



Liane Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

September 17, 2021

**RE: Comments – Draft Cap-and-Trade Auction Proceeds Fourth Investment Plan**

Dear Chair Randolph,

On behalf of the California Climate and Agriculture Network (CalCAN), thank you for the opportunity to comment on the draft Cap-and-Trade Auction Proceeds Fourth Investment Plan.

CalCAN is a coalition of the state's leading sustainable and organic agriculture organizations and farmer leaders, working to advance agricultural solutions to the climate crisis. Since our founding in 2009, we have seen great advancements in the state's efforts to support Climate Smart Agriculture (CSA). Many of the on-farm CSA projects not only reduce greenhouse gas emissions and increase carbon sinks but can also improve air and water quality, increase biodiversity and enhance overall climate resilience. Farmer demand for these programs continues to outpace available funding, creating opportunities to scale up this work and meet the challenges of the climate crisis.

The draft Investment Plan builds upon this work in key ways by focusing on multi-benefit programs that include community engagement, program evaluation, technical assistance and serve underserved populations, including socially disadvantaged farmers and ranchers. Below we offer our recommendations on how to further strengthen the draft Investment Plan to best meet the state's climate change goals.

Thank you for your consideration.

Sincerely,

Jeanne Merrill  
Policy Director

## COMMENTS:

### 1. **Prioritize Multiple Co-benefit Sustainable Agriculture Programs, Maintain Priority Funding for Alternative Manure Management Program**

We support the Investment Plan's focus on multi-benefit climate program investments. Many of the state's Climate Smart Agriculture programs offer multiple environmental, health, and economic benefits. For example, in our analysis of the Alternative Manure Management Program (AMMP), two-thirds of AMMP award recipients compost their manure, which offers opportunities to further healthy soils strategies that increase carbon sequestration, an important co-benefit of the program.<sup>1</sup> AMMP also allows for improved air and water quality and can reach a diversity of dairy and livestock operations, regardless of their geography and scale.<sup>2</sup> In contrast, fewer than 20 percent of the state's dairies are large enough to host an anaerobic digester, which also offers fewer co-benefits compared to AMMP practices.

Consequently, we urge the Administration to maintain priority funding for AMMP for Fiscal Years 2022-23 and 2023-24, as outlined in the budget bill, SB 170.

### 2. **Sustainable Transportation and Communities Recommendations Should Include Farmland Conservation Strategies to Support In-Fill Development**

We support the Administration's ongoing focus on in-fill, compact, affordable housing development as a key strategy for reducing vehicle miles traveled (VMT), as outlined in the draft Investment Plan. However, we ask that the final Investment Plan make clear the complementary climate strategies of in-fill, compact urban development, and related farmland conservation on the urban and suburban edges of our cities and towns.

In 2014, the legislature and the Governor allocated a continuous, annual 20 percent allocation of the GGRF dollars to the Strategic Growth Council for projects that reduce GHG emissions associated with land use and transportation. The Council, working with state agency partners and using the new GGRF dollars, created the Affordable Housing and Sustainable Communities (AHSC) and the Sustainable Agricultural Lands Conservation (SALC) programs.

As originally contemplated, the two programs would work in concert, as described in the first year of the SALC program guidelines:

*The two programs – AHSC and SALC – work in tandem to deliver projects that reduce GHGs. By investing in infill development, improved mobility options, and protecting agricultural lands strategically to keep growth within discrete boundaries, the components work together to reduce GHGs in the aggregate and over time.<sup>3</sup>*

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<sup>1</sup> See: <https://calclimateag.org/dairy-producers-turn-to-compost-as-climate-solution/>

<sup>2</sup> Please see the presentations to the SB 1383 work group for more on the benefits of alternative manure management practices: <https://ww2.arb.ca.gov/our-work/programs/dairy-and-livestock-wg/sgl-meetings>

<sup>3</sup> California SGC, "Agenda Item #6: Staff Report: FY 2014-15 Sustainable Agricultural Lands Conservation Program: Recommended Awards," California Department of Conservation Staff Report, June 30, 2015

For more on the progress of the AHSC and SALCP programs, please see our 2020 report, *Resilient California: Economic recovery and climate resilience through smart growth strategies, a review of state programs*.<sup>4</sup>

What is currently missing from the Sustainable Transportation and Communities recommendations in the draft Investment Plan is a clear connection between investing in in-fill, transit-rich, affordable housing in our cities and towns and the related farmland conservation on our urban and suburban edges to help prevent sprawl development.

