



# 2023 CDFA's Healthy Soils Incentives Program (HSP)



## Program Overview:



- **The Healthy Soils Incentives Program** provides financial incentives to California growers and ranchers to implement agricultural management practices that sequester carbon, reduce greenhouse gas (GHG) emissions and improve soil health.
- CDFA was appropriated \$11 million to fund the Healthy Soils Program

# Funding and Duration

- **Grant deadline:** The selection of applications for awards will be once at the end of the first month of the solicitation and then once every two weeks until all funding is allocated.
- **Project duration:** 1-3 years starting in 2024 through 2026
- **Incentives Projects:** Up to \$100,000 max grant award



# Program Eligibility

- California farmers, ranchers, and Federal and California Recognized Native American Indian Tribes
- Awards are limited to one per agricultural operation using a unique tax identification number per round of funding
- Implement at least one HSP Agricultural Management Practice on land
- Projects must be located on California agricultural operations

# Program Eligibility

- Applicant must have control of the land for the duration of the grant:
  - Letter of agreement from landowner for leased land is required.
- **Allowing applicants to apply even if leased land for project has lease term shorter than project term.**
  - If the lease term is shorter than the project term, lessees should provide a written statement from landowner that lease renewal will be discussed in good faith.
  - CDFA will provide a Landowner Agreement Template.

# Program Exclusions

- Grant funds cannot be used to implement practices other than those listed in the HSP RGA (Request for Grant Applications).
- Grant funds cannot be used to fund Assessor Parcel Numbers (APNs) with existing and ongoing implementation of any HSP agricultural management practices.
- Compost Application Practices cannot be implemented on APNs where soil organic matter content is greater than 20%, which is determined by the CDFA RePlan tool.
- Grant funds cannot be used for projects that use potted plants or other plant growth media.

# Changes to Program Exclusions

- Fields that have previously received HSP Incentives or Demonstration awards for a particular practice are not eligible to receive additional funding for the same practice. New fields within a previously funded APN, or new practices to be implemented on previously funded fields are eligible.
- **Previous grant recipient eligibility**
- **New:** Clarifying that previous HSP Grant Recipients are not eligible to implement the same practice on the same field/APN funded previously.
- A new landowner may be eligible to implement the same practice on the same field/APN previously funded to the old landowner, however, an Attestation must be submitted at time of application.
- Clarifying this eligibility from previous RGA's.
- HSP's primary goal is to incentivize California farmers and ranchers to implement HSP practices on new APNs/field that sequester carbon, reduce atmospheric GHGs, improve soil health, and provide co-benefits.





# CROPLAND PRACTICES

Some examples, but is not limited to:

- Cover Crop
- Compost Application
- Mulching

***New:** Woodchip mulching has been changed from an annually implemented practice to a one-time implemented practice.*

- Reduced or No-Till
- Conservation Crop Rotation



## ORCHARD OR VINEYARD PRACTICES

Some examples, but  
not limited to:

- Compost application
- Conservation cover
- Cover Crop
- Hedgerow Planting
- Whole Orchard Recycling



# ORCHARD OR VINEYARD PRACTICES

## Whole Orchard Recycling (WOR)

**New:** The following Whole Orchard Recycling requirement has been removed: “Following woodchip incorporation, land must be fallowed or replanted with trees within 3 years.”

This update will allow for flexibility in cropping system post WOR. Grant Recipients may switch to a different agricultural system after implementing this practice.







## GRAZING LAND PRACTICES

Some examples, but is not limited to:

- Compost Application to Grassland
- Hedgerow Planting
- Prescribed Grazing
- Silvopasture
- Tree/Shrub Establishment

# COMPOST REQUIREMENTS

## **If compost is purchased:**

- Compost must be purchased by a facility permitted
- STA (US Composting Council's Seal of Testing Assurance Program) or CDFA-OIM (Organic Input Material) program is recommended. These facilities can be found here:  
<https://www2.calrecycle.ca.gov/SolidWaste/Site/Search>
- A report of laboratory analysis on compost C:N ratio is required.

