously address the root cause of the problem.

We are grateful to OEFI staff for all their work over the past few years to stand up this program and administer more than 1,500 grants – no easy feat. At the same time, we understand that this record funding from the state's short-term budget surplus poses significant challenges for CDFA in terms of staff capacity and grant contract management. For this reason, we support CDFA in moving forward with this proposed block grant pilot.

We appreciate CDFA's outreach and engagement efforts in developing and sharing this proposal, and the pilot's support for strategic partnerships and grantees that serve socially-disadvantaged farmers.

In addition to building capacity through sharing grant administration responsibilities, the block grant pilot is an opportunity to enable on-the-ground partners to tailor HSP to the needs of their region's agricultural communities. California agriculture is diverse in many ways: from its farmers, operational

scales, and microclimates to its cropping systems, soil types, and surface and groundwater conditions. As such, partners must be able to work with farmers to tailor healthy soils practices to their local conditions and goals.

Below, we share recommendations based on feedback from those in our network actively implementing HSP projects to ensure that the block grant program successfully empowers grantees to partner with their farmer constituents to adopt climate resilient agricultural practices.

Our recommendations suggest ways to maintain fairness in the producer application and selection process, provide needed flexibility for administrative and technical assistance costs, provide timely reimbursement for growers, and ensure partners with smaller service areas can participate. We look forward to continued collaboration for climate resilient agriculture.

Sincerely,

Sandra Nakagawa
Policy Director
CalCAN

Devin Best
Executive Director
Upper Salinas - Las Tablas RCD

Anna Larson
Policy Associate
CalCAN

William Hart
Project Manager
Gold Ridge RCD

Torri Estrada
Executive Director
Carbon Cycle Institute

Ann Baldrige
Executive Director
RCD of Greater San Diego County

Hannah Tikalsky
Program Manager - Agriculture & Watersheds
California Association of Resource
Conservation Districts

Rebekah Weber
Policy Director
CCOF

Karandave Kang
Project Manager
Sutter County RCD

Recommendations for Draft Request for Grant Applications for HSP Block Grant Pilot

1. List all open applications and provide a map of relevant service areas of block grant recipients on a centralized website. CDFA is currently proposing to allow block grant recipients (BGRs) to determine their own application process and timeline to best tailor the process and timeline to the needs of growers in their service area, which we support. As a result, a farmer could hypothetically apply to both the traditional statewide HSP incentive program and to one or more regional BGRs that serve their area. On one hand, this could increase the chances the farmer has to be awarded funding. On the other hand, if the farmer decides to apply to multiple programs, it might require them to submit different applications at different times. To reduce potential confusion and ensure fairness and transparency, we recommend that CDFA list all upcoming and open applications, links to application portals, and deadlines (if applicable) on its HSP website, along with a map of the relevant service areas block grant recipients are serving. We also urge CDFA to require BGRs to have a minimum application period of 12 weeks.

2. Ensure all eligible California growers have the opportunity to apply for HSP and SWEEP by strengthening outreach criteria and building in oversight to on-farm project selection criteria. While the RGA requires BGRs to report on their outreach efforts including any outreach in languages other than English, it does not appear that outreach in non-English languages is mandatory. We recommend requiring outreach in non-English languages for BGRs operating in areas where at least 5% of the growers in the service area use a primary language other than English. This is the same threshold that government entities must follow pursuant to the Dymally-Alatorre Bilingual Services Act (Government Code Section 7290 *et seq.*) In terms of oversight of on-farm project selection criteria, we recommend that CDFA require BGRs to include a question on the application indicating whether the grower has a financial stake or serves in a decision-making capacity with the BGR. Additionally, BGRs should be required to use clear and consistent criteria when evaluating on-farm projects and records of all selection process decisions should be maintained for a 3-year period.

3. Increase the combined administrative and technical assistance cost rate to 25%, and allow block grantees to have flexibility based on grower needs in allocating funds to administrative and technical assistance costs within a set percentage. We heard from interested block grantee applicants that in order to effectively administer the program, they need an administrative cost rate that provides more flexibility for technical assistance needs. Some block grant recipients may work with growers who need relatively little technical assistance, while others may prioritize growers who need substantially more (e.g. non-English-speaking farmers and farmers who are less computer-savvy). Some block grant recipients may award a high volume of low-cost, high-impact projects, while others may award a lower volume of maximum \$200,000 grant awards. To provide needed flexibility to address this, we recommend that CDFA allow 25% of block grant award funds for administration and technical assistance, and allow block grantees to use between 5% and 10% of block grant funds for technical assistance depending on their needs within the 25% cap. This maximum rate would still fall within the

technical assistance cap established by AB 2377, and allows block grantees to tailor their programs to the needs of their farmer population.

4. Provide block grantees with project funds to allow for timely reimbursements.

Swift reimbursements are key for project success, because farmers often do not have the capital available on-hand in order to purchase needed equipment and supplies to begin project implementation. Block grantees are well-positioned to be able to address that need if they have the funds available to disburse. We recommend that once projects have been awarded, CDFA should provide the block grant recipients with 90% of the project funds so that they may provide timely reimbursements for farmers. Advance payments of 90% are allowable under the provisions of section 316.1 “Advance Payments” of the California Code of Regulations, Division 1, Chapter 5.

5. Lower minimum block grant award to \$1 million. We heard from some potential applicants with relatively small service areas and/or who prioritize working with smaller-scale operations that the minimum threshold was too high for their region, and that they would be interested and able to participate if the threshold was \$1 million. This lower threshold would provide more flexibility for block grant recipients in smaller agricultural areas to be able to serve their community, while still providing greater program efficiency and economies of scale.

In addition to the recommendations for improvement listed above, we also wish to express appreciation for many aspects of the RGA. Specifically, we appreciate CDFA’s outreach and engagement efforts on this proposal. By holding stakeholder meetings over the course of many months, CDFA has allowed for consideration and discussion of this proposal by many parties. We also applaud CDFA for awarding points to BGRs that leverage strategic partnerships. Lastly, we appreciate that CDFA is actively encouraging applications from organizations who serve small to medium sized and socially disadvantaged California food producers and farmworkers, including but not limited to BIMPOC (Black, Indigenous, Multiracial, and People of Color), LGBTQ+, women and veterans.

