

SENATE BILL REPORT

SB 5947

As of February 20, 2019

Title: An act relating to establishing the sustainable farms and fields grant program.

Brief Description: Establishing the sustainable farms and fields grant program.

Sponsors: Senators McCoy, Schoesler, Palumbo, King, Salomon and Warnick.

Brief History:

Committee Activity: Agriculture, Water, Natural Resources & Parks: 2/19/19.

Brief Summary of Bill

- Requires the Department of Agriculture (WSDA) to develop a sustainable farms and fields grant program.
- Requires that certain activities be eligible for grants, including on-farm fossil fuel input efficiency measures, agroforestry, and carbon farming.
- Requires WSDA to report biennially to the Legislature on the performance of the program.

SENATE COMMITTEE ON AGRICULTURE, WATER, NATURAL RESOURCES & PARKS

Staff: Karen Epps (786-7424)

Background: The Department of Agriculture (WSDA) was created in 1913 and is organized into five divisions, including commodity inspection, food safety, pesticide management, plant protection, and the state veterinarian. WSDA has a duty to promote and protect agriculture and its dependent rural community in Washington State. Additionally, WSDA must carry out its assigned regulatory responsibilities to protect the public health and welfare. In 2018, WSDA received approximately \$4.6 million in specialty crop block grants to help fund twenty-five projects. A few of those projects included:

- promoting productivity and on-farm efficiencies with plastic mulches in raspberry crops;
- alternative pest management technologies for tree fruit and wine grapes;
- ensuring the sustainability of pollination services to Washington specialty crops; and

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- developing a Washington organic asparagus industry.

Agroforestry is the intentional integration of trees and shrubs into crop and animal farming systems to create environmental, economic, and social benefits. For a management practice to be agroforestry, it must be intentional, intensive, integrated, and interactive. Agroforestry practices can include managed forest canopies in a woodland that protect a range of crops grown for food, landscaping, and medicinal use. Additionally, farmers and ranchers who plant pine trees on land used for livestock and forage production may be able to sell pine straw and saw logs.

Carbon farming is a process designed to maximize agriculture's potential for moving excess greenhouse gases from the atmosphere and storing them into the soil and vegetation. It focuses on carbon as a key agricultural element and involves implementing common practices known to enhance transferring and storing atmospheric carbon dioxide (CO₂) as soil and biomass carbon. This is done through common practices that support plant photosynthesis, increase soil organic matter, and reduce erosion. Because water retention and nutrient availability increase with more carbon in the soil, carbon farming may help ranchers and farmers increase production, enhance resilience to drought, and reduce input costs over time.

Summary of Bill: The WSDA must develop a sustainable farms and fields grant program (program). WSDA must consult with Washington State University, and the United States Department of Agriculture Natural Resources Conservation Service. Certain activities must be included as activities eligible for grant funding under the program, including:

- on-farm fossil fuel input efficiency measures, including any activity or technology that reduces the quantity of fuel or electricity used, the quantity of water used, and the quantity of fossil fuel-based fertilizer or pesticide used;
- agroforestry, including the addition of new trees to a prairie or agricultural landscape, with a priority given to creating new riparian buffers along waterways; and
- carbon farming, including any activity or technology that increases the quantity of organic carbon in top soil.

WSDA must ensure, to the extent practicable based on grant applications received, that roughly 20 percent of available funding is awarded to the three categories described above. The remaining available funding should be awarded to the most effective projects, as determined by WSDA, regardless of category. WSDA must consult with the Departments of Commerce and Ecology before offering sustainable farms and fields grants. When prioritizing grant recipients, WSDA must seek to maximize the total reduction in atmospheric carbon dioxide equivalents per dollar awarded by leveraging other nonstate public or private funding. In consultation with Washington State University, the State Conservation Commission, the United States Department of Agriculture Natural Resources Conservation Service, and the Department of Natural Resources, WSDA must determine methods for estimating, measuring, and verifying outcomes under the program.

