cdfa CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE
A. G. Kawamura Secretary

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April 17, 2009

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Mr. Greg Johnson, Director
Financial Assistance Programs Division
U.S. Department of Agriculture
Natural Resources Conservation Service
1400 Independence Avenue, SW, Room 5237
P.O. Box 2890
Washington, D.C. 20013-2890

RE: Comments on the Interim Final Rule for the Environmental Quality Incentives Program (EQIP) – 7 CFR Part 1466

Dear Mr. Johnson:

The California Department of Food and Agriculture (CDFA) offers the following comments on the Environmental Quality Incentives Program (EQIP) in general, and comments specific to the Conservation Innovations Grant program to address air quality.

The EQIP program is a conservation program of paramount importance to the state. California growers are among the most regulated in the nation and EQIP funding and Natural Resources Conservation Service (NRCS) technical assistance has been helpful to farmers and ranchers in meeting these regulations.

Key provisions of the rule include: flexibility, opportunities for innovation, focus on existing high priority resource concerns, emerging conservation challenges, emphasis on regional, multi-grower approaches to conservation, comprehensive farm and ranch planning, and collaboration to achieve priority conservation objectives. We believe these elements will successfully serve implementation endeavors in our diverse state as well as the nation.

EQIP Comments

Priorities should include addressing regulatory requirements in allocating new EQIP funds to states. Funded practices should be cost-effective, and to the extent feasible, be part of a comprehensive farm or ranch plan involving collaboration with regulators and other conservation organizations or agencies to stretch cost-share dollars and reduce administrative burdens.

We support the development of a pilot program that allows NRCS the flexibility to use EQIP technical assistance funds for comprehensive farm and ranch conservation planning and we would support California participating in such a program. Comprehensive planning can address multiple resource concerns such as: agricultural energy management, including renewable energy generation; dryland transition and water conservation in the face of a western drought; integrated pest management; sustainable agriculture transition; forest and rangeland management for watershed health, fuel load reduction, and carbon sequestration; pollinator habitat enhancement; invasive species management; and climate change adaptation for farms and ranches.

With respect to payments related to conservation practices in support of organic production, we request clarification in the rules that the limitation of $80,000 per person, joint operation or legal entity over any six-year period pertains to assistance to organic production only, and does not include other EQIP or conservation assistance program funding. (Section 1466.24(c))

CDFA supports NRCS's continuing efforts to reward growers for the multiple environmental benefits that they provide by practicing sound environmental stewardship. (Section 1466.36) As we understand the new provision, growers using EQIP funding are encouraged to seek NRCS determinations that they are complying with their EQIP operations and maintenance. Such determinations are intended to help growers qualify for environmental credits that are offered in their states or regions. This provision could be important to California growers who may want to participate in evolving carbon markets which also give added value for environmental benefits associated with greenhouse gas reductions.

Section 1466.20 states water saved through EQIP-funded water conservation practices cannot be used to bring new land into production, but must be returned to the waterway to provide groundwater recharge, or for use by a junior water rights holder downstream. We recommend that the following practices be added to the list: a) the transfer of saved water to another water user where the transfer will help to keep land in production; b) water stored in a groundwater bank; or,

c) reduced reliance on degraded groundwater supplies.

We also believe that NRCS could play a larger role in helping landowners comply with state and federal environmental regulations by doing a better job of documenting the actual environmental benefits achieved by the implementation of best management practices of the Service's Field Office Technical Guide. The rules' Summary of Provisions (pages 2306 and 2307) discuss the future implementation of the Conservation Effects Assessment Project (CEAP) to connect practice implementation with measurable environmental benefits. We encourage continued support for the development of CEAP which may assist in verifying environmental benefits; thereby streamlining the process of regulatory compliance by growers already overburdened with rules.

Finally, to support innovation in the dynamic agricultural landscape found in California, we support the use of interim practice standards in addition to the practices of the Field Office Technical Guide, to address priority resource concerns under EQIP.

Conservation Innovation Grants (CIG) Air Quality Initiative

CFDA supports targeting CIG air quality grants to states with the greatest number of nonattainment air basins affecting the health of the greatest number of people and that that priority be given to states and regions with the heaviest air quality regulatory burdens.

CIG funds must support cost-effective practices and preference in funding should be given to applications where landowners are working collaboratively with regulators and other conservation entities to leverage funding and assure compliance with State Implementation Plan air quality commitments.

Grant funds should focus on addressing the major sources of agricultural air pollution, especially off-road diesel equipment and incidental equipment necessary to replace or retrofit diesel engines. CIG funds should support the replacement or upgrading of the dirtiest equipment, as well as conversion to cleaner burning fuels.

Once the most significant contributors to agricultural air pollution have been addressed, CDFA believes that an integrated approach should be established for farm air quality that addresses off-road equipment, in addition to practices that reduce emissions through the reduction of reliance on internal combustion engines, and well as the reduction of emissions from other sources.

CDFA also supports:

- Funding transition to conservation tillage practices that reduce the number of equipment passes over a field, thus decreasing the level of emissions;

- Fertilizer and pesticide management practices, which reduce emissions of potent greenhouse gases, and volatile organic compounds (VOCs) from soil fumigants. Addressing farm and ranch air pollution must take an integrated, whole farm approach, with on-farm diesel equipment being the top priority.

If you have any questions, please feel free to contact me at (916) 657-4956. Thank you.

Sincerely,

Terry Wells for

Casey Walsh Cady
Staff Environmental Scientist