From: Kris Tomlinson <kris@tomlinsonagconsulting.com>
Sent: Thursday, December 15, 2022 3:00 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: HSP Public Comment

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The utilization of the Block Grant program does not help California growers in implementation of practices that will increase soil health which is the goal of the program. It increases complexity of the process and slows implementation of practices by introducing an intermediate (Technical Assistance Providers) between the grower and CDFA. Furthermore, it is not clear that there are enough Technical Assistance Providers available to undertake this role. Historically, HSP funds have been heavily oversubscribed and utilization of the Block Grant programs reduces the available funds for growers to implement the necessary practices to meet the objectives outlined by HSP. I would strongly encourage CDFA to re-evaluate the use of the Block Grant program.

KRIS TOMLINSON

AGRONOMIST | CCA, PASp, SSP

📍 PO BOX 3123 VISALIA, CA 93278

📞 559-991-6720



From: Steve Etchegaray <Steve@etchegarayfarms.com>
Sent: Thursday, December 15, 2022 3:08 PM
To: CDFA Healthy Soil Program_Technician@CDFA
Subject: Public Comment - Block Grant Recipient Program for SWEEP and Healthy Soils Program

CAUTION : [External Email] - This email originated from outside of our CDFA organization. Do not click links or open attachments unless you recognize the sender and know the content is expected and is safe.

CDFA –

I am writing this public comment to express significant concern over CDFA's stated intention of pursuing the Block Grant Recipient Program for the next round of funding for the SWEEP and Healthy Soils Programs. The Block Grant Recipient Program further decreases the pools of funds that were already severely oversubscribed in past rounds, overcomplicates the application and implementation process, and forces growers to delay projects and practices that otherwise would have immediately increased efficiency and sustainability.

As a grower, I strongly believe the traditional application process CDFA has utilized in the past for these programs will be much more effective in achieving sustainability in California agriculture, while achieving that sustainability in a much timelier fashion.

With the above being said, I respectfully ask that you decide to use the traditional application process that CDFA has used in the past.

Sincerely,
Steve Etchegaray

Steve Etchegaray
Etchegaray Farms
661.387.0200 (office)
steve@etchegarayfarms.com



December 12, 2021

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

Re: Draft Block Grant Pilot Program

Dear Secretary Ross:

The California Farm Bureau (Farm Bureau) respectfully writes to offer comments on the release of the California Department of Food and Agriculture's (Department) State Water Efficiency and Enhancement Program and Healthy Soils Block Grant Pilot Programs (Pilot Program). Farm Bureau is a non-governmental, non-profit organization representing nearly 30,000 farming members, including over 20,000 small farms, whose purpose is to protect and promote agricultural interests throughout the state and to find solutions to the problems facing agricultural businesses and the rural community.

Farm Bureau supported last year's budget allocation in SB 154 for State Water Efficiency and Enhancement Program (SWEEP) and Health Soils Program (HSP). The Budget Act of 2022 allotted these Departmental programs a combined \$195 million for climate smart agricultural practices. This historic appropriation will help farmers and ranchers around the state implement critical water saving and carbon sequestering practices. Farm Bureau understands that the Office of Environmental and Farming Innovation within the Department has anticipated challenges with distributing this large sum of funding and has proposed this Pilot Program to distribute these funds as efficiently as possible.

In an October listening session, hosted by the Department, the Pilot Program was introduced as a solution to "resources constraints" within the department. It was also revealed in this session that the Department had held previous meetings with "stakeholders" to discuss and develop the Pilot Program. Farm Bureau is not aware if farmer or ranchers were included in those early meetings. As grant applicants, recipients, and ultimately implementers -- this was a critical oversight. Upon notification of this listening session, many farmers and ranchers participated in subsequent meetings about the Pilot Program and expressed their concerns with the proposed block grant structure. Many participants in the HSP and SWEEP programs can apply for the grant themselves, thereby eliminating the additional 15% of direct and indirect costs a third party would incur in administrative costs. According to CDFA, the historic administration cap was set at 5%. Therefore, a third party-provider can incur **three times the administrative costs** the state

has in the past. Farm Bureau believes this is a detriment to the program, climate smart agricultural practices, and producers.

Farm Bureau does not refute the valuable service that third-party providers offer those that have difficulty navigating the grant program, but we have concerns with such a large amount of state General Funds not going to the programs they were appropriated for. Those additional administrative costs could instead be applied to climate smart practices helping the state meet the strict climate goals set by the governor.

Additionally, the Farm Bureau has concerns with the Pilot Program's language which states, "[Applicants] must prioritize assistance to Socially Disadvantaged Farmers and Ranchers (SDFRs), and ranches that are 500 acres or less." This language mandating participation does not reflect earlier language in the draft proposal which requires an applicant to take local interests into account when choosing awardees. It is unclear how this would be evaluated. What if an applicant is unable to secure 25%? Is the funding then rescinded? If only 10% of the applicants are SDFR, do other participants get dropped so the applicant pool can meet the 25% standard? Farm Bureau supports prioritizing SDFR participants but is concerned about setting a requirement on application. Instead of requiring a percentage on each application, we encourage the draft to specify the program service 25% SDFRs, as is the case for other CDFA programs. This would be a feasible goal, that would maximize local participation.

Farm Bureau also has concerns with the language regarding farm-size prioritization on participating growers. Within this portion of the Pilot Program, priority would be offered to operations that are under 500 acres. Presumably this is to allow for adoption by small to mid-sized farms, however, a 500-acre strawberry, or vegetable farm is not comparable to a 500-acre rice farmer. Acreage alone does not define a small, medium, or large farm. Therefore, prioritizing growers based on acreage is not an appropriate proxy for farm finances and disenfranchisement. Especially when a program is trying to include as many types of agricultural commodities as possible, this does not service that goal. In fact, in March the State Board of Food and Agriculture had a discussion on farm size considerations and various organizations presented on the challenges of the variables that could or should not be used to dictate farm sizes in California. For example, USDA presented statewide data based on Gross Cash Farm Income rather than acreage. These numbers, according to USDA figures, showed that nearly 72% of California operations are considered small family farms.ⁱ This is an overwhelming majority of California producers, and is likely not an appropriate variable either. We discourage the program predetermine the variable while discussions continue.

