



October 14, 2016

Deputy Secretary Jenny Lester Moffitt
 Dr. Amrith Gunasakera
 Dr. Geetika Joshi
 California Department of Food and Agriculture
 1220 N Street
 Sacramento, CA 95814

RE: Recommendations for Healthy Soils Program Framework

Dear Deputy Secretary Moffitt and Drs. Gunasakera and Joshi,

On behalf of the undersigned agriculture and conservation organizations, we write to express our support for the on-going development of the state's Healthy Soils Program and to forward recommendations on the program framework.

California's embrace of the healthy soils strategy presents an important opportunity to not only achieve significant greenhouse gas emissions reductions, but also to support a vibrant and sustainable agricultural industry for years to come.

On August 26th CDFA released an updated framework for the Healthy Soils Program and on September 14th the state released a Vision for the Healthy Soils Initiative. Our comments are intended to speak to both documents. We look forward to discussing this further with you. Thank you for your leadership on Healthy Soils.

1. Funding considerations

We are pleased the Healthy Soils Program received its first round of funding of \$7.5 million for FY 2016-17, especially given recent funding constraints. This program is important enough to warrant the originally proposed funding level of \$20 million; still, this initial funding can achieve real greenhouse gas reductions while demonstrating to farmers and ranchers the efficacy of the program.

We suggest that of the \$7.5 million, \$1.5 million be made available for on-farm demonstration projects. These projects can extend the impact of the Healthy Soils Program by demonstrating to farmers and ranchers the agronomic and economic benefits of healthy soils strategies in addition to the climate benefits of the practices.

We suggest the remaining funds be used for direct farmer/rancher incentives. The impact of these incentives can be extended by working with the California Natural Resources Conservation Service (NRCS) to complement their farm bill conservation programs focused on healthy soils, as discussed below.

2. Funding technical assistance

As we have seen with the State Water Efficiency and Enhancement Program (SWEEP), grower access to technical assistance is crucial to the success of the program. There is precedent at the Air Resources Board for allowing state agencies responsible for implementing climate change programs to partner with outside agencies/NGOs to assist with implementation. Examples include the Low-Income Weatherization Program, the Strategic Growth Council's on-going funding for technical assistance for its Affordable Housing and Sustainable Communities Program, and the Urban Forestry Program that allows for on-going maintenance of trees.

The Vision for the Healthy Soils Initiative outlines the need for technical assistance (Action 3). We echo that need. There are several types of technical assistance that we suggest that CDFA consider eligible under the Healthy Soils Program, including:

- A. Project Development: Work with farmers and ranchers to identify management opportunities to improve carbon storage in soils, to reduce greenhouse gas emissions, and to achieve related agronomic, environmental and economic benefits.
- B. Outreach and Assistance: Outreach to farmers and ranchers to let them know of the Healthy Soils Program opportunity. Provide workshops and other assistance for grant applications.
- C. Project Implementation and Evaluation: Once funded by the Healthy Soils Program, technical assistance providers can work with grantees on implementation of their practices (e.g. Urban Forestry program). Technical assistance providers can also work with CDFA to evaluate the projects' impacts over time.

We suggest that CDFA seek to fund technical assistance as part of the Healthy Soils Program either as part of department's administrative funds for the program and/or as an eligible component of the funded projects.

3. *Eligible practices for incentives*

As noted in the Vision for the Healthy Soils Initiative, cover crops and managed grazing are among the practices that can improve soil organic matter and achieve the soil carbon sequestration benefits the program seeks. However, we note that cover crops, along with reduced tillage, are still under consideration for eligibility in the program, with staff concerns raised about practice impacts, as outlined in the recent program framework. Moreover, managed or prescribed grazing, while part of the USDA Climate Change Building Blocks, is not on the list of considered eligible practices. This oversight could significantly limit the programs' impact in the livestock grazing community. We suggest convening a technical advisory committee to work with CDFA staff, and possibly ARB staff, to review the science on these and other agricultural practices that have demonstrated climate change mitigation benefits, some which accrue over several years. The success of the program depends upon a robust, comprehensive and credible list of eligible management practices.

4. *Funding full cost of practices*

As CDFA considers the funding levels of practice incentives, the full costs associated with particular practices should be considered and adequately incentivized. For example, the installation of new hedgerows requires costs that NRCS does not consider, such as design and appropriate plant selection, as well as continued maintenance of the hedgerow, which includes irrigating those new plantings as they become established. Another example of associated costs is paying for fencing near riparian plantings to exclude livestock and wildlife from the newly established trees and shrubs. These costs are real and adequately funding them can make the difference for the grower in successfully deploying the practice.

5. *Application process*

Complicated and time-consuming application processes can discourage farmers and ranchers of all types from applying to new state programs, especially small and mid-sized growers without staff to invest time in understanding new grant programs. To avoid a burdensome state application process, we suggest looking to how the San Joaquin Valley Air Pollution Control Board partnered with the California NRCS to jointly fund tractor replacement in the Central Valley as part of their air pollution reduction efforts. That program attracted a large number of producers who successfully received state and federal funds to replace old diesel tractors. What lessons are to be learned from that joint effort? Can the state again partner with CA NRCS to develop a joint effort to support healthy soils practices?

6. *Bringing together incentives and demonstration projects*

There may be creative ways to bring together on-farm demonstration with direct incentives. We suggest that CDFA allow those growers involved in demonstration projects to be eligible for incentive payments. The USDA Regional Conservation Partnership Program is one example of how regional partners can bring together demonstration with technical assistance and direct conservation incentives.

7. *Sharing project information*

We suggest that grower and demonstration project participants in the Healthy Soils Program participate in post-project evaluation. This may come in the form of a survey of project outcomes or other aggregated data collection. This can both inform future projects and program development along with assisting growers to understand the outcomes of healthy soils projects.

The Vision for the Healthy Soils Initiative provides important guidance as we look to the implementation of the state program. There is much to be gained from a Healthy Soils Program that seeks to achieve real greenhouse gas emission reductions while also improving crop yields, water holding capacity of soils, reduced soil erosion, improved air and water quality, and increased biological diversity and wildlife habitat.

New programs are both exciting and challenging opportunities to balance vision with the practical considerations of grant processes. We look forward to working with you to achieve a visionary, model program that results in practical and achievable results for farmers and the environment.

Sincerely,

Ed Thompson, Jr.
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