



February 8, 2022

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

Subject: **Stakeholder Feedback on HSP, SWEEP, CAPGP, and Public Process**

Dear Secretary Ross:

We are grateful for your vision and leadership in developing the country's most comprehensive suite of climate smart agriculture (CSA) programs. The recent significant expansion of funding for the CSA programs presents an important opportunity to scale up agricultural solutions to the climate crisis and we look forward to working with you and CDFA staff to advance this work.

It is in that spirit of collaboration that we write to share our feedback about ongoing implementation issues for some of those programs, including the Healthy Soils Program (HSP), the State Water Efficiency and Enhancement Program (SWEEP), and the newly proposed Conservation Agriculture Planning Grant Program (CAPGP).

Much of what we want to share with you are challenges that numerous farmers and technical assistance (TA) providers have shared with CDFA over the years but which remain unaddressed. Some of these challenges relate to program requirements and structural barriers that prevent certain groups of farmers from applying and negatively affect farmers' experience with the programs – challenges which disproportionately impact historically underserved farmers. Other challenges relate to public process, including a weakening of the role of the Science Advisory Panel (SAP). We are concerned that if these issues persist the state will

hamper its ability to meet its goals of expanding healthy soils, water use efficiency, and conservation planning projects effectively across California farms and ranches. We ask for your intervention to address these issues, which we believe can be addressed through changes in program administration under existing statutes and improvements to the SAP's process.

Below, you will find a summary of some of the common challenges we have encountered and our recommendations for addressing them. We would welcome an opportunity to discuss these with you at your earliest convenience.

Sincerely,

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## **Challenges & Recommendations:**

### **1. Healthy Soils Program: Farmers Are Struggling with Inflexible Administrative Rules and Requirements**

We thank you and CDFA staff for all the work over the past few years to improve HSP's application, which has helped additional farmers and ranchers apply to the program. Having improved the application, attention must now shift to other challenges.

As farmers, TA providers, and advocates, we have observed many producers struggling with inflexible rules and requirements in HSP that hinder producers from implementing their planned healthy soils practices. These program requirements are undermining the ability of the program to achieve its desired outcomes.

As you know, California agriculture is incredibly diverse, farming is a dynamic business, and many farmers participating in HSP are experimenting with healthy soils practices for the first time. To be able to successfully implement and maintain new practices, farmers need to be able to adjust their approach as they learn while simultaneously managing a profitable operation. Instead, some of HSP's inflexible rules and requirements have hampered them. Two examples:

- It requires several hours of paperwork and then several weeks to receive approval for small HSP project changes, leading grantees to spend significant time on administrative work that delays project implementation. For example, if a grant recipient needs to adjust their compost application rate or change their cover crop seed mix, farmers must submit a detailed project change request form and a line item shift request form and often wait weeks for approval. Such delays prevent needed field work and can reduce the efficacy of soil building practices. These challenges are especially acute for small, mid-scale, and socially disadvantaged producers who do not have office staff.
- Some implementation requirements disproportionately impede farmers who rotate crops, making it challenging for these farmers to participate in the program. For example, the requirement that practices be implemented on the same field for three years in a row is impractical for many diversified farmers who use crop rotations.

Despite many of us raising these and other concerns over the years with CDFA, we have seen little change in HSP program administration. As a result, some farmers and TA providers in our networks have opted to no longer support or participate in HSP.

**Recommendations:** We request a meeting with you and your team, including grants administration staff, to discuss with farmers and TA providers how to address the challenges farmers are facing in implementing their HSP grants. We ask that CDFA, in consultation with TA providers and the Farmer Equity Advisor, develop and implement more flexible rules and streamlined reporting requirements by the end of 2022.

## **2. SWEEP: Clarity Needed on the Plan and Timeline for Integrating the SWEEP Ad Hoc Advisory Group Recommendations**

We are grateful for your leadership in convening the SWEEP ad hoc advisory group last year to review and recommend updates to the program. Represented by a wide range of expertise, backgrounds, and geographies, the 40-member advisory group spent three full-day meetings over the course of two months evaluating the program, identifying barriers to farmer participation, and making recommendations to address these issues.