The Farm Bureau is supportive of promoting climate smart agricultural practices on farms and ranches throughout the state. As previously stated, we are concerned with the method

of grant distribution and the high administrative costs associated with that. We look forward to working with the Department in the coming months to ensure increased funding opportunities for producers. It is our intention to continue to be an active participant in the stakeholder process and represent the interests of our membership. Thank you for considering these comments. If you have any questions, please contact Katie Little at (916) 446-4647 or klittle@cbbf.com.

Sincerely,



Katie Little
Policy Advocate

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https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_State_Level/California/st06_1_0005_0006.pdf



December 15, 2022

Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N Street, Sacramento, CA 95814
cdfa.hsp_tech@cdfa.ca.gov

To: Office of Environmental Farming and Innovation

Re: Comment on [Draft Block Grant Pilot RGA](#) and [CSA Technical Assistance Grant RGA](#)

Sierra Club of California applauds the increased funding and attention to improving the effectiveness of Climate Smart Agriculture Programs including the recent formation of the new Belowground Biodiversity Advisory Committee and the [2022 Healthy Soils Week webinar](#). We welcome opportunities to participate in robust discussion on the science and how it informs program design and evaluation, including the quality of Technical Assistance and a comprehensive and transparent analysis of outcomes.

For the Block Grant Pilot RGA, we recommend robust data gathering provisions:

1. A systematic framework for the design and analysis of data gathering for carbon sequestration in cropland that can explain the wide variations among Healthy Soils Program grantees. The overarching framework should provide for collection of granular, standardized data on input variables in addition to soil type, including practices, pesticide use, fertilizer amounts, application and timing, numbers and diversity of plant species in the cropping system, size, and depth and degree that a compaction layer has been ripped. These data can be analyzed in relation to key outcomes such as Soil Organic Matter in order to identify the potential impact of incentives for various processes. Such data from a regionally focused program at this time can strengthen an evolving adaptive management approach.
2. Reliance on Soil Organic Matter at this time, because it is currently the least expensive reliable proxy for measuring the soil microbial community (Omer, M., *et. al.* 2022).

3. Transparency and NGO access to Soil Organic Matter (SOM) data and collaboration on options for analysis.
4. Separate funding for all future soil carbon data collection and funding for trials looking at correlation of new measuring methods with standard SOM lab tests.

For the Block Grant Pilot and CSA Technical Assistance (TA) Grant RGA, we recommend programmatic flexibility. Current practices spreading compost on conventional farms and the associated modeling substantially underestimate the potential for carbon sequestration. One challenge was described by Dick (1992) that transition from chemical input-based farming systems have biological potentials for efficient cycling and mineralization of organic nutrient sources that are suppressed by the application of inorganic fertilizer. Kong, *et. al.* (2005) reported that soils had not reached an upper limit of C sequestration suggesting a continuing need to understand the important variables. Over 20 years of trials at Russell Ranch reported in Wolf, *et. al.* (2017) revealed that most crop systems experienced a small increase in soil carbon and with substantially higher increases in organically managed plots. Organic systems represent a wide continuum of biodiversity that must be characterized as part of program design and data gathering to be able to learn from the outcomes of the Healthy Soils Program.

While we want firm data-gathering requirements, particularly for Soil Organic Matter as specified above, we also want flexibility for growers in a region to consult with regional block grant entities on effective incentives for innovative holistic changes in their farming systems. As described in Therond, O., *et. al.* 2017, *A new analytical framework of farming system and agriculture model diversities. A review*, the most workable and promising combinations of changes from conventional methods to biodiversity-based farming systems become more apparent through the lens of a biodiversity continuum for building the resilience we need and with 'organic' as a separate essential variable to track.

Timely soil and foliar sap analyses can be critical for immediate crop management decisions, while flexible management is vital to encourage farmers to integrate new information about changing conditions into their farmland stewardship. As we face increasingly unpredictable extreme climate impacts, programs can build local, inclusive, participatory safety nets for such reasoned, intuitive decision-making, ways of knowing that are familiar to Indigenous farmers as Traditional Ecological Knowledge (TEK) and that some farmers think of as consciousness-based. TA Providers can honor and learn from other ways of knowing.

Data is helpful, but farmers and their consultants should not disparage as ‘heuristic guesswork’ the many decisions they make when they don’t have all the data. We have the best chance for greater awareness, engagement, learning, and desired outcomes, including profitability, if CDFA will delegate programmatic decision-making to the level at which optimum results can be obtained through commitment of those whose lives are most affected.

The most valuable feature of the block grant pilot is the surrender of power and authority to regional bodies, particularly if the state will separately fund strict comparable statewide granular data collection and transparent evaluation, since this will provide independent assessment of the results of local approaches. Regional program managers must communicate the importance and value to grantees of immediate requirements for collection of baseline data. This is best achieved if CDFA will separately fund soil sampling, lab tests and the reporting of datasets.

Therefore, programmatically we recommend:

1. Flexibility for a regional entity to propose new approaches to incentivize systemic transition of the greatest number of acres of prime farmland by increasing above and below ground biodiversity for resilience and local food security.
2. Expectations for more holistic, systemic change in a grant applicant’s farming system to achieve higher carbon sequestration outcomes at an accelerated pace. This will most likely require more like 25% administrative costs if a regional entity wants to propose developing a creative program design and management offering to trial regionally appropriate practice enhancements and bundles and payments and evaluative testing recommended by successful practitioners.
3. Higher payments for proposals that include an Organic Farm Plan or an auditable plan that minimizes use of chemical inputs, i.e. no use of high risk pesticides, along with a low application of artificial nitrogen or phosphorus fertilizer to the growing crop based on plant sap analysis.
4. Creation of cooperative horizontal and vertical interlinkages for sharing about learning from observation and experience, measurements, analysis and reason, traditional ways, and intuition.

