Aaron Sikora PO Box 526 Kingsburg, CA 93631 (559)859-1611

November 28, 2022

To Whom it may Concern:

We strongly disagree with the proposed program. We feel this a big disadvantage to all growers.

Sincerely,

ano Mon

Aaron Sikora

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.

Good morning,

I am a concerned farmer and believe the implementation of the Block Grant Recipient Program would be at a huge disadvantage to farmers and growers like me. It 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 would increase efficiency and sustainability.

I hope you stick with the tradition application process that has been used in the past.

Thank you, Chhinderpal Sihota



December 15, 2022

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

RE: State Water Efficiency and Enhancement Program Block Grant Pilots

Dear California Department of Food and Agriculture Staff,

Common Good Water appreciates the opportunity to provide input on CDFA's proposed State Water Efficiency and Enhancement Program (SWEEP) and Healthy Soils Program (HSP) Block Grant Pilot Programs. We strongly support the State's effort to assist farmers in reducing on-farm water use through innovative and sustainable technologies.

Common Good Water partners with farmers to deploy best-in-class subsurface drip irrigation and crop management practices, coupled with an innovative third-party verification system, to help reduce water demand, increase crop yield and efficiency, and reduce greenhouse gas (GHG) emissions. Common Good Water facilitates outreach to diverse and broad farming operations while supporting the agricultural community in understanding their best options to maximize yields and minimize natural resource inputs.

Within the proposed guidelines for the Block Grant Pilot, we respectfully request eligible applicants include private entities, recognizing the need to continue to partner with Technical Assistance Providers (TAPs).

Similar to public agencies and nonprofits, private entities have robust experience managing and implementing water demand management programs designed to reduce water demand in agricultural operations while also valuing and verifying all environmental, social, and economic benefits associated with the on-farm system upgrade. There are also efficiencies for a private entity to be the block grant recipient, as they offer extensive experience in high efficiency irrigation system design and best crop management practices that will optimize the resource use of the system, increase crop yields, and ensure a long-term conversion to a new irrigation method to minimize water use and reduce GHG emissions. Private entities can also offer economies of scale, optimizing the use of public funding to deliver the greatest public benefits.

In partnering with TAPs, private entities will work with public agencies and/or nonprofit organizations to cross reference groundwater sustainability plans and identify farm locations that optimize GSPs for reducing groundwater overdraft and reducing the chance for domestic well loss, which can more effectively implement and validate water savings.

Common Good Water appreciates the opportunity to provide input on and support for the SWEEP Block Grant Pilot and looks forward to working with staff and farmers to reduce water use and improve agricultural sustainability.

Sincerely,

Michael Burney, Managing Partner

Valent

Val Fishman, Chief Development Officer



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-togrower 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

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

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:	<u>marco rinaldi</u>
То:	CDFA SWEEP Tech@CDFA
Subject:	Sweep Block Grant Proposal
Date:	Thursday, December 15, 2022 2:32:18 PM

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.

Good afternoon,

My name is Marco Rinaldi, my family and I have small farms for n both Tulare and Fresno counties.

We are very disappointed to hear of your decision to change the Sweep program to a BlockGrant Receipient Program.This will Not benefit California growers or ourmission of sustainability.Sincerely, Marco J. RinaldiSent from Yahoo Mail for iPhoneSincerely, Marco J. Rinaldi

From:	Kris Tomlinson
То:	CDFA SWEEP Tech@CDFA
Subject:	SWEEP Public Comment
Date:	Thursday, December 15, 2022 2:58:32 PM
Attachments:	image001.png

# 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.

The utilization of the Block Grant program does not help California growers in implementation of practices that will increase water use efficiency and decrease the use of greenhouse gasses 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, SWEEP 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 SWEEP. I would strongly encourage CDFA to reevaluate the use of the Block Grant program.



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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 15, 2022

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

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

Dear OEFI Staff:

On behalf of the undersigned organizations, we write to provide feedback on the draft Request for Grant Applications (RGA) for CDFA's proposed State Water Efficiency and Enhancement Program (SWEEP) block grant pilot.

We are excited SWEEP received an unprecedented \$110 million in the FY 22-23 budget. This record funding will provide hundreds of farmers the capital they need to upgrade their irrigation systems to increase water use and energy efficiency, reduce greenhouse gas emissions, and achieve a host of other benefits like reduced weed pressure, improved nutrient management, and reduced local air pollution. 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 see this block grant pilot as more than just a means to share the burden of grant administration responsibilities; we see it as an opportunity to unlock innovation by enabling on-the-ground partners to tailor the SWEEP program to their regions' and agricultural communities' unique challenges and opportunities. California agriculture is diverse in many ways: from its farmers, operational scales, and microclimates to its cropping systems, irrigation systems, and surface and groundwater conditions. As such, the best irrigation technology and practices to increase water efficiency, reduce greenhouse gas emissions, and address long-term sustainability challenges like groundwater overdraft, soil salinization, and water quality look different in many regions of the state. The desert region SWEEP pilot, which kicked off earlier this year, is an example of how small, regionally-specific modifications to the existing SWEEP program can significantly increase farmer participation and regional equity while advancing SWEEP's statewide objectives.