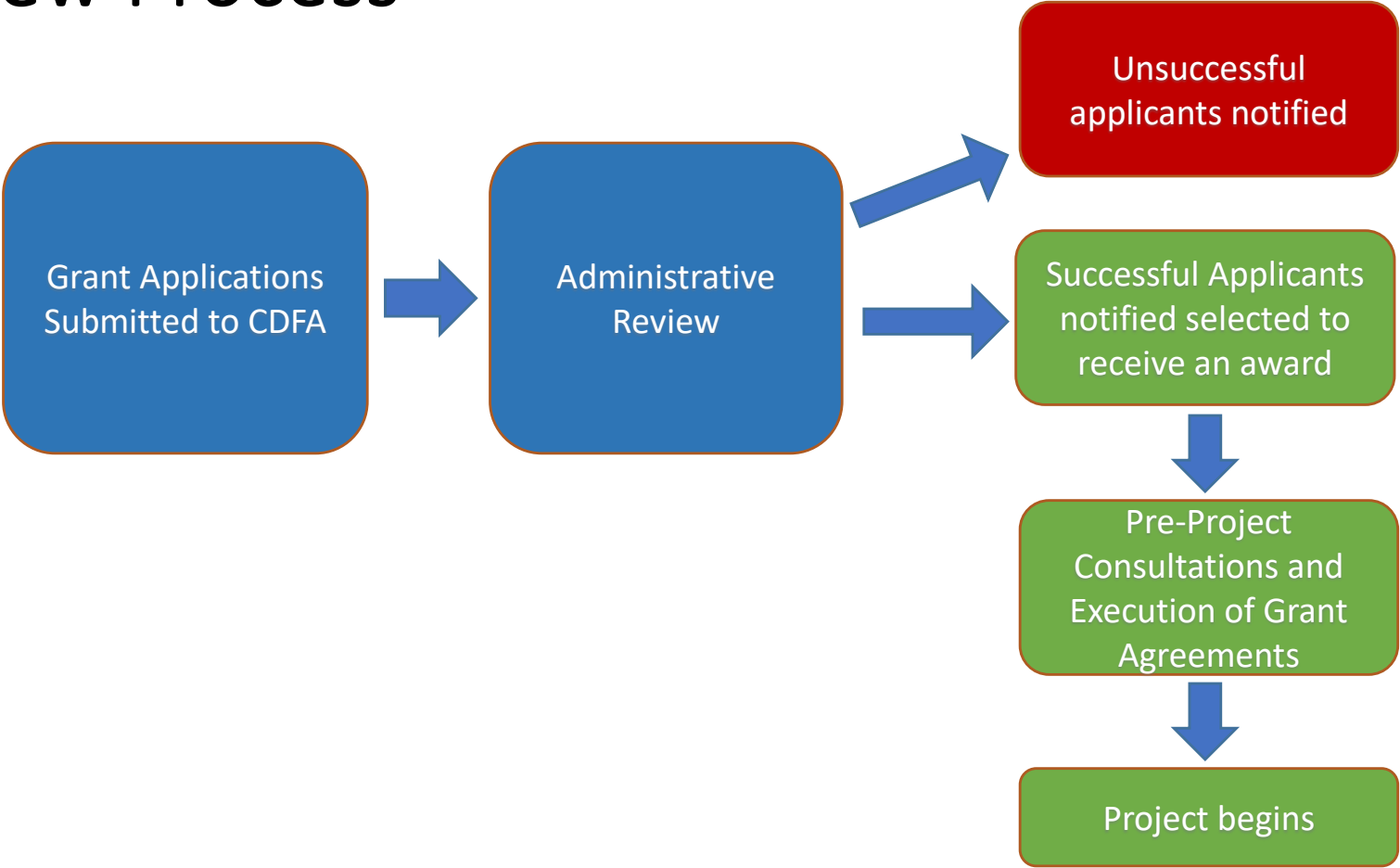
## **If compost is produced on-farm:**

- Plant and animal material must be composted through the processes listed below and a farm log must be maintained to document the process.
  - In-vessel or Static Aerated Pile System
  - Windrow Composting
- C:N ratio of compost must be verified through laboratory testing before application.
- Compost used in this practice must be produced at the agricultural operation where the project is located. Externally sourced compost must be purchased from a certified facility.
- Cannot be vermicompost

## COMPOST REQUIREMENTS CONT'D

Agricultural System	Compost Type	Tons/Acre
Cropland	Higher N (C:N $\leq$ 11)	3-5
	Lower N (C:N $>$ 11)	6-8
Orchard/Vineyard	Higher N (C:N $\leq$ 11)	2-4
	Lower N (C:N $>$ 11)	6-8
Grazing Land	Lower N (C:N $>$ 11)	6-8

# Review Process





# HOW TO APPLY

- Online application that can be found on CDFA's HSP Incentives page
- The application will include the following sections:
  - 1) Opportunity Details, 2) Applicant Information, 3) Required Document Uploads, and 4) Submission
- All application documents must be submitted by the deadline specified in this solicitation.
  - CDFA HSP RePlan Report (pdf) – Project Site Map
  - CDFA HSP RePlan Report (excel)
  - Landowner agreement [Landowner Permission Letter Template](#) (if applicable)
  - Attestation Form (if applicable)
  - Grazing Management Plan prepared by a professional Certified Rangeland Manager (if applicable)

# APPLICATION REVIEW

- Scoring criteria will change from numeric scale to “Pass/ Fail”.
- Disqualification criteria include:
  - Projects don’t meet program requirements.
  - Applicants don’t meet applicant eligibility.
  - Application funding request exceeds the maximum allowable funding of \$100,000.
  - Applications are incomplete: applications with one or more unanswered questions necessary for administrative review, missing, blank, unreadable, corrupt, or otherwise unusable attachments.
  - Applications include activities outside the grant term.
  - Applicants that would receive grant funds are are not located in California with a physical California business address.

# FUNDING PRIORITY

Twenty-five percent (25%) of the funds available for HSP Incentives Program will be awarded to the following applicants and/or projects:

- Socially Disadvantaged Farmers or Ranchers, consistent with the Farmer Equity Act of 2017
- Priority populations which can be located on the California Air Resources Board (CARB):  
<https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=6b4b15f8c6514733972cabdda3108348>

# POST-AWARD REQUIREMENTS

- Subject **pre-project consultation**
- Implementation of practice(s) must be located on the **same APN(s)** for the project duration
- Reports **on soil organic matter content** prior to practice implementation, and at one, two and three years after practice implementation to be submitted to CDFA.
  - Flat rate payment for soil samples taken during the duration of the grant.
- Awarded projects are subject to yearly verification and evaluation

# VERIFICATIONS

- Project verification may be conducted remotely through phone, video conferencing, emails or in person
- If conducted remotely, you will have to submit the following:
  - 3-5 geotagged photographs of practice application
    - GPS Camera application
  - Soil sample analysis and receipt
  - Certification of compost companies (if applicable)

# PAYMENT PROCESS

- Grant payment for the 2023 HSP Incentives Program is a flat-rate payment system on a reimbursement basis through yearly invoicing upon practice verification.
- Recipients may be eligible for **advance payments** of up to 25 percent of the grant award (approval for advanced payment may take up to a couple of months)



## Questions? Want Assistance?

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