For the RGA for Climate Smart Agriculture Technical Assistance Provider, we recommend more clear guidance about the value of different kinds of knowledge and new insights:

1. More detail in the Work Plan section on page 11 regarding what constitutes adequate data collection, reporting and evaluation, particularly regarding the

conduct, sampling frame, and reporting of annual Soil Organic Matter tests, with rapid access to results by all collaborators, with an emphasis on what grantees might learn directly from outcomes to increase effectiveness of practices, as well as ensure quality datasets for further analysis.

2. Explicit encouragement to learn from consultations about the experiences and observations of successful practitioners in group settings that prioritize grower to grower sharing, reasoning, and learning. The highest goal of a TA provider would be to be able to understand increasingly complex biodiversity-based farming systems where the conclusions of conventional Western analytical soil models and controlled variable comparative studies can be compared with the observation and experience of the local community.

In conclusion, we look forward to better datasets to evaluate outcomes as well as more flexible investments to release a fuller potential from increasingly complex natural systems on farms. These improvements in the RGAs will enable continuous improvement of CDFA's programs as well as provide the data that CNRA and CARB require to set ambitious goals for carbon sequestration in Working Lands that could obviate the need for investment in geotechnical carbon sequestration to reach carbon neutrality.

Sincerely,

Erin Woolley
Policy Advocate
Sierra Club California

Jan Dietrick, MPH
Agriculture Committee Chair
Sierra Club California

References:

Dick, Richard P. (1992). A review: long-term effects of agricultural systems on soil biochemical and microbial parameters, *Agriculture, Ecosystems & Environment*, Volume 40, Issues 1–4, 25-36.

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Omer, Mohammed and Idowu, Omololu John and Pietrasiak, Nicole and VanLeeuwen, Dawn and Ulery, April L. and Dominguez, Andrew J. and Ghimire, Rajan and Marsalis, Mark, (2022). Biological Soil Quality Indicators in an Irrigated Semiarid Agroecosystem. Available at SSRN: <https://ssrn.com/abstract=4183274> or <http://dx.doi.org/10.2139/ssrn.4183274> (preprint, not peer reviewed).

Therond, O., Duru, M., Roger-Estrade, J. et al. (2017). A new analytical framework of farming system and agriculture model diversities. A review. *Agron. Sustain. Dev.* 37, 21. <https://doi.org/10.1007/s13593-017-0429-7>

Wolf, K., Herrera, I., Tomich, T. P., & Scow, K. (2017). Long-term agricultural experiments inform the development of climate-smart agricultural practices. *California Agriculture*, 71: 120-124.



December 15, 2022

Office of Environmental Farming Initiative
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

RE: NRDC Comment Letter Regarding CDFA's Draft Request for Grant Applications for the Healthy Soils & SWEEP Block Grant Pilot

Dear CDFA Office of Environmental Farming Initiative,

On behalf of the Natural Resources Defense Council (NRDC) and NRDC Action Fund, we are writing to provide comments on the Department of Food and Agriculture's (CDFA) proposal to administer the Healthy Soils Program (HSP) and SWEEP through a block grant pilot. The HSP and SWEEP provide cost-share for practices and infrastructure that build soil health and promote more efficient water use on farms. Both programs received significant boosts in funding in the 2022-23 budget; \$85 million for the Healthy Soils Program and \$110 million for SWEEP.¹ To quickly distribute funds, CDFA is piloting administration of \$40 million of HSP funds and \$50 million of SWEEP funds through a block grant program. We oppose this pilot program for some of the reasons outlined in this letter. We also recognize it might be too late to prevent rollout of the block grant pilot, so we provide recommendations for how the Draft Request for Grant Applications (RGA) can be improved to better meet the climate targets and needs of these two vital climate smart agriculture programs.

RECOMMENDATION 1: Hire Additional CDFA Staff to Address Root Cause of Grant Administration Problems

The Office of Environmental Farming Initiative (OEFI) staff are under-resourced and overworked. As noted by advocates during multiple Science Advisory Panel hearings, Board of Agriculture meetings, and public comment opportunities, administration of HSP and SWEEP funds have not met expectations, and a significant contributor to the problem is the lack of capacity at OEFI. There's no reporting on how grants can be improved to meet the needs of farmers, there's no reporting on whether growers continue using practices once grants expire, program data are not easily available, and environmental outcomes of the grants are not regularly measured or reported. OEFI is doing the best with what they have, but the office currently lacks the programmatic and analytical capacity to meet the needs and demands of these two vital climate smart agriculture programs. Furthermore, with implementation of the 2022 Scoping Plan, the natural and working lands bills passed through the Legislature in 2022, and the Natural Resource Agency's Climate Smart Lands Strategy, the need to effectively track, report, and account for climate smart agriculture program investments will only continue to grow.

Specifically:

- Instead of piloting a temporary block grant program to outsource administration to nonprofits and other entities—many of whom already struggle with capacity constraints—CDFA should address the root cause of the problem and hire additional staff to help with climate smart program grant administration.

We are happy to work with CDFA and other partners to determine the qualifications necessary for additional CDFA staff.

RECOMMENDATION 2: Require Irrigation Districts to be 100% Compliant with Mandatory Water Data Reporting Requirements to be Approved as a Block Grant Recipient

Climate change will reduce future water availability for agriculture, which is why the state's irrigation districts have a critical role to play in fighting our state's climate and drought crisis.² Irrigation districts are responsible for delivering massive amounts of water to California farmers and are listed in the Draft RGA as eligible block grant recipients. Unfortunately, irrigation districts have a history of noncompliance with mandatory water data reporting including Agricultural Water Management Plans (submitted every 5 years) and Farmgate Delivery Reports (submitted annually).³ This is problematic since tracking water delivery and use is vital to helping California better manage and respond to drought.⁴ According to Section § 10608.56(b) of the California Code of Regulations, an agricultural water supplier that has not complied with water data reporting requirements is ineligible to receive grants or loans from the Department of Water Resources.⁵ CDFA should adopt a similar vetting process for irrigation districts who apply to be a block grant recipient. CDFA should work with the Department of Water Resources to verify that an irrigation district has a 100% compliance rate with mandatory water data reporting requirements before being approved as a block grant recipient.

