



Feather River Air Quality Management District

Policies and Procedures Manual

Funding Agricultural Measures for Emission Reductions

(FARMER) Program

Released on:
January 14, 2021

I. Introduction

In September 2017, Assembly Bill (AB) 134 and AB 109 appropriated \$135 million from the State of California Budget for fiscal year (FY) 2017-18 to the California Air Resources Board (CARB) for the reduction of criteria, toxic, and greenhouse gas (GHG) emissions from the agricultural sector. CARB staff developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program to implement this program in accordance with the requirements of the Greenhouse Gas Reduction Fund (GGRF), the Air Quality Improvement Fund (AQIF), and the Alternative and Renewable Fuel and Vehicle Technology Fund (ARFVTF). CARB approved the state FARMER Program Guidelines¹ at the March 23, 2018, Board Meeting.

The FARMER Program funding in Fiscal Year 2018-19 was \$130 million (Year 2) and in Fiscal Year 2019-20 the State Legislature allocated \$65 million from the GGRF to CARB to fund grants to air districts under the FARMER Program (Year 3). The FARMER Program funding for Fiscal Year 2021-22 is \$170 million (GGRF) and \$42 million (Air Pollution Control Fund).

The FARMER Program funds projects that will “reduce agricultural sector emissions by providing grants, rebates, and other financial incentives for agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations.” The FARMER Program Guidelines provides the following definition of “agricultural operations:”

“Agricultural Operations” means (1) the growing or harvesting of crops from soil (including forest operations) and the raising of plants at wholesale nurseries, but not retail nurseries, or the raising of fowl or animals for the primary purpose of making a profit, providing a livelihood, or conducting agricultural research or instruction by an educational institution, or (2) agricultural crop preparation services such as packinghouses, cotton gins, nut hullers and processors, dehydrators, and feed and grain mills. Agricultural crop preparation services included only the first processing after harvest, not subsequent processing, canning, or other similar activities. For forest operations, agricultural crop preparation services include milling, peeling, producing particleboard and medium density fiberboard, and producing woody landscape materials.

Consistent with the In-Use Off-Road Regulation, a vehicle or equipment that is used for both agricultural and nonagricultural operations is considered to be a vehicle engaged in agricultural operations only if over half of its annual operating hours are for agricultural operations.

¹ <https://ww2.arb.ca.gov/sites/default/files/2018-07/farmerguidelines-final.pdf>

This Policies and Procedures Manual outlines how the Feather River Air Quality Management District (District) will implement the FARMER Program and meet the requirements in the FARMER Program Guidelines and Grant Agreement. These Policies and Procedures are not intended to conflict with California State law – in the event such a conflict exists State law should be followed.

II. Program Implementation

The District shall implement the FARMER Program in accordance with the Policies and Procedures Manual for the Carl Moyer Program² for the following:

- Project solicitation
- Project selection
- Staff roles and responsibilities
- Procedures for notifying successful applicants of their grant awards and for notifying applicants who have not been awarded grants
- Method for calculating interest earned
- Procedures for the Grantee to submit program invoices and receive payment, including itemization required to limit eligible cost
- Method to verify the destruction of engines and equipment
- Methods to store and retrieve digital photographs documenting project inspections and project specific information
- Project annual reporting requirements and procedures, including requests for waivers
- Types of documentation accepted for historical usage, and
- The District shall comply with the oversight responsibilities and auditing identified in the FARMER Program Guidelines, FARMER Grant Agreement, and the Carl Moyer Program Guidelines.

Due to the requirements of the FARMER Program Guidelines and Grant Agreement, the District shall administer the FARMER Program different than the Carl Moyer Program as described in sections A-E below.

A. Eligible Project Categories

Eligible projects for FARMER Year 4 must be eligible under the 2017 Carl Moyer Program Guidelines and current and future Program Advisories and Mail-outs. In addition the FARMER Program shall only fund projects engaged in agricultural operations. The District will be accepting applications for off-road equipment replacement and repower projects of:

² Policies and Procedures Manual for the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), January 15, 2020

- Off-road mobile, diesel agricultural equipment;
- Off-road mobile, large spark-ignition (LSI) agricultural equipment; and
- Agricultural irrigation pump engines

B. Program Timeline

The FARMER Year 4 funding shall be paid from CARB to the District in two or more disbursements.

