



September 1, 2022

Senator Jim Dill Representative Maggie O'Neil Joint Standing Committee on Agriculture, Conservation and Forestry 100 State House Station Augusta, ME 04333

Senator Dill and Representative O'Neil,

Pursuant to Chapter 28 of the Legislative Resolves of 2021, the Departments of Agriculture, Conservation and Forestry (DACF) and Inland Fisheries and Wildlife (DIFW) are pleased to submit our report on soil carbon storage incentives. The Departments were charged with developing recommendations for the establishment of "programs and policies to promote and incentivize, where appropriate, practices that increase sequestration of soil carbon on natural and working lands by farmers, landowners and land managers, including, but not limited to, technical assistance and financial incentives for that purpose."

As you likely recall, the passage of LD 937 did not provide any additional funds to DACF or DIFW to conduct the work to develop recommendations. The United States Climate Alliance provided a technical assistance award for facilitation services and scientific and technical support for the project. The Departments provided an interim report to the ACF Committee on March 1, 2022. The interim report included a scientific and technical literature review of existing relevant management practices that enhance soil carbon, with preference given to studies conducted in the glaciated Northeast or comparable regions; an analysis of research and monitoring needs to identify knowledge gaps on soil carbon; and a summary of existing programs, policies, and incentives in other states that could serve as a template or proof-of-concept for similar programs in Maine. This work provided useful baseline information from which to launch stakeholder engagement and to develop the recommendations we are putting forth today.

The Departments conducted facilitated stakeholder meetings with interested parties having expertise in agriculture, wetlands, and forestry. These meetings provided valuable feedback on the technical literature relating to soil organic carbon, as well as current practices and programs which may enhance the storage of soil organic carbon on natural and working lands.

Development of policy recommendations was led by a Soil Carbon Incentives Work Group consisting of DACF Commissioner Amanda Beal, DIFW Wildlife Management Section Supervisor Ryan Robicheau, Governor's Legislative Director Tom Abello, University of Maine Professor Ivan Fernandez, and with input and technical assistance along the way from various DACF, DIFW staff and graduate students working with us from the University of Maine. The draft policy recommendations were circulated for public comment from interested parties in August 2022.

Attached are copies of the Departments' finalized recommendations and the updated technical report which provides the scientific background for these recommendations. We feel that the full list of recommendations have

merit, yet based on both Work Group and public comment feedback, we want to call specific attention to the following 8 recommendations as the highest priorities for action on soil carbon incentives:

- Recommendation 1 Support and expand programs that conserve natural and working lands and prevent their conversion to development.
- Recommendation 2 Provide model policy and implementation guidance to municipalities to encourage municipal and landowner conservation of forests, agricultural lands, and wetlands.
- Recommendation 3 Expand funding for state-funded cost-share programs to incentivize practices that enhance soil carbon storage.
- Recommendation 4 Develop or expand technical assistance programs to help farmers implement soil health practices tailored to their individual farms.
- Recommendation 5 Develop on-farm research programs that provide financial and technical support for farmers to trial innovative practices to advance the current understanding of management effects on soil organic carbon.
- Recommendation 6 Consider belowground carbon as part of overall forest ecosystem when setting policy that impacts forest harvesting practices.
- Recommendation 7 Increase funding for Maine Forest Service's cost-share program for forest management plans to enable greater participation by small forestland owners. Promote and incentivize the use of lower ground-pressure equipment to be more accessible to all types of logging contractors.
- Recommendation 10 Support and incentivize programs that conserve and restore wetlands, and comprehensive planning initiatives that improve wetland connectivity, restoration, and conservation.

We see this study as a starting point for ongoing conversation with the Legislature and interested stakeholders on specific means to enhance soil organic carbon and further our efforts towards climate mitigation and enhanced resilience for Maine's natural and working lands. We look forward to further discussion of these ideas with you and the rest of the Joint Standing Committee on Agriculture, Conservation and Forestry in the coming session.

Sincerely,

Amonda E. Beal

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