Additionally, under the Block Grant Recipients Eligibility Requirements, CDFA writes that BGR applicants must “demonstrate experience and expertise in irrigation system design and water management practices, grant administration and outreach (Page 5 of SWEEP Block Grant Pilot Request for Grant Applications).” Irrigation districts should demonstrate this track record and expertise, in part, by providing evidence of how the district has invested in water use efficiency improvements which, according to Section § 10608.48 of the California Water Code, is something irrigation districts are required to report on in their Agricultural Water Management Plans.⁶

Specifically:

- CDFA must work with the Department of Water Resources to verify that an irrigation district has a 100% compliance rate with mandatory water data reporting requirements, including Agricultural Water Management Plans and Farmgate Delivery Reports, to be approved as a block grant recipient.
- In order to be approved as a BGR, an irrigation district must show and prove how the district has invested in efficient water management practices, as defined in Section § 10608.48 of the California Water Code.

RECOMMENDATION 3: Work with BGRs to Study and Quantify Any Rebound Effects from SWEEP Funds

CDFA must do more to study and curb SWEEP's rebound effect, a phenomenon in which the water saved from on-farm irrigation upgrades ends up being used to expand irrigated acreage and/or used to grow more water intensive crops.⁷ As the California Legislative Analyst's Office recommends in 2021 assessment of SWEEP, CDFA must “research the extent to which subsidizing on-farm water efficiencies results in a rebound effect...Doing so should provide the Legislature and administration with more accurate estimates of the program's emission and water impacts and cost-effectiveness—information which can assist in future budget decisions and policymaking.”⁸ Drought is the new normal for California and it's critical to not only be more efficient with water use, but also reduce overall irrigation demands. If CDFA moves forward with this block grant pilot, it should require SWEEP BGRs to study and quantify rebound effects from SWEEP, with the long-term goal of eliminating any rebound effects.

Specifically:

- CDFA must work with SWEEP BGRs to study and quantify any rebound effects from SWEEP funds.

RECOMMENDATION 4: Require Consistent, Verified, and Centralized Programmatic Data Collection, Reporting, and Accounting

If CDFA moves forward with a block grant pilot, it should take serious efforts to make sure data collected through the grants are tracked, reported, and verified and are made publicly available in a centralized database within a reasonable period. While the Draft RGA states that BGRs must “verify and report progress on HSP projects,” there is nothing in the document that requires CDFA to validate the reports submitted by BGRs. Pushing grant administration to non-state-agencies adds another hurdle in collecting, maintaining, and reporting *all* programmatic data associated with this block grant pilot. With \$90 million offered through this block grant pilot, CDFA must preserve accountability and transparency of program funds, which is why a centralized database containing all programmatic information must be created and made available to the public.

California’s Climate Smart Agriculture Programs are designed to encourage farmers and ranchers to implement water efficiency and soil conservation practices that sequester carbon, reduce atmospheric GHGs, reduce energy use, improve water use efficiency, improve soil health and provide co-benefits while reducing the economic burden of trying new practices. To achieve the goals of the HSP and SWEEP programs, BGRs should be required to help measure and quantify the benefits of SWEEP and HSP projects that are funded using public dollars, which CDFA should add to the Verification Requirements Quarterly Progress Reports in the Draft RGAs. The SWEEP Advisory Group recommended CDFA identify and strengthen SWEEP’s role in state-level planning on water resilience; sharing data on outcomes of SWEEP grants is a step in that direction.⁹

Specifically:

1. Require BGRs to standardize their reporting of co-benefit outcomes from grants funded through HSP & SWEEP including, but not limited to, carbon sequestration, water savings, emissions reductions, energy savings, and soil organic matter levels.
2. Add water savings data from SWEEP projects to the list of Progress Reporting Requirements for the SWEEP Request for Grant Applications (Page 19 of the SWEEP Block Grant Pilot RGA).
3. Create a centralized database that includes the data collected through the HSP and SWEEP grants funded through the block grant pilot. This database should be easily available to the public and programmatic data should be continuously uploaded to the database in a timely manner to allow for transparency of funds.
4. Change “and may be asked to report actual water and energy use for a period of three years after project completion” (Page 18 of the SWEEP Block Grant Pilot RGA) to “will be asked to report actual water and energy use for a period of three years after project completion.”

RECOMMENDATION 5: Maximize Environmental Benefits by Prioritizing Grants That Address BOTH Soil Health & Water Use Efficiency

With the growing threats imposed by climate change, it is important for state grant programs to find ways to incentivize a suite of practices that can help farms and ranches be more resilient to climate change.¹⁰ Soil health and water conservation are intricately connected—healthy soil is better able to absorb and retain moisture, which provides a significant advantage to growers during times of drought and floods.¹¹ CDFA currently provides cost-share for water efficiency and soil health improvements through these two grant programs (SWEEP and HSP) separately, thereby missing a huge opportunity to incentivize farming practices that simultaneously build soil and water health. Should CDFA move forward with combining administration of these funds through a block grant, it should explore how to prioritize awarding grants that both improve water use efficiency and soil health on a farm.¹²

Specifically:

1. CDFA should identify geographical areas that can benefit most from a combination of soil health and irrigation efficiency projects, and work with Block Grant Recipients to target block grant funds to those areas.

2. Create a new program deliverable in the Program Deliverables section that requires Block Grant Recipients to write how their funding decisions maximize water use efficiency and soil health benefits.

Thank you for this opportunity to provide feedback on the Draft Request for Grant Applications for the HSP & SWEEP Block Grant Pilot Program. In recognition of CDFA's goal to maximize the climate mitigation impact of its Climate Smart Agriculture programs, administer funding equitably and with full transparency, we urge you to reconsider the agency's move to a block grant pilot. That said, if the agency does move ahead, we urge you to consider our recommendations for how to improve the block grant program. We look forward to continuing our work with you.