Sustainable farms and fields grant funding may not be awarded to fund activities on lands that are participating in a land retirement program, activities on commercial working forest land, or ocean-based aquaculture or blue carbon practices. WSDA may award up to 20 percent of available sustainable farms and fields grant funds to projects that are primarily

related to watershed protection, or which contribute to the development of research or a new industry in Washington, even if such projects would not otherwise qualify for funding by maximizing the total reduction in atmospheric carbon dioxide equivalent per dollar awarded.

WSDA must use 5 percent of available funds on educational campaigns that raise awareness about the sustainable farms and fields grant program and WSDA may spend up to 50 percent of any unused funds on educational campaigns. WSDA may use up to 10 percent of available funds to provide technical assistance to grant applicants and may use up to 5 percent to cover the cost of administering the program. For the first five years appropriations are received, WSDA may use up to 5 percent of available funds to develop programs and models to assist with the grant prioritization process of the program. WSDA must make reasonable efforts to award at least 80 percent of funds made available for sustainable farms and fields grants each fiscal year. Unused funds may be carried over to the next fiscal year and awarded to eligible grant applicants in that year.

Grants awarded for carbon farming activities with an uncertain storage life may include ongoing annual payments for the previous year's storage, or upfront cumulative payments based on the expected storage in future years. Grants that include upfront payments for future benefits must be conditioned to include penalties for default due to negligence on the part of the recipient. Grant recipients may be required to allow access to the property, with reasonable notice, to monitor impacts of the project. All grant recipients must allow information about their projects to be made available to the public.

WSDA must biennially report to the Legislature on the performance of the sustainable farms and fields grant program. The report must document:

- the nonstate matching funds that were used by sustainable farms and fields grant recipients;
- the total state dollars awarded under the program;
- the total state dollars spent on providing technical assistance, education campaigns, and administration;
- the quantity of carbon dioxide equivalents emissions avoided;
- the quantity of carbon stored for carbon farming projects; and
- the total atmospheric carbon dioxide equivalents emissions impact of all activities funded under the grant program to date and expected over the life of each project by grant category.

The sustainable farms and fields account is created in the state treasury.

Appropriation: None.

Fiscal Note: Requested on February 19, 2019.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill establishes a grant program to allow agriculture to reduce its carbon output and will help reduce the overall carbon footprint of the

state. The primary barriers to on-farm innovation and improved environmental performance are cost-related and not an unwillingness on the part of producers. This legislation would allow more producers to enroll in conservation programs, reduce greenhouse gas emissions and fossil fuel use on farms, and dramatically increase rates of carbon sequestration, while also improving water quality habitat and water conservation efforts across the state. The bill would help reduce carbon emissions, it would help sequester carbon from all sources, and it would also help improve fish and wildlife habitat. This bill focuses on protecting farm and ranch land, promoting environmentally sound farming practices, and keeping farmers on the land. This bill would help provide the financial and technical assistance that farmers and ranchers need to implement practices that reduce their greenhouse gas emissions but also really improve the viability in productivity on these farms. This bill will help farmers invest in sustainable operations throughout their food supply chain from healthy soils to reducing pesticides to reducing fossil fuel emissions.

OTHER: There are concerns about how this bill would be implemented. The bill contains some vague terms, such as commercial farms, and discusses large and small farms, but does not describe criteria for large and small farms. There may be opportunities to include new innovative programs, like commodity buffers being used in Spokane County, under the agroforestry language in the bill. It may make sense to have the Conservation Commission and WSDA study this issue in the interim and bring the stakeholders together to discuss how a program like this would work. This bill looks to find ways to provide an opportunity to our hardworking farmers and ranchers by providing incentives to reduce fossil fuel consumption and by promoting healthy soil practices.

Persons Testifying: PRO: Senator John McCoy, Prime Sponsor; Joanna Grist, PCC Community Markets; Greg Rock, Carbon Washington; Patricia Hickey, Washington Association of Conservation Districts; Daryl Williams, Tulalip Tribe; Hannah Clark, American Farmland Trust; Jay Gordon, Policy Director, Washington Dairy Federation.

OTHER: Heather Hansen, Washington Farm Forestry Association; Alison Halpern, Washington State Conservation Commission; Tom Davis, Washington Farm Bureau; Evan Sheffels, WSDA.

Persons Signed In To Testify But Not Testifying: No one.