

# Financial Incentives for Climate-Smart Agriculture

## Background

There are powerful management practices that farms and ranches can use to reduce greenhouse gas emissions, sequester carbon and make their operations more resilient. Among the farming practices with the greatest climate benefits are: soil building, increased biodiversity, water and energy conservation, and on-farm renewable energy generation. For a summary of climate-smart farming practices with environmental and agronomic co-benefits, see CalCAN's fact sheet [Climate Solutions in California Agriculture](#).<sup>a</sup>

The state of California is rolling out several new financial incentive programs to encourage the use of agricultural climate solutions that help the state meet its ambitious greenhouse gas reduction goals. The state's Greenhouse Gas Reduction Fund, derived from cap-and-trade money, supports the new and evolving programs summarized here. Eligible applicants include farmers and ranchers, land trusts and local governments.

CalCAN has advocated to make these important programs accessible to a wide diversity of California growers. We encourage you to apply, and please share your experiences with us!

<sup>a</sup> Available at: <http://calclimateag.org/wp-content/uploads/2015/02/Climate-Benefits-of-Agriculture-2015.pdf>

## Climate and Agriculture Grants

### Sustainable Agriculture Lands Conservation (SALC) Program

The SALC Program funds permanent conservation easements on cropland and rangeland at risk of sprawl development, preventing greenhouse gas emissions associated with urban and suburban development. The program also provides grants for local land use planning and policy development to support long-term agricultural conservation. Launched in early 2015, SALC is the first program of its kind in the country, and it is administered by the Natural Resources Agency's Department of Conservation. The program is funded by the state's Greenhouse Gas Reduction Fund.

**Funding available in 2016:** \$37.4 million was awarded in August 2016. Another round is expected in fall or winter 2016/17.

#### Eligible projects:

1. Agricultural Land Conservation Strategies and Outcomes – Grants to counties, cities, and partners to design and implement local or regional agricultural land conservation strategies that reduce GHG emissions through the long-term protection of agricultural lands under threat of conversion by promoting regional growth within discrete boundaries.
2. Agricultural Conservation Easements – Grants to protect important agricultural lands under threat of conversion using permanent agricultural conservation easements.

**For more information:** <http://www.conservation.ca.gov/dlrp/SALCP/>



photo: Fetzer/Bonterra





## State Water Efficiency and Enhancement Program (SWEET)

SWEET provides financial incentives to agricultural operations to invest in water irrigation treatment and distribution systems that reduce water and energy use, augment supply and increase agricultural water and energy efficiency. Established in 2014, SWEET is administrated by the California Department of Food and Agriculture and funded by the state's Greenhouse Gas Reduction Fund.

**Funding available in 2016:** At least \$20 million, in several grant cycles. In August 2016, \$7.5 million was budgeted for Fiscal Year 2016-17.

### Eligible and potential projects:

- Weather, soil or plant sensors for irrigation scheduling
- Micro-irrigation or drip systems
- Conversion of fossil fuel-powered pumps to solar, wind, electric or natural gas
- Improved energy efficiency (e.g., retrofitting or replacing pumps)
- Low pressure irrigation systems
- Variable frequency drives to reduce energy use and match pump flow to load requirements
- Reduced pumping (e.g., improved irrigation scheduling)
- Other management practices that save water and reduce greenhouse gas emissions can earn applicants additional consideration (e.g., soil management practices such as cover cropping and compost additions that increase water-holding capacity)

**For more information:** <https://www.cdfa.ca.gov/oefi/sweep/>

## Coming Soon...

### Healthy Soils Initiative

The Governor's Healthy Soils Initiative is an interagency effort led by CDFA to improve the sustainability and resilience to climate change of California's soils. In addition to serving as a sink for atmospheric carbon and helping address climate change, increased soil organic matter offers numerous benefits such as improved water holding capacity, increased crop yields and decreased sediment erosion.

The Healthy Soils Initiative will establish long-term goals for carbon levels in all of California's agricultural soils and provide incentives for improved soil management practices.

**Funding available in 2016:** The program will receive \$7.5 million for Fiscal Year 2016-17. The CDFA plans to release a call for proposals in the Fall of 2016.

**For more information:** <https://www.cdfa.ca.gov/oefi/healthysouils/docs/CA-HealthySoilsInitiativeVision.pdf>

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To stay current on the development of these programs, sign up for the CalCAN newsletter and blog at [www.calclimateag.org](http://www.calclimateag.org).



The California Climate and Agriculture Network (CalCAN) is a coalition of California sustainable agriculture organizations. We cultivate farmer leadership to face the challenges of climate change and to serve as California's sustainable agriculture voice on climate change policy.

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