Sincerely,



Arohi Sharma
Deputy Director of Regenerative Agriculture
Natural Resources Defense Council

¹ California Climate & Agriculture Network. *Robust State Funding for Climate Smart Ag, Drought Relief, Farmworker Housing, Healthy Food Access & More*. September 2022. <https://calclimateag.org/robust-state-funding-for-climate-smart-ag-drought-relief-farmworker-housing-healthy-food-access-more/>

² Gowda, P., J.L. Steiner, C. Olson, M. Boggess, T. Farrigan, and M.A. Grusak, 2018: Agriculture and Rural Communities. In *Impacts, Risks, and Adaptation in the United States: Fourth National Climate Assessment, Volume II* [Reidmiller, D.R., C.W. Avery, D.R. Easterling, K.E. Kunkel, K.L.M. Lewis, T.K. Maycock, and B.C. Stewart (eds.)]. U.S. Global Change Research Program, Washington, DC, USA, pp. 391–437. doi: 10.7930/NCA4.2018.CH10

³ NRDC. Data Gone Missing: Farm Water Information Falls Through the Cracks During California Drought. June 2018. <https://www.nrdc.org/sites/default/files/data-gone-missing-ca-farm-water-ib.pdf>. Sharma, Arohi. The Problem with California's Watered Down Farmgate Data. March 2019. <https://www.nrdc.org/experts/arohi-sharma/importance-water-use-data>

⁴ Sharma, Arohi. The Problem with California's Watered Down Farmgate Data. March 2019. <https://www.nrdc.org/experts/arohi-sharma/importance-water-use-data>

⁵ California Code of Regulations, Section § 10608.56(b). https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=WAT&division=6.&title=&part=2.55.&chapter=4.&article=

⁶ California Water Code, Section § 10608.48 https://leginfo.ca.gov/faces/codes_displayText.xhtml?lawCode=WAT&division=6.&title=&part=2.55.&chapter=4.&article=

⁷ California Legislative Analyst's Office. Assessing California's Climate Policies—Agriculture. December 2021. [https://lao.ca.gov/Publications/Report/4483#State Water Efficiency and Enhancement Program](https://lao.ca.gov/Publications/Report/4483#State%20Water%20Efficiency%20and%20Enhancement%20Program)

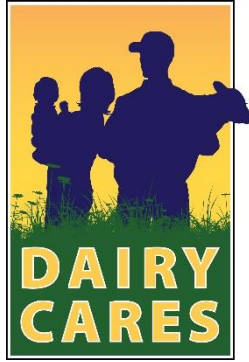
⁸ California Legislative Analyst's Office. Assessing California's Climate Policies—Agriculture. December 2021. [https://lao.ca.gov/Publications/Report/4483#State Water Efficiency and Enhancement Program](https://lao.ca.gov/Publications/Report/4483#State%20Water%20Efficiency%20and%20Enhancement%20Program)

⁹ California Department of Food and Agriculture. Recommendations of the Ad Hoc Advisory Group on the State Water Efficiency and Enhancement Program. May 2021. https://www.cdfa.ca.gov/oefi/sweep/docs/SWEEPAAGReport_final.pdf

¹⁰ NRDC, Climate Ready Soil: How Cover Crops Can Make Farms More Resilient to Extreme Weather Risks, California. November 2015. <https://www.nrdc.org/sites/default/files/climate-ready-soil-CA-IB.pdf>

¹¹ Sharma, Arohi. Building Roots for A More Water Secure California. December 2018. <https://www.nrdc.org/experts/arohi-sharma/building-roots-more-water-secure-california>. Sharma, Arohi. Conservation Helps Farms Survive—and Thrive—in Drought. August 2022. <https://www.nrdc.org/experts/arohi-sharma/conservation-helps-farms-survive-and-thrive-drought>

¹² California Department of Food and Agriculture. Cover crops and water infiltration--a video from the USDA's Natural Resources Conservation Service. July 2014. <http://plantingseedsblog.cdca.ca.gov/wordpress/?p=6587>



By email to: mailto:cdfa.hsp_tech@cdfa.ca.gov

Date: December 15, 2022

Attn: CDFA Office of Environmental Farming and Innovation

Re: Comments on draft Request for Grant Applications (RGA) for California Department of Food and Agriculture's (CDFA) Healthy Soils – Block Grant Pilot Program

Thank you for the opportunity to comment on the above-referenced draft RGA on behalf of Dairy Cares, a coalition of California's dairy producer and processor associations, including the state's largest producer trade associations (*California Dairy Campaign, California Farm Bureau Federation* and *Milk Producers Council*) and the largest milk-processing companies and cooperatives (*California Dairies, Inc., Dairy Farmers of America-Western Area Council, Hilmar Cheese Company, Joseph Gallo Farms, Land O' Lakes* and *Producers Bar 20 Dairy*). Formed in 2001, Dairy Cares promotes the long-term sustainability of California dairies by working together to address environmental and other sustainability issues.

The proposed block grant program offers an excellent opportunity for non-profit associations and others to assist farmers in identifying healthy soils practices for their farms, while also streamlining the disbursement of funds and technical assistance by leveraging the working relationships of NGOs, Resource Conservation Districts, extension specialists and others with farmers and ranchers.

We are commenting today because we see a particularly welcome opportunity through this program to encourage California dairies to produce compost and for other farmers to use this compost. This creates a win-win situation, where dairies can increase the value and facilitate export of their surplus manure nutrients, while helping neighboring farmers build healthy soils. CDFA already recognizes the need for efforts to increase production of value-added manure products and create a circular fertilizer and soil amendment economy in our state to benefit agriculture, the environment and the economy. Creating incentives for increased composting on dairy farms was a key recommendation in the November 2022 final report of CDFA's Manure Recycling and Innovative Products Task Force.

To that end, we recommend that CDFA structure the block grant program to do everything possible to a) encourage dairies to compost surplus manure to increase its value and facilitate export, and b) encourage other California farmers to utilize this manure.

We are concerned that the current RGA language may create barriers for dairies that want to produce compost for other farms. Specifically, some of the language in the RGA states implies that farmers wanting to purchase compost from third parties may only do so if those facilities are “certified,” specifically:

“c. Compost used in this practice must be produced at the agricultural operation where the project is located. Externally sourced compost must be purchased from a *certified* facility.”¹ [*emphasis added*]

We recommend the last sentence above be revised to read “Externally sourced compost must be purchased from a *permitted* facility.” [*Emphasis added*].