We ask that the final Investment Plan make reference, on pages 22 and 23, to the farmland conservation strategies advanced by the SALCP program, including conservation easements, fee-title acquisition of agricultural land, and farmland conservation planning grants. All these strategies are key to advancing the state's smart-growth, reduced VMT efforts.

### **3. Support Multi-Year Funding Commitments, Include Budget Out-Years Funding Levels**

We are pleased to see this year that budget leaders proposed multi-year investments in the final budget packages, including agriculture, climate, and water resilience.<sup>5</sup> We have long advocated for multi-year funding for the Climate Smart Agriculture programs because the boom and bust of funding can stymie project development and impact farmer interest in the programs. Fortunately, the FY 2021-22 budget not only restores funding for programs like Healthy Soils, the State Water Efficiency and Enhancement Program (SWEET), and AMMP but also proposes over \$180 million for FY 2022-23 for all three programs.<sup>6</sup>

We ask that the final Investment Plan include references to the natural resource and working lands funding commitments made by the Administration and legislative leaders for FY 2022-23 and FY 2023-24. This will serve as an important foundation for budget discussions next year.

### **4. Support Program Evaluation and Farmer-Participatory Research, Provide More Detail Direction**

We support the inclusion of program evaluation and participatory research in the draft Investment Plan. CalCAN has done a number of program evaluations of the Climate Smart Agriculture programs, including Healthy Soils, SWEET, and SALCP/AHSC.<sup>7</sup>

We believe the time is ripe for additional analysis conducted on behalf of CDFA to better understand, after several years of program implementation, how farmer and rancher participants and the agricultural professionals who help deliver the programs (e.g. Resource Conservation Districts, UC Cooperative Extension, and nonprofits) are experiencing that work on the ground and what might support scaling up these efforts. Additional areas of inquiry include how

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<sup>4</sup> See: <https://calclimateag.org/wp-content/uploads/2020/12/CalCAN-Resilient-California-Web.pdf>

<sup>5</sup> Please see the spreadsheets on the agriculture, climate resilience, and other budget packages that were developed in September 2021 as part of the final budget deal.

<sup>6</sup> The \$183 million proposed for the three programs includes some portion of that funding for digesters yet to be determined.

<sup>7</sup> Please find our reports here: <https://calclimateag.org/publications/>

demonstrations projects funded by the CSA programs are informing project and program development as well as the underlying science. Program participant surveys, focus groups, and interviews are all excellent tools that can be deployed to support ongoing CSA program evaluation.

We recommend providing greater details in the Investment Plan on how the proposed investments will support program evaluation and participatory research, which may include specifying set-aside funds or other mechanisms to support state agencies in funding and doing this work.

## **5. Support Prioritization for Socially Disadvantaged Farmers and Ranchers, Small and Mid-Scale Producers**

The draft Investment Plan centers equity and environmental justice considerations, which we strongly support. But we ask that the final Investment Plan further clarify that socially disadvantaged farmers and ranchers, as defined in the Farmer Equity Act of 2017<sup>8</sup>, are prioritized not only for technical assistance funds but also for Climate Smart Agriculture and other related programmatic dollars.

We also support the prioritization of technical and financial assistance funding for small and mid-scale producers, those operations of 500 acres or less, as they often do not have ready access to consultants and others who can help develop projects to address the climate crisis.

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<sup>8</sup> See FAC, Div. 1, Part 1, Ch. 3, Section 510:

[https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=FAC&division=1.&title=&part=1.&chapter=3.&article=6](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=FAC&division=1.&title=&part=1.&chapter=3.&article=6).