CDFA initially committed to adopting many of the ad hoc advisory group's recommendations, but a lack of communication about the plan and timeline for implementing those recommendations has left advisory group members and other SWEEP stakeholders unclear on the implementation of those recommendations.

Of the 26 recommendations CDFA committed to adopting or partially adopting in July 2021, we were only able to identify *one recommendation* that was implemented in the latest round of SWEEP, which was allowing multiple advance payments. CDFA may be working behind the scenes on implementing other recommendations for future rounds; if so, the advisory group and other stakeholders would appreciate an update.

Some of the advisory committee's recommendations – such as paying upfront for pump tests, offering one-on-one training on new irrigation technology, and developing training materials for non-English speakers – appear to have been incorporated into a new and separate Water Efficiency Technical Assistance Program (WETA). This came as a welcome surprise, but lacked any explanation to advisory group members or the public about why a new program was needed and if, how, and when WETA will be integrated with SWEEP. We would like CDFA to explain how WETA and SWEEP will be integrated going forward, especially given that no new funding was proposed for WETA in the Governor's January budget.

CDFA also *rejected* key advisory group recommendations to address the program's largest barriers to farmer participation and improved groundwater sustainability through more efficient and flexible use of surface water.<sup>1</sup> As you know, SWEEP currently excludes many farmers across the state who receive surface water or pressurized irrigation water because of limitations with the program's GHG calculator and GHG reduction requirement. The advisory group recommended overcoming these barriers by creating a "water-focused" category of projects. CDFA initially rejected this recommendation on the grounds that it would conflict with Greenhouse Gas Reduction Fund (GGRF) requirements. This explanation confused and disappointed advisory group members, many of whom were well aware that SWEEP had not received GGRF funds since 2016. In fact, the advisory group had explicitly discussed the change in SWEEP's funding source to General Funds as an opportunity for the program to embrace more holistic approaches to adaptive, drought-resilient irrigation systems.

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<sup>1</sup> See CDFA Staff's Considerations & Determinations on the SWEEP Advisory Group Recommendations (pgs. 27-53): [https://www.cdfa.ca.gov/oefi/efasap/docs/20210715\\_binder\\_efa\\_sa.pdf](https://www.cdfa.ca.gov/oefi/efasap/docs/20210715_binder_efa_sa.pdf)

We applaud CDFA's recent course-correction and decision to propose a water-focused SWEEP pilot for farmers in the Southern Desert Region as a first step towards implementing the advisory group's statewide recommendation. We encourage CDFA to communicate with advisory group members and the public how it plans to apply the pilot's lessons to farmers in other regions who have faced similar barriers.

**Recommendations:**

- Communicate with the Science Advisory Panel and SWEEP advisory group members CDFA's plans and timeline for implementing the advisory group's recommendations and integrating WETA and SWEEP.
- Communicate with the Science Advisory Panel and SWEEP advisory group members how lessons learned from the proposed Southern Desert Region SWEEP pilot will be applied to farmers in other regions who have faced similar barriers.

**3. Conservation Agriculture Planning Grant Program (CAPGP): Below-Cost Payment Rates May Undermine Program**

The draft proposed payment rates for most conservation management plans funded under the new CAPGP are well below the actual cost of developing those plans. As a result, many highly qualified TA providers have indicated that they do not plan to apply for the program because they cannot obtain sufficient matching funds to make the program financially viable. This threatens to undermine the ability of the program to support farmers in developing various conservation plans and may leave the program undersubscribed, which could hurt future funding. Stakeholders have shared this concern and recommended an alternative approach to CDFA and the Science Advisory Panel multiple times through the public comment process since June 2021 with no response.

**Recommendation:** CDFA should compensate TA providers for the full cost of developing plans rather than utilizing a fixed payment schedule. As CDFA is considering a block grant approach for its new Pollinator Habitat Program, CDFA may also want to consider using some of CAPGP's funds to invest in regional hubs of TA providers to enable coordinated, regional approaches, efficient resource-sharing among TA providers, and efficient grant administration for CDFA.

