Approve Continued Implementation of Updated Incentive Levels in District's Ag Burn Alternatives Grant Program

San Joaquin Valley Air Pollution Control District
Governing Board Meeting

June 18, 2026

Status of Ag Burn Alternatives Grant Program

- District's ag open burning phase-out strategy and Ag Burn Alternatives Grant Program working effectively
- New alternatives to open burning have emerged and are being implemented
- Current funding expenditure rate higher than expected due to SGMA, drought, and market pressures (particularly vineyards)
  - Leading to higher utilization of incentive program
- Demand expected to remain high
- Governor's proposed 2026-27 budget does not currently include funding for this mandated program





April 2026 Board Action

- To address funding shortfall and extend program through the end of 2025-26 fiscal year, in April 2026, Board adopted two key emergency measures:
  - Adjustment to incentive amounts
  - Allocation of additional funding
- Recommendations developed in consultation with Valley agricultural stakeholders and were discussed with CARB
- Measures implemented immediately upon Board adoption
- Reduced incentive levels allowing District to stretch available funding and offer funding to more Valley growers to maximize impact of limited available funding

Previous Funding Levels ($/acre)

Small/Large Growers >100 acres	Orchard	Cane Pruned	Cordon Pruned
Soil Incorporation	$ 600	$ 800	$ 1,300
Land Application	$ 300	$ 500	$ 1,000
Air Curtain Burner	$ 1,000	$ 1,000	$ 1,000
Beneficial Re-use	$ 600	$ 800	$ 1,300
Smallest Growers ≤100Acres	**Orchard**	**Cane Pruned**	**Cordon Pruned**
Soil Incorporation	$ 1,000	$ 1,200	$ 1,700
Land Application	$ 700	$ 900	$ 1,400
Air Curtain Burner	$ 1,400	$ 1,400	$ 1,400
Beneficial Re-use	$ 1,000	$ 1,200	$ 1,700

New Funding Levels ($/acre)

Large Growers >500 Acres	Orchard	Cane Pruned	Cordon Pruned
Soil Incorporation	$ 400	$ 450	$ 700
Land Application	$ 200	$ 250	$ 500
Air Curtain Burner	$ 600	$ 500	$ 500
Beneficial Re-use	$ 400	$ 450	$ 700
Small Growers 101-500 Acres	**Orchard**	**Cane Pruned**	**Cordon Pruned**
Soil Incorporation	$ 450	$ 560	$ 850
Land Application	$ 250	$ 250	$ 600
Air Curtain Burner	$ 750	$ 600	$ 600
Beneficial Re-use	$ 450	$ 560	$ 850
Smallest Growers ≤100 Acres	**Orchard**	**Cane Pruned**	**Cordon Pruned**
Soil Incorporation	$ 800	$ 900	$ 1,200
Land Application	$ 550	$ 675	$ 900
Air Curtain Burner	$ 1,200	$ 1,100	$ 1,100
Beneficial Re-use	$ 800	$ 900	$ 1,200

Program Update

- With approved reduction in incentives, District confident that additional funding will help ensure program remains open and available to Valley growers for remainder of the current fiscal year
- With approximately six weeks of data, program has seen significant reduction in average grant amounts, as compared with prior months

	Vouchers Issued	Average Grant Amount	Funding
Jan-March 2026 (monthly avg)	139	$36,941	$5,106,430
May 2026	85	$23,230	$1,974,562

- Changes to funding levels have resulted in a 37% reduction in average grant amounts as compared to pre-reduction levels
- District continues to see strong interest consistent with historical monthly averages
- Historically program sees seasonal variation in participation with lower participation rates in May, June, and July than fall and winter months

Continued Valley Advocacy Efforts

- Incentives Spending Plan for FY 2026-27 includes tentative allocation of $27.4 million for this program utilizing limited available funding
  - Represents approximately half of funding need and allocation for program since implementation of final ag burn phase-out requirements
- Future allocations largely dependent on significant state investment in this program
- Requesting $75 million annually statewide for 5 years to sustain implementation of the phase-out of agricultural open burning
- Elected officials in legislature have submitted requests for 2026-27 budget seeking to fund program, reflecting strong support statewide for investment
- Without timely state legislative budget action, California risks losing critical air quality gains, compromising continued feasibility of ag burn phase-out and progress made
- While State Budget is generally required to be adopted by June 15th, anticipated that specific spending plans for key potential revenue source such as GGRF will not be developed and finalized until late Summer
  - Creates ongoing state funding uncertainty

Funding Outlook

- Recently adopted CARB Cap and Invest amendments and related potential impacts to GGRF, as well as significant ongoing GGRF budget negotiations add considerable complexity to any potential funding allocations to this and other key clean air programs
- Based on this uncertainty, recommending to extend these updated emergency incentive levels for foreseeable future
- Continuing aggressive advocacy at state and federal level and working closely with ag stakeholders and Valley legislative delegation to continue to pursue substantial and sustained program funding
- District will continue to revisit this issue and return to your Board as necessary







Recommendations

1. Approve continued implementation of Board-approved updated incentive levels in District's Ag Burn Alternatives Grant program approved by your Board on April 16, 2026.
2. Authorize the Executive Director/APCO to make administrative changes to the program as necessary to ensure successful implementation of program funding.