Further, we recommend that CDFA collaborate with its sister agencies and other stakeholders to explore other options to incentivize and encourage use of dairy-sourced manure compost. Dairy-sourced manure is a safe and high-quality feedstock for compost, and further encouraging its use could result in broad-based environmental benefits including reduced greenhouse gas emissions, increased carbon sequestration in soils, improved soil quality and better water quality outcomes. Potential opportunities to do this include:

- Providing guidance that allows for scoring projects higher when compost is sourced from dairy manure or dairy farms; and
- Expand the “on-farm” definition to include two or more farms working together to produce and use compost. An example might be a dairy farm that accepts almond sticks and twigs from a neighboring almond grower, then shares compost produced with manure and sticks/twigs with the almond grower.

We recognize that composting is subject to permitting and permitting exemptions from several agencies, and therefore these suggestions may take time to consider and implement.

Conclusion. Once again, we thank CDFA for moving forward with implementation of this important program and for the opportunity to provide comments on behalf of Dairy Cares. We are happy to answer any questions or provide other assistance as needed toward ensuring the continued success of OEFI’s climate and environmental programs.

Sincerely,

¹ Draft RGA, p. 33



Michael Boccadoro, Executive Director



J.P. Cativiela, Regulatory Director

C: Charles "Chuck" Ahlem, Chairman, Dairy Cares
Denise Mullinax, Executive Director, California Dairy Research Foundation



December 15th, 2022

Office of Environmental Farming and Innovation (OEFI)
California Department of Food and Agriculture (CDFA)
1220 N Street
Sacramento, CA 95814

Re: Block Grant Recipient Program Public Comments

Dear OEFI Staff:

CalGAP has supported growers in making operational decisions that improve efficiency, profitability, and sustainability for over 15 years. One of the ways we provide value to our clients is by helping them receive funding for projects or practices to achieve those goals.

The State Water Efficiency Program (SWEEP) and the Healthy Soils Incentives Program have both proven to be very effective tools for our clients. These programs provide great incentives and allow growers to take action with conservation efforts while also improving efficiency at the farm level. Last year alone we assisted almost 50 California growers in applying for funds through these programs and saw positive outcomes in each case.

We believe the implementation of the Block Grant Recipient Program is at a huge disadvantage to the California agricultural community. With each Block Grant Recipient retaining up to 20% of funds, the pool of available resources will be decreased drastically. Both programs were already heavily oversubscribed in past rounds, which speaks to the need for these funds, and this program diminishes the amount that will be accessible to growers.

In addition, the implementation of this program overcomplicates the process and forces growers to delay projects and practices that will support their conservation efforts. The timeline proposed in the Request for Grant Applications shows that the earliest possible date for growers to apply to the Block Grant Recipients would be Fall of 2023. This would then push the timeline for implementation on the farm level to at least Summer of 2024.

Overall, we do not believe that the Block Grant Recipient Program is an effective device for accomplishing the overall goals of these respective programs. It does not support California's mission to increase efficiency and achieve sustainability, nor does it benefit California growers.

We appreciate the efforts of the OEFI staff, as well as the opportunity to make a public comment.

Thank you,

Carlee Branco
Grower Services Manager



December 15, 2022

Office of Environmental Farming and Innovation
California Department of Food and Agriculture
1220 N Street
Sacramento CA 95814

Re: Comments on Draft Request for Grant Applications for CDFA's Healthy Soils – Block Grant Pilot Program

To Whom It May Concern,

Thank you for the opportunity to comment on the draft Request for Grant Applications for CDFA's Healthy Soils – Block Grant Pilot Program. As a California-based environmental non-profit that advances the collaborative stewardship of California's land, air, and water for the benefit of nature and people, we support CDFA's various programs aimed at incentivizing California's farmers and ranchers to adopt climate-smart practices.

CDFA's Healthy Soils Program (HSP) is aligned with our work to identify and scale solutions for (1) transforming agricultural by-products into environmentally beneficial products, (2) improving on-farm nutrient management, and (3) improving agricultural climate resiliency through soils. We have also had the honor of co-chairing the 1383 Dairy and Livestock Taskforce Non-Digester working group as well as CDFA's Manure Recycling and Innovative Products (MRIP) Taskforce.

It is through this work that we understand the need for – and the multiple benefits of – converting agricultural by-products into compost for the benefit of our water, air, and soils. Therefore, we are concerned with the following language on page 33 of 66 in the RGA that suggests compost produced on-farm would not be funded under the HSP unless it is (1) used on the same farm or (2) "certified."

"c. Compost used in this practice must be produced at the agricultural operation where the project is located. Externally sourced compost must be purchased from a certified facility."

We fully support the need to ensure that any compost incentivized under the HSP has quality controls and is from a permitted operation. These requirements are covered with the following language on page 32 of 66: *"a. Compost must be produced by a facility permitted or otherwise authorized by state and local authorities that can demonstrate compliance with all state regulations."*

Certification is an additional process that can be costly and would limit the use of agricultural compost from operations that are permitted and have quality control measures yet have not pursued the extra step of certification. Additionally, it is stated that certification is "recommended" on page 32 of 66: *"STA (US Composting Council's Seal of Testing Assurance Program) or CDFA-OIM (Organic Input Material) Program certified compost is recommended."*

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In order to avoid unnecessary barriers to improved utilization of agricultural by-products and to avoid the confusion of stating in one place that certification is optional and in another place that certification is required, **we encourage CDFA to edit the language on page 33 of 66 to the following (edit underlined):**

"c. Compost used in this practice must be produced at the agricultural operation where the project is located. Externally sourced compost must be purchased from a permitted operation."

Thank you again for the opportunity to comment on this important program.

Sincerely,

Ryan Flaherty
Director of Business Partnerships
Sustainable Conservation



OFFICE OF THE VICE-PRESIDENT —
AGRICULTURE AND NATURAL RESOURCES

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December 15, 2002

cdfa.hsp_tech@cdfa.ca.gov **Healthy Soils (HSP) Block Grant Pilot Program**

cdfa.sweepstech@cdfa.ca.gov **State Water Efficiency and Enhancement Program (SWEEP) Block Grant Pilot Program**

Subject: Input to CDAF regarding block grant pilot programs proposed for Health Soils and the State Water Efficiency and enhancement Program.