**4. Changes in Public Process Undermine the Science Advisory Panel and Public Engagement**

Science Advisory Panel meetings are critical for gathering and operationalizing stakeholder feedback on the climate smart agriculture programs through a public process. The Panel's historical practice, up until this past year, was to discuss and vote on program guidelines ahead of each new round of a program. However, that has not happened with recent program guidelines development, which undermines the public process.

For example, at the July and October 2021 Panel meetings, despite unprecedented stakeholder comments and recommendations on multiple programs, the programs were listed as informational items only, communicating to Panel members and stakeholders that no action would be taken to address stakeholder feedback. As a consequence, the Panel did not recommend or vote on a single change to the programs. This lack of responsiveness to public feedback left farmers and TA providers – the people implementing CDFA's programs – feeling frustrated, unheard, and discouraged from providing future feedback and participating in the programs.

In another departure from the typical process, public comments for these meetings were only agendized for the end of the meeting, which required stakeholders to tune into the meeting at two separate points in the day and make comments on programs only *after* the programs had already been discussed by the Panel. This only changed when Panel members interjected and asked the Chair to allow public comments during the Healthy Soils Program agenda item. Comments on *every other item* were still relegated to the end of the meeting. Some of the program guideline changes made by CDFA were strongly opposed by stakeholders, but without an adequate Panel process, changes to mitigate stakeholder concerns were not made. This has undermined the desire of CDFA's partners implementing these programs to participate in the Panel process.

These changes in the SAP process – no voting on changes to the programs and no ability for stakeholders to provide timely public input into the discussion – undermines the role of the SAP. According to statute, the Panel's role is to: "Advise the secretary on the implementation of the Healthy Soils Program [...] and the State Water Efficiency and Enhancement Program" and, more specifically, "Advise the department on scientific findings, program framework, guidelines, grower incentives, and providing technical assistance." CDFA is also required to "Consult with [Panel] on grant program design, guidelines, and outreach for the technical assistance to improve coordination and information sharing on technical assistance strategies and activities for the department's programs."

To restore stakeholders' confidence that their feedback on how to improve CDFA's programs is valued, we urge CDFA and the Panel to return to the process of consistently taking public comments during each agenda item (similar to the State Board of Food and Agriculture) and voting to approve changes to CDFA's programs.

Finally, the Panel would benefit from additional members who are familiar with program implementation and have the expertise outlined in statute for the panel members<sup>2</sup>. Currently only two of the nine members of the Panel have any experience implementing a Climate Smart

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<sup>2</sup> See California [Food and Agricultural Code Section 568](#):

(B) Two members shall be appointed by the Secretary for Environmental Protection. One shall have a minimum of five years of training and experience in the field of human health or environmental science, and one shall have expertise in greenhouse gas emissions reductions practices related to agriculture.

(C) Two members who have a minimum of five years of training and experience in the field of resource management shall be appointed by the Secretary of the Natural Resources Agency. One member shall additionally have expertise in climate change adaptation and climate change impacts in the agricultural sector.

Agriculture grant. Additionally, appointing CalEPA and Natural Resource Agency members to the panel was meant to broaden the outside expertise on the panel. While we appreciate the expertise of the agency staff who have been appointed by the sister agencies, these staff consistently acknowledge their limited knowledge of farming and CDFA's programs and defer to the CDFA liaison on proposed changes to the programs rather than farmers and TA providers implementing the programs. When agency staff are not strongly engaged and they consistently defer to the CDFA liaison, it eliminates the mechanism for incorporating stakeholder feedback and technical expertise into substantive program improvements. Without engagement from panel members, the Panel meetings cease to be an adaptive process in which programs are evaluated and improved. We need more engagement from those who have the science and technical backgrounds described in statute.

**Recommendations:**

- Return to the process of requiring the Panel to vote to approve changes to the programs.
- Adopt the standard public process of taking public comments during each item on the agenda, reserving public comments at the end of a meeting for "Items not on the agenda," and recording Panel meetings.
- Work with Secretaries Blumenfeld and Crowfoot to identify non-agency panel members who meet the statutory requirements of panel members and have experience implementing CDFA's climate smart agriculture programs or similar agricultural conservation incentive programs.
- Consider term limits for Panel members of two three-year terms (a total of 6 years).