#### We offer the following recommendations for changes to the RGA:

**1. Unlock regional innovation with greater program flexibility.** While the draft guidelines appear to largely mirror the existing SWEEP program parameters, a block grant model provides a rare opportunity to explore a more flexible, regionally-tailored approach and implement some of the recommendations made by the 41-member SWEEP sub-advisory group CDFA convened in 2021. Some of the group's recommendations needed additional refinement or exploration before they could be implemented at a statewide level, but would be perfectly suited for piloting through individual block grants. For example, the advisory group strongly recommended creating two cost-categories of projects: one for low-cost/high-impact projects (e.g. low-cost soil moisture sensors, variable frequency drives, etc.) that would have a simpler application, and one for higher-cost projects (e.g. above \$50,000). A block grant recipient who intimately knows the kinds of low-cost, high-impact projects growers in their region would benefit from (e.g an existing Water Efficiency Technical Assistance Program grantee or irrigation district) would be a perfect fit to pilot the advisory group's recommendation. Other approaches the block grant could allow based on the SWEEP advisory group's recommendations include:

- Minor modifications with CDFA staff's approval to the SWEEP requirements and GHG estimations based on regional differences in water delivery systems (e.g. gravity-fed surface water delivery vs pressurized, piped water delivery from water agencies), irrigation practices, and cropping systems. For example, the SWEEP Desert Region Pilot launched earlier this year slightly revised SWEEP's GHG requirement to account for the gravity-fed systems in the Imperial Valley, which made farmers in that region eligible for SWEEP for the first time in 8 years and resulted in 51 applications for \$7.3 million (3.5 times the available funding).
- Modifications to funding priorities based on regional needs and groundwater sustainability plans (GSPs). For example, irrigation districts may wish to prioritize projects that retain or restore the ability to do managed aquifer recharge (Ag-MAR) for salinity management and groundwater recharge in ideal locations.
- Modifications to selection criteria to reflect opportunities to leverage multiple sources of funding. For example, irrigation districts may wish to prioritize projects where the district is planning water delivery infrastructure upgrades like compensation reservoirs and pressurized, on-demand water delivery (e.g. similar to what the <u>South San Joaquin</u> <u>Irrigation District did in its Division 9</u>), resulting in significantly higher water and energy efficiency impacts.

**2. Lower minimum block grant award to \$750,000.** Building on the theme of program flexibility to match actual local/regional demand, some potential block grant applicants may have relatively small service areas and/or prioritize working with smaller-scale operations with lower-cost projects. For those applicants, the RGA's proposed minimum block grant of \$2 million may be more than they can reasonably expect to allocate in their service area. A number of Resource Conservation Districts in our network have suggested a minimum of \$750,000 would be more reasonable for their service area and would allow them to apply.

# 3. Ensure adequate technical assistance by giving block grant recipients the flexibility to adjust their technical assistance-to-administrative cost ratio based on actual grower

**needs.** The draft guidelines propose to allow for up to 15% of the funds a block grant recipient receives to go towards administrative costs, and an additional 5% to go towards technical assistance. Since this is the first time block grant recipients will be administering the program, it is hard to predict exactly how much funding each will need for administrative and technical assistance costs. 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 lower volume of maximum \$200,000 grant awards. Some block grant recipients may receive, review, and process a glut of applications while others may receive just enough to allocate their funding. Some block grant recipients may need to actually pay for growers' pump tests upfront in order to help them apply (as was the case for small-scale Chinese-American growers in Santa Clara county who couldn't afford to pay for one or more \$300 pump tests upfront for a grant they were not guaranteed to receive).

The point is it is hard to predict the relative breakdown of administrative and technical assistance costs for block grant recipients, which is ultimately dependent on the needs and interest of growers in their service area. Therefore, we recommend that CDFA allow block grantees to use between 5-20% of their block grant award for administration and between 5-15% of their block grant award for technical assistance, for a *combined total of no more than 25%* (i.e. reserving 75% of the award for on-farm project implementation). These more flexible rates would allow block grantees to tailor their programs to the needs of their farmer population.

#### 4. List all open applications and provide a map of relevant service areas of block grant

**recipients.** CDFA is currently proposing to allow block grant recipients 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 SWEEP incentive program and to a regional block grant recipient in whose service area they operate. 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 both, it might require them to submit two different applications at two different times. To reduce potential confusion and ensure fairness and transparency, we recommend CDFA list all open applications, links to application portals, and deadlines (if applicable) on its SWEEP website, along with a map of the relevant service areas block grant recipients are serving.

