



Amrith Gunasekara, Science Advisor
Geetika Joshi, Office of Environmental Farming & Innovation
California Department of Food and Agriculture
1220 N Street
Sacramento, CA 95814

July 28, 2017

RE: AMMP Program Comments

Dear Drs. Gunasekara and Joshi,

Thank you for the opportunity to provide comments on the draft program guidelines and application for the Alternative Manure Management Practices (AMMP) program.

With the passage of SB 1383, we will need diverse and complementary strategies to achieve the state's goals of a 40 percent reduction in methane emissions by 2030. CDFA's leadership in developing AMMP is critical to these efforts.

But the program will only work if the application process is accessible to producers who know the business of dairy management and are innovators in their field, while not precluding such innovators by overly rewarding grant writing skills over project implementation.

Following conversations with dairy industry leaders, we are concerned that the current draft AMMP application will be too much of a barrier for most dairy producers. In its current form the application is long and complex, likely requiring a grant writer or project consultant to craft a successful application and all the related materials (e.g. permits, CEQA review). We strongly urge simplifying the application, extending the grant deadline period from 6 to 12 weeks, and providing consultant funding for application assistance, beyond grant workshops. Unlike digesters, there is not an equipment provider who can write an AMMP application.

Instead, to be successful, we must rely upon our technical assistance providers – the Resource Conservation Districts, Cooperative Extension advisors, and other industry experts – to assist dairy producers in crafting their projects and applying to AMMP. To do that, we must go beyond small workshop grants and instead acknowledge the many hours of staff time it will take to develop successful projects and proposals under AMMP as well as assist with implementation and reporting.

We suggest that CDFA use a portion of its administrative funds to provide grants of up to \$50,000 to provide grant writing, CEQA and permit assistance, and grant follow up (e.g. reporting, implementation assistance) for producers. This type of funding could provide benefits on a regional level by including an option for a group of RCDs, Cooperative Extension, etc. to apply collectively to provide assistance and pool resources and technical expertise.

This kind of assistance can make all the difference in making AMMP the program that launches model projects that demonstrate how dairies of all scales can achieve the aims of Climate Smart dairying.

Please find below additional comments on the program.

Thank you for your consideration.

Sincerely,



Jeanne Merrill
Policy Director

1. Project reporting. Quarterly reporting is difficult for any grant awardee, but especially for dairy producers who do not typically manage grants. We do not believe that quarterly reporting is a GGRF requirement. Moreover, we would not expect that the GHG emissions calculations would change substantially from quarter to quarter, particularly as the project is being installed. Rather than the proposed quarterly progress reports for AMMP projects, we ask that CDFA require annual reporting. As we suggested above, dairy producers will likely need some assistance to meet even annual reporting requirements, which are significant under the current draft guidelines.

2. Grant size/matching funds. We support CDFA's proposed \$750,000 project cap. We also support matching funds being preferred, but not required. This will allow for a greater number of dairy producers to participate in the program.

3. Eligible practices. We support the list of eligible practices under AMMP. We suggest that CDFA develop a process for adding new practices to the program in future years.

We do suggest one important change:

- Solid separation and conversion from flush to scrape should be allowed as eligible, stand-alone practices. Projects that incorporate new manure handling (e.g. open solar drying, daily spread, composting, etc.) should receive higher points than those that do not. However, those projects that convert from flush to dry management or add solid separation are making significant advances and reducing emissions; thus, they should be allowed as stand-alone projects. The current requirement of combining solid separation or scrape with new manure handling should be dropped.

4. Allowable costs. It is not clear from the current draft what kind of engineering and design expenses are eligible under the program. We suggest clarifying this. We also suggest that for those projects that require CEQA review that some or all of the expenses related to the CEQA process be allowable under the program.

4. Application simplification. We support simplifying the application as much as possible to make it easier for dairy producers to apply. However, we acknowledge that even with some simplification it is likely that dairy producers will still need significant support in successfully completing the application. Some suggested changes to the application include:

- A. Turn the Environmental Benefits and Disadvantaged Communities sections of the application from narrative form to check-boxes by offering a list of options (e.g. a list of environmental benefits; yes/no on whether or not the project is located in a DAC, etc.).
- B. Offer a template for the Project Implementation Plan, including as many questions as check boxes as possible.
- C. Drop the requirement to discuss component repair and support as well as maintenance needs under Long-Term Viability of Project. A narrative on possible repair and maintenance needs is much too speculative to be useful in scoring applications. Instead we suggest that CDFA ask for any warranty information on new equipment.
- D. Provide a template for the Project Team Qualifications.

5. Permit and CEQA guidance. Most dairy producers will be unfamiliar with the necessary permits needed for the AMMP projects. And most will be equally unfamiliar with the CEQA process. We suggest that CDFA provide some guidance on permitting and CEQA requirements.

6. Application deadline extension. Dairy producers will not start new projects until the rainy season is over. Given that and the complexity of the projects (e.g. permits needed) and the application requirements, we strongly urge extending the application deadline from 6 weeks to 12 weeks. We understand that there may be a desire have the AMMP process coincide with the digester applications. However, we are concerned that a short deadline period will hurt the number of completed applications. Similar to the SWEEP process, a second RFP could be offered in early 2018 for any remaining funds.