The FARMER Program Guidelines and Grant Agreement specify funding milestones and expenditure targets for the Year 4 Program. The following timeline will be adopted by FRAQMD to meet those goals:

Milestone	Date
1st Disbursement requested	December 2021
1 st Disbursement allocated to projects	January 2022
2nd Disbursement requested once 50% of 1 st Disbursement under contract	May 2022
2 nd Disbursement allocated to projects	July 2022
At least 50% funding allocated	June 30, 2023
75% allocated/25% expended	Per Grant Agreement*
100% allocated/50% expended	Per Grant Agreement*
All funding expended	Per Grant Agreement*

*Upon receipt of Grant Agreement for Year 4 FARMER Funding the District will update the milestones as stated in the Grant Agreement.

C. Project Selection

FARMER funding shall be allocated to projects that are within or benefitting disadvantaged communities and low-income households or communities, consistent with AB 1550 (Gomez, Chapter 369, Statutes of 2016)³. The District shall solicit and select projects as described in the Carl Moyer Program PPM.

D. Records and Reporting

As done in the Carl Moyer Program, the FARMER Program records shall be stored in a safe and secure location that maintains confidentiality. The FARMER Program record retention and reporting schedule varies from the Carl Moyer Program, as noted below.

³ <http://www.calepa.ca.gov/EnvJustic/GHGInvest/>

1. Project Records

Project records shall be maintained in accordance with the Carl Moyer Policy and Procedures. Project files shall be retained for the life of the project. Upon completion of the projects, all project records will be submitted to CARB within 45 days after end of the project life, either in hard copy or electronic file format.

2. Financial Records

Financial records shall be maintained in accordance with the Carl Moyer Policy and Procedures. Upon completion of the projects, all project records will be submitted to CARB within 45 days after end of the project life, either in hard copy or electronic file format.

3. Semi-Annual Reports to CARB

Semi-annual reports shall be submitted to CARB using the template provided by CARB through April 30, 2023, or until all funding has been expended. The reporting schedule will be in accordance with the Year 3 Grant Agreement.

4. Annual Reports to CARB after End of Grant Agreement

For projects with a project life that extends beyond the Grant Agreement with CARB, the District must continue to report project data necessary to calculate emission reduction benefits and satisfy the requirements of the FARMER Program, using the reporting template provide by CARB, on an annual basis. Annual reports are due to CARB by August 29 each year and must cover data from July 1 of the previous year through June 30 of the current year.

E. Disbursements and Expenditure Tracking

The FARMER Program, like the Carl Moyer Program, allows the District to request advance disbursement of Project and Implementation (Administration) funding. However, unlike the Carl Moyer Program the FARMER Program allows only 50% of the disbursement of both Project and Implementation funds in the initial disbursement.

Once 50% of the initial 50% disbursement has been obligated to projects, the District will request the second 50% disbursement of Project and Administration funding.

Documentation of Program Implementation costs shall be tracked by use of personnel timesheets. Additional costs may be tracked through invoices and/or other documentation and may include advertising, legal counsel review of contracts, and travel expenses.

III. Correspondence

The CARB Project Liaison is Kirsten Sarle. Correspondence regarding the Program should be directed to:

Kirsten Sarle
California Air Resources Board
Innovative Strategies Branch
Mobile Source Control Division
PO Box 2815
Sacramento, CA 95812
Phone: (916) 323-8967
Email: Kirsten.Sarle@arb.ca.gov

IV. Exhibits

1. Grant Agreement (to be added once received)
2. Funding Agricultural Replacement Measures for Emissions Reductions (FARMER) Program Guidelines, released February 16, 2018
3. Policies and Procedures Manual, Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program), Guidelines Year 2017, released January 14, 2022

V. Approval

The APCO shall approve this version of the FARMER Program Guidelines:



Signature

January 14, 2022

Date

VI. Attachments

- A – FARMER Agreement
- B – FARMER Check Request Form