



The National Young Farmers Coalition (NYFC) is a national network of thousands of young farmers, ranchers, and consumers working together to reduce the barriers to young farmer success. NYFC envisions a country where young people who are willing to work, get trained, and take on a reasonable amount of risk can support themselves and their families in farming. Ensuring young farmers have the tools and representation to steward the West’s water resources while growing good food is critical to their success—and to the future of Colorado. Below are recommendations for ways in which the Colorado Water Plan (CWP) should support the next generation of farmers and ranchers.

Elevate soil health and on-farm water stewardship as key solutions to long-term water supply challenges:

Soil health is essential to water conservation and agricultural productivity. Implementation of soil health practices, such as low tillage and cover crops, have improved the water capacity of the soil and have reduced soil surface evaporation in many locations. These practices can also reduce non-beneficial consumptive losses as well as make more available for crop consumptive use. Building soil health can also increase crop yields. As a result, producers implementing these practices can reduce vulnerability to future water supply disruptions while enhancing farm viability.

The CWP (pg 6-101) calls for the creation of a soil health education and tour program to help growers examine ways to increase net revenues while decreasing water inputs. The Colorado Climate Plan also calls for the support of state programs that improve soil health. While continued education/awareness is critical, technical and financial assistance are also needed to help producers transition to new practices. Economic and technical assistance are significant barriers to beginning farmer and ranchers and smaller operations which typically lack the resources to access Federal cost-share programs. At the state-level, state agencies can play an expanded role in both coordinating and providing technical and financial assistance programs to producers interested in adopting on-farm soil health practices. Several states offer programs to help producers implement on-farm soil health practices:

- **California** recently launched a Healthy Soils Program to provide financial incentives to growers and ranchers for agricultural management practices that sequester carbon and improve soil health. The program also enables financial support for on-farm demonstration projects that showcase conservation management practices that increase soil health and provides technical assistance to producers to help with the application process.
- **Maryland** recently enacted legislation establishing the Maryland Healthy Soils Program to increase biological activity and carbon sequestration in the State's soils by promoting practices based on emerging soil science and requiring the Department of Agriculture to provide incentives, including research, education, technical assistance, and subject to available funding,

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financial assistance, to farmers to implement farm management practices that contribute to healthy soils.

- **Idaho** offers low-interest loans to individuals to install on-farm conservation practices through the state's Resource Conservation and Range Development Loan Program. Eligible projects address soil and water issues, like upgrading irrigation equipment and purchasing no-till drills.

NYFC encourages the state to consider adopting a comprehensive soil health program to help farmers and ranchers with limited resources access current research on soil health practices and provide technical and financial assistance to encourage on-farm soil and water conservation practices. Objectives of the program should include: (1) coordinating Federal and state technical assistance programs to help limited resource producers access available cost-share programs to implement on-farm soil health practices; (2) providing direct financial assistance to producers to implement on-farm soil health practices through a combination of small grants and loans; and (3) providing financial assistance to conservation districts and other organizations to support targeted soil health outreach and education programs.

Improve access to specialized conservation equipment

Small operations and limited resource producers such as beginning farmers and ranchers often lack access to specialized equipment, such as no-till planters, necessary to adopt some soil health management practices. Such specialized equipment can be very cost prohibitive to young and beginning farmers and ranchers who may choose to forego adopting on-farm soil and water conservation measures to invest in other aspects of their operations. To address this issue, several conservation districts across Colorado offer equipment rental programs where producers can rent specialized equipment bringing much-needed revenue to the district. Conservation districts also offer education programs, workshops, and technical assistance programs to assist producers to implement on-farm soil and water management practices. While these programs are available, many conservation districts lack the resources to offer such programs or to purchase the latest equipment/enough equipment to meet demand.

Several states have created special revolving loan programs to help provide conservation districts with a sustainable funding source to purchase conservation equipment and other resources. The Kentucky Division of Conservation, for example, administered the Equipment Revolving Loan Program, which provides loans to conservation districts for the purchase of purchasing specialized conservation equipment. Because the loan program is a revolving fund, it has been successful in providing over \$62,000,000 in loans to 2250 individual contractors and conservation districts over the 57-year history of the program. This volume has been generated from its' original appropriation of \$1,850,000.00.

NYFC recommends that the General Assembly establish the Conservation District Revolving Loan Fund to provide low-interest loans to Colorado's conservation districts for securing, by purchase or otherwise, necessary equipment, materials, and supplies needed to further on the ground conservation programs and projects. The loan fund would be administered by the Colorado State Conservation Board (CSCB) with expenditures approved by the Board. CSCB would prioritize the use of the revenue stream by 1) Providing additional loan opportunities to Districts; 2) Stabilizing depleted program areas such as District matching grants; and 3) Providing additional funding streams, on a competitive basis, for Conservation Districts The intention of this program is to create long-term stable and sustainable funding opportunities

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for Conservation Districts and CSCB. To establish this fund, a one-time appropriation of \$5 million from the Severance Tax Operational Fund is requested.

Promote financial incentives to promote more efficient outdoor water use and technology

The SWSI estimates that by 2050, Colorado may lose 500,000 to 700,000 acres of currently irrigated farmland to meet municipal growth demands. Much of this demand comes from outdoor water consumption. According to the CWP, residential and commercial outdoor water use accounts for 39% of total municipal water diversions or 380,000 acre-feet annually. A recent CSU study found that outdoor landscapes use approximately 3% of all water consumed in Colorado. This number can be expected to increase with population growth and climate change, which could increase municipal needs as outdoor landscapes adapt to longer growing seasons, higher temperatures, and higher rates of evapotranspiration.

NYFC encourages the state to consider financial incentives to promote the use of more efficient outdoor water use irrigation technology and to reduce outdoor consumptive use. The CWP (pg H-4) calls for the CWCB to explore a tax-credit program to incentivize water providers to retrofit higher water-use landscapes with lower water-use landscapes. Several examples from other states are worth consideration. Arizona law provides an individual taxpayer with an income tax credit for installing water conservation systems in the taxpayer's residence including systems designed to collect rainwater or graywater. California's Turf Replacement Initiative provides rebates to individuals and public entities to remove turf and to replace it with landscapes that require less water. NYFC encourages the state to consider these measures as tools to reduce growing municipal demand and reduce pressure on agricultural water supplies across the state.

Promote alternative transfer mechanisms as a means to protect working agricultural lands

The CWP sets a goal to share at least 50,000 acre-feet of agricultural water using voluntary alternative transfer methods by 2030. In supporting ATM projects, the state should give priority to projects resulting in the permanent protection of working agricultural lands. Larimer County recently approved the first project where water will be shared from agricultural to municipal use in perpetuity. The project began in 2016 when Larimer County purchased a local farm with the goal of keeping the farm in active production while offsetting the cost through a water-sharing agreement with the City and County of Broomfield. Through this agreement, the partners demonstrated that it's possible to conserve fast-disappearing farmland at a reasonable cost while securing water for growing cities. NYFC encourages the state and local government to continue supporting similar ATM projects.

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