Thank you for the opportunity to provide public comments on the two proposed block grant pilot programs (HSP and SWEEP). UC ANR academics and Community Education Specialists have participated as Technical Assistance Providers (TAPs) or proposal reviewers for (HSP, SWEEP, AMMP, DDRDP) since 2015. These individuals have worked as a team to help farmers and ranchers apply for, receive, and implement HSP, SWEEP and AMMP.

The need to identify a different process allowing CDFA to distribute workload associated with Climate Smart programs among other groups, entities, organizations etc. resulted in the draft proposal for block grants. UC ANR provides these comments based on the combined experiences of UC ANR Cooperative Extension Specialists, Farm Advisors and Community Education Specialists as Technical Assistant Providers, application reviewers, and recipients of a block grant for the California Underserved and Small producer COVID-19 economic relief and drought relief grants.

ANR understands the need to shift responsibilities and is concerned about program integrity. Suggested programmatic considerations or modifications are provided with each concern.

- 1) Equitable distribution of funding to growers across California and consistent delivery of quality programming statewide.

Suggestion: Standardize and centralize procedures to maintain equity, prevent conflicts of interest, promote transparency and accountability, and provide farmer applicants with clear information and an efficient application process.

Suggestion: Allow for different payment rates based on region and practice type to cover implementation costs.

Suggestion: CDFA conduct periodic audits of block grant organizations and establish procedures to resolve issues that may arise in the administration of block grant funds.

- 2) Potential for lack of uniformity for application submission, reviews, and selection of projects to be awarded.

Suggestion: CDFA establish and require use of standard criteria for review and funding of applications (disallow each block grant recipient organization from creating its own requirements) with all organizations following a competitive process with a deadline rather than a first-come, first-served process. [Note: UC ANR experience is that the first-come, first-served process is not supportive of equity].

Suggestion: CDFA create and maintain a centralized website, standardized application portal, question and answer document, and notification system with clear CDFA HSP and SWEEP branding for the benefit of growers and block grant recipients. This provides “one-stop” shopping for those interested in participating in the program and maintains a standard of information disseminated to participants.

Suggestion: CDFA establish clear guidelines and requirements for block grant recipient organizations that prohibit the organization from requiring any information, photos, interviews, or participation in any activity from applicants that is not in accordance with or necessary for CDFA’s requirements for the SWEEP or HSP program they are applying to.

Suggestion: CDFA require block grant recipients to run a competitive grant application process where Block grant recipients (TAPs and others) work with growers to revise project applications, in lieu of first come, first serve model. The application process is more equitable to small and disadvantaged farmers who need more assistance to complete the application. Note: Experience by ANR TAPs indicated project revisions result in higher-quality and more complete applications.

Suggestion: CDFA maintain an email address, phone number, and/or web form so that farmer applicants can directly report any problems or issues in their experience with block grant recipient organizations. Farmers should have a process to provide feedback on their experiences or input, which can be used for continuous improvement of the block grant program as well as accountability in the use of public funds.

Suggestion: Use of an unbiased third-party review panel for grower project applications with reviewers located in different geographic regions than the Block grant recipient to reduce conflicts of interest by reviewers.

- 3) Ability of grantee organization to reach underrepresented farmers and ranchers due to the complexity of application and implementation process with unknown variability between block grant recipients.

Suggestion: Establish a standardized schedule for all organizations and maintain announcements on CDFA’s website at least 2 months prior to the opening of the application period. Coordination among different block grant recipient organizations will allow farmers to determine if they are able to make current round deadlines. Clarify if farmers may apply to more than one organization. Establish protocols for application to minimize potential review and potential funding of the same application by multiple organizations.

CDFA may choose to organize the schedule of application, review, and funding announcements for different organizations to avoid overlap. If schedules overlap too much, farmers who applied to one organization, but have not yet been notified of acceptance or rejection, will not know whether they should apply again to a different organization when its application period opens. This could result in farmers applying to multiple different organizations, with the help of multiple TAP, to meet different application requirements, and possibly being funded by multiple organizations at the same time. The need for multiple organizations to provide review on a specific project submitted is an extra need for reviewer time. To avoid this scenario:

- a. CDFA coordinate with block grant recipients to identify timeline for application submission windows and ensure that farmers receive notices of acceptance or rejection before a new round of applications by a separate organization opens.
 - b. Allow farmers whose applications were unsuccessful in a particular round by a particular organization to transfer their application to another organization when its round opens, rather than having to re-do their application. This highlights the importance of a standardized application that can be applied to any block grant organization.
- 4) Meeting needs to include underserved/underrepresented farmers and ranchers as required by legislation; burden placed on growers and existing TAPs in navigating and applying to new HSP and SWEEP programs across the state.

Suggestion: UC ANR proposes allowing flexibility for block grant recipients to extend and revise projects beyond their initial deadline.

Suggestion: Reduce the number of practices eligible for funding (HSP & SWEEP). Create fixed dollar amounts eligible for key SWEEP practices (do not require part quotes for SWEEP).

Suggestion: Streamline project implementation and verification for SWEEP to key critical control components (flowmeter, soil moisture sensor, data to show water savings).

Suggestion: Allow flexibility to contracts once approved to reduce contractual burden.

- 5) Loss of grower relationships in communities with established TAPs.

Suggestion: Continue existing TAPs and provide updated training for new TAPs to ensure continuity in service provided to farmers.

Suggestion: Maintain a central list of TAPs and circulate regularly so applicants are reassured their provider is trained.

- 6) Transferring administrative burden to partner organizations may result in inefficiencies to implement projects.

Each entity would need to hire and train staff resulting in lag time and delayed implementation of projects. Any number of block recipients unable to hire and train staff in a timely manner will result in delayed access of farmers to program funds and potentially incomplete use of funds. [Note: It is increasingly more difficult for employers to find employees.]

Suggestion: Having called out the challenges, UC ANR recognizes this may be one of the few options open to CDFA for administration. In that case we urge that such entities have a strong track record for efficient grant management. Use of fewer entities would reduce oversight burden on CDFA and help ensure consistency across regions.

UC ANR appreciates the opportunity to offer comments and stands ready to assist CDFA in any way we can to ensure ongoing delivery of these very important programs.

Sincerely,



Glenda Humiston
Vice President
Agriculture and Natural Resources