

State of California Air Resources Board

Board Item Summary

Item # 24-5-3: Public Meeting to Consider the 2024 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines

Staff Recommendation:

Staff recommends the California Air Resources Board (CARB or Board) approve the 2024 Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines.

Discussion:

In September 2017, Governor Brown signed into law Assembly Bill (AB) 134 (Committee on Budget, Chapter 254, Statutes of 2017) and AB 109 (Ting, Chapter 249, Statutes of 2017), which appropriated \$135 million from the State Budget for Fiscal Year 2017-18 to CARB for reducing criteria, toxic, and greenhouse gas emissions from the agricultural sector. In response to this appropriation, CARB developed the FARMER Program Guidelines (Guidelines), which were approved by the Board in March 2018.

The FARMER Program Guidelines direct funding to local air districts to administer agricultural vehicle and equipment incentive projects, which provide concurrent criteria, toxic, and greenhouse gas (GHG) emission reductions. The Guidelines also describe air district funding allocations, eligible project categories and criteria, program implementation details, justification for these investments, and provide CARB Executive Officer authority to modify project categories and criteria as needed.

Since inception, the FARMER Program has implemented \$515 million in funds, which were matched with \$521 million in private investments, to fund over 10,000 agricultural equipment replacement projects. These projects are expected to result in reductions of over 28,000 tons of oxides of nitrogen (NOx) and 1,650 tons of PM2.5 (particulate matter that is 2.5 microns or smaller) emissions, providing significant air quality benefits to impacted areas, including in disadvantaged and low-income communities. These projects are also expected to reduce 388,000 metric tons of carbon dioxide equivalent emissions, which will help reduce the impacts of climate change. These benefits are further supported by additional reductions through other incentive programs at CARB.

In developing the proposed 2024 FARMER Program Guidelines, staff met with partnering air districts, agricultural industry stakeholders, equipment dealers and manufacturers, and members of the community, and held public meetings throughout the state.

Summary and Impacts:

Since inception in 2018, CARB staff has updated the FARMER Program Guidelines three times through Executive Officer memos, adding a total of five new project categories and modifying four of the existing project categories. Additionally, updates to CARB emissions inventories and other data sources, as well as requests to modify project categories by air districts, manufacturers, and agricultural industry stakeholders, further warrant updates to the current FARMER Program Guidelines.

The proposed 2024 FARMER Program Guidelines incorporate the previously added and modified project categories, provide additional flexibility to existing project categories, encourage zero-emission vehicle and equipment deployment, provide additional support for small farms, account for efficiency improvements in agricultural equipment, and streamline air district implementation of the program. The Guidelines also outline CARB's plans for expending FARMER Program funds in a manner consistent with the legislative direction from past budget bills, existing statutes, and regulations.

Notable updates in the proposed Guidelines include:

- Adding methodology to calculate efficiency gains from specialty equipment,
- Providing additional flexibility for zero-emission equipment,
- Providing additional support for small growers throughout the state, and
- Updating emission factors and load factors used for emission reduction calculations.