**5.** Ensure all eligible California growers have the opportunity to apply for SWEEP by strengthening outreach criteria and building in oversight of on-farm project selection criteria. While the RGA requires block grant recipients 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 block grant recipients 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 block grant recipients to include a question on the application indicating whether the grower has a financial stake or serves in a decision-making capacity (e.g. board member) with the block grant recipient organization. Additionally, block grant recipients 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.

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 block grant recipients that leverage strategic partnerships. Lastly, we appreciate that CDFA is actively encouraging applications from organizations who serve small to medium sized and historically underserved California food producers.

Sincerely,

Brian Shobe Deputy Policy Director California Climate & Agriculture Network (CalCAN)

Laurel Marcus Executive Director California Land Stewardship Institute

Sacha Lozano Ag Stewardship Program Manager Resource Conservation District of Santa Cruz County



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 Disadvantages 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.<sup>i</sup> 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@cfbf.com.

Sincerely,

atie Little

Katie Little Policy Advocate

i

https://www.nass.usda.gov/Publications/AgCensus/2017/Full Report/Volume 1, Chapter 1 State Level/Cali fornia/st06\_1\_0005\_0006.pdf

From:	Mitchell Gander
То:	CDFA SWEEP Tech@CDFA
Subject:	Sweep block grant objection
Date:	Thursday, December 15, 2022 3:58:25 PM

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.

This new block program for SWEEP does not benefit growers or California's mission to achieve sustainability. It lessens the pool of available funds in programs that were already heavily oversubscribed. As an irrigation manager for over 11,000 acres of Californias farmland I do not think it is in the best interest of the farmers that this block grant be put into place.

Thank you for reading,

Mitchell Gander, PCA, CAIS Winters Farming, Inc.

From:	<u>steve hettinga</u>
To:	CDFA SWEEP Tech@CDFA
Subject:	sweep program
Date:	Thursday, December 15, 2022 4:28:34 PM

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.

Hi, as a farmer in the central valley we would like to see funds available for all the tight water restrictions imposed with the drought in california. I have put in better efficient irrigation methods other than flood, we have done some central pivot irrigation and the method works well. Having funds available for this will save flood irrigation farmers 40-50% more efficiently.

--

Thank you,

Steven Hettinga 559-280-0039



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.<sup>1</sup> 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 <u>Problems</u>

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.<sup>2</sup> 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).<sup>3</sup> This is problematic since tracking water delivery and use is vital to helping California better manage and respond to drought.<sup>4</sup> 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.<sup>5</sup> 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.<sup>6</sup>

## 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** <u>Funds</u>

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.<sup>7</sup> 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."<sup>8</sup> 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.

#### <u>RECOMMENDATION 4: Require Consistent, Verified, and Centralized Programmatic Data</u> <u>Collection, Reporting, and Accounting</u>

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 identity 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.<sup>9</sup>

## 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.<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup>

# 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

<sup>5</sup> California Code of Regulations, Section § 10608.56(b).

https://leginfo.legislature.ca.gov/faces/codes\_displayText.xhtml?lawCode=WAT&division=6.&title=&part=2.55.&chapter=4.&article=. <sup>6</sup> California Water Code, Section § 10608.48

https://leginfo.legislature.ca.gov/faces/codes\_displayText.xhtml?lawCode=WAT&division=6.&title=&part=2.55.&chapter=4.&article= <sup>7</sup> 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

<sup>8</sup> 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

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

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

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

<sup>&</sup>lt;sup>2</sup> 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

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

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

<sup>&</sup>lt;sup>11</sup> Sharma, Arohi. Building Roots for A More Water Secure California. December 2018. <u>https://www.nrdc.org/experts/arohi-sharma/building-roots-more-water-secure-california</u>. 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

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



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.

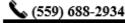
In addition, the implementation of this program overcomplicates the process and forces growers to delay projects and practices that will support their conservation efforts. The timeline proposed in the Request for Grant Applications shows that the earliest possible date for growers to apply to the Block 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



🖂 1255 N Cherry St #204 Tulare, CA 93274



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OFFICE OF THE VICE-PRESIDENT — AGRICULTURE AND NATURAL RESOURCES OFFICE OF THE PRESIDENT 1111 Franklin Street, 10th Floor Oakland, California 94607-5200

December 15, 2002

# cdfa.hsp\_tech@cdfa.ca.gov Healthy Soils (HSP) Block Grant Pilot Program

<u>cdfa.sweeptech@cdfa.ca.gov</u> 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) <u>Potential for lack of uniformity for application submission, reviews, and selection of projects</u> 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.

 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) <u>Meeting needs to include underserved/underrepresented farmers and ranchers as required by</u> <u>legislation; burden placed on growers and existing TAPs in navigating and applying to new HSP</u> <u>and SWEEP programs across the state.</u>

**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) <u>Transferring administrative burden to partner organizations may result in inefficiencies to implement projects.</u>

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,

Glanda Humiston

Glenda Humiston Vice President Agriculture and Natural Resources