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**Rural Development, Agriculture, &  
Natural Resources Committee**

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**2SSB 5947**

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

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators McCoy, Schoesler, Palumbo, King, Salomon and Warnick).

**Brief Summary of Second Substitute Bill**

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

**Hearing Date:** 3/28/19

**Staff:** Robert Hatfield (786-7117).

**Background:**

The Department of Agriculture (WSDA) was created in 1913 and is organized into five divisions, including: (1) commodity inspection; (2) food safety; (3) pesticide management; (4) plant protection; (5) and the state veterinarian. The WSDA has a duty to promote and protect agriculture and its dependent rural community in Washington. Additionally, the WSDA must carry out its assigned regulatory responsibilities to protect the public health and welfare.

In 2018, the WSDA received approximately \$4.6 million in specialty crop block grants to help fund 25 projects. A few of those projects included:

- promoting productivity and on-farm efficiencies with plastic mulches in raspberry crops;
- developing alternative pest management technologies for tree fruit and wine grapes;

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- ensuring the sustainability of pollination services to Washington specialty crops; and
- 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. Agroforestry practices can include managed forest canopies in a woodland that protect a range of crops grown for food, landscaping, and medicinal use.

Carbon farming is a process designed to maximize agriculture's potential for removing excess greenhouse gases from the atmosphere and storing them in the soil and vegetation. Carbon farming focuses on carbon as a key agricultural element and involves implementing common practices known to enhance transferring and storing atmospheric carbon dioxide as soil and biomass carbon. This is done through practices that support plant photosynthesis, increase soil organic matter, and reduce erosion.

### **Summary of Bill:**

Subject to appropriations, the Department of Agriculture (WSDA) must develop a sustainable farms and fields grant program (program). The WSDA must consult with Washington State University (WSU), the State Conservation Commission, the Department of Natural Resources (DNR), and the United States Department of Agriculture Natural Resources Conservation Service (NRCS).

Certain activities must be included as activities eligible for sustainable farms and fields 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; and
- carbon farming.

The 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 the WSDA, regardless of category.

When prioritizing grant recipients, the 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 WSU, the State Conservation Commission, the DNR, and the NRCS, the WSDA must determine methods for estimating, measuring, and verifying outcomes under the program.

With certain exceptions, grant funding is not available: (1) for lands enrolled in a government-sponsored conservation set-aside program; (2) to primarily commercial forestry businesses; or (3) for ocean-based aquaculture or blue carbon practices.

Grant funding may be applied towards, among other things:

- down payments on equipment or other types of loans;

- blended use of fossil fuel-based pesticides and fertilizers and nonfossil fuel-based pesticides and fertilizers;
- no-till equipment, precision agriculture equipment, advanced irrigation systems, and geographic information system technologies; or
- costs associated with installation of carbon farming practices or agroforestry practices.

Grant applicants may apply to share equipment purchased with grant funding. The WSDA may award up to 20 percent of available grant funds to projects that would not otherwise qualify for funding by maximizing the total reduction in atmospheric carbon dioxide equivalent per dollar awarded.

The WSDA must use 5 percent of available funds on educational campaigns that raise awareness about the program, and may spend up to 50 percent of any unused funds on educational campaigns. The 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. The WSDA must make reasonable efforts to award at least 80 percent of funds made available for grants each fiscal 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.

The Sustainable Farms and Fields Account (Account) is created in the State Treasury. Expenditures from the Account may be made only to implement the program. Moneys in the Account may be spent only after appropriation.

No appropriations may be made to the Account until January 2020, except to provide funds for rulemaking and the report to the Legislature.

The WSDA must biennially report to the Legislature on the performance of the program. The WSDA must also report by November 15, 2019 with recommendations for amounts of appropriations to be made to the Account.

In consultation with WSU, the State Conservation Commission, the NRCS, and the DNR, the WSDA must determine methods for estimating, measuring, and verifying outcomes under the program.

The WSDA must adopt rules to implement the program.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.