

WESTERN UNITED DAIRIES

July 14, 2021

Richard Corey
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Regarding: **Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target**

Dear Mr. Corey:

Western United Dairies (WUD) appreciates the opportunity to provide comments regarding the Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Target (Analysis). WUD is the largest dairy farmer trade organization in California spanning the entirety of the state from Del Norte County to San Diego. The organization represents the diversity of dairy production in the state from organic, conventional, and grass-fed based farming practices.

Our comment takeaways as we will discuss in more detail, are the following:

- **We appreciate that ARB has acknowledged the good work and progress achieved to date on reducing manure methane emissions. We also agree that further emissions reductions should continue to come through a voluntary incentive-based approach.**
- **ARB mentions potential regulations for achieving the 2030 target, however we want to point out that ARB does not currently have the statutory authority to develop regulations on enteric methane emission reductions as part of our existing compliance with SB 1383.**
- **Dairy product consumption is increasing, while California herd size is decreasing, indicating that greenhouse gas (GHG) leakage is occurring at a rapid pace.**

WUD has been engaged on the issue of methane emission reductions from dairies since its inception in California, including during the discussions around achieving the 40% reduction in manure methane emissions by 2030 contemplated in SB 1383 (Lara) in 2016. One of our organization's staff members served on subgroup #3 (Research Needs, Including Enteric Fermentation) of the SB 1383 Dairy and Livestock Greenhouse Gas Emissions Working Group. WUD is committed to helping the dairy industry meet the goals of SB 1383 while protecting the viability of our dairy families here in California.

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Progress to Date

California dairy families have achieved tremendous progress to date and that progress is acknowledged in the analysis. However, this is a major success story for farmers and for the State and deserves more attention. The approach of using incentives to achieve manure methane emission reductions has been immensely successful and should continue to be followed here in California and throughout the nation. More help is needed to continue the progress that has been made so far.

The Analysis highlights how this progress has been achieved to date. Through grants and other incentives, dairies have installed anaerobic digesters and alternative manure management projects that reduce manure methane emissions, while also preparing these dairies for a low GHG emission future. These practices are also achieving benefits to air and water quality for our State, especially in areas burdened with these issues. Programs that reduce methane emissions that are coupled with water quality improvement are a win-win for our communities.

Enteric Emissions

Senate Bill 1383 only gives the California Air Resources Board (CARB) the authority to address reductions in manure emissions from dairy and livestock operations, not enteric emissions. This means that the livestock target is not 9 MMTCO_{2e} as stated in the Analysis as that number includes enteric emissions. SB 1383 states, “The state board, in consultation with the department, shall adopt regulations to reduce methane emissions from livestock *manure* (emphasis added) management operations and dairy manure management operations, consistent with this section and the strategy, by up to 40 percent below the dairy sector’s and livestock sector’s 2013 levels by 2030.” CARB does not currently have authority over enteric emissions as SB 1383 is written. As noted in the Analysis there are currently no available technologies for enteric emission reductions. As those become available in the coming years there will be a learning curve and considerations that are spelled out in SB 1383 that must be met. These include, “determines that a cost-effective, considering the impact on animal productivity, and scientifically proven method of reducing enteric emissions is available and that adoption of the enteric emissions reduction method would not damage animal health, public health, or consumer acceptance.”

As enteric emissions reduction technologies advance and the considerations about the efficacy of their use are more widely known, Western United Dairies looks forward to working with you and your staff in determining how they can be used safely and effectively and how those technologies could be used in reducing methane emissions on livestock operations here in California.

We request that CARB convene a stakeholder process to evaluate the process for enteric emissions reductions set out in section 29730.7 (f)(g) of SB 1383. The stakeholder collective should be made up of the entire representative dairy farming industry and be expansive to consider geographic regions, organic and grass-fed production practices, ethnic and minority

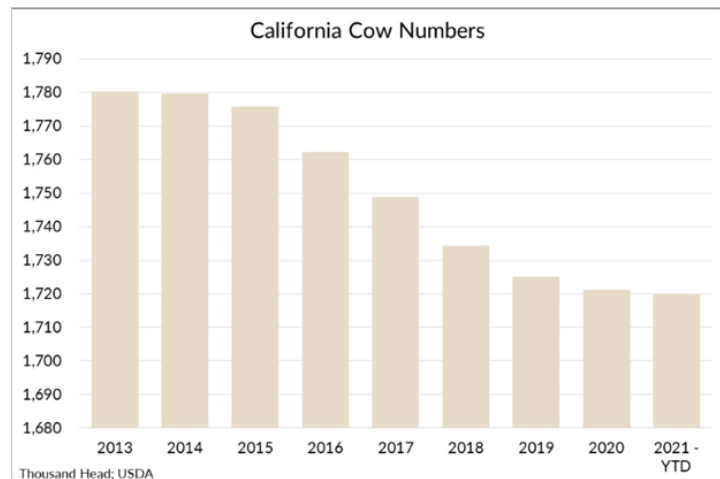
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represented farmers, and include labor interests. This stakeholder group must also be held in consultation with CDFA, and an emphasis must be placed on animal health and welfare prior to any further consideration of enteric methods by CARB.

Leakage

California must meet our GHG reduction goals while ensuring prosperity for the businesses and residents that work to achieve those reductions. In that way other states and countries will follow our example and collectively achieve meaningful global GHG reductions in all economic sectors – including livestock. The Analysis correctly points out that cow numbers in the state have declined over the last eight years, as described in the chart to the right.

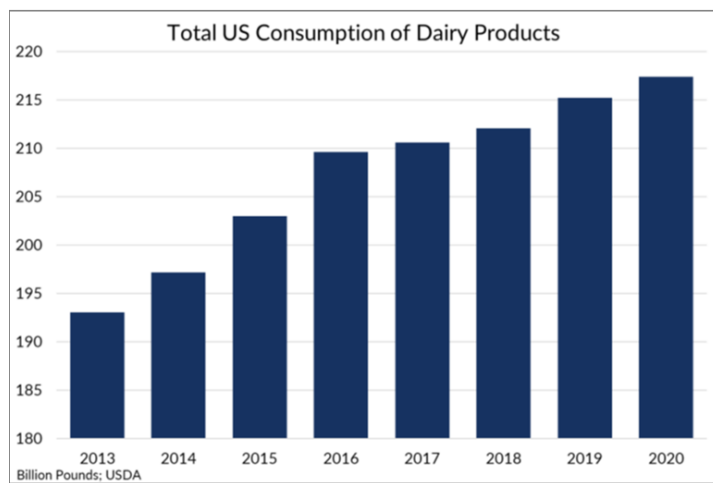
However, U.S dairy product consumption is on the rise, as seen on the chart below. In contrast to the trend in California of a decrease in the total dairy herd size, other dairy producing states are increasing their herd size as depicted by the chart on the next page of the total U.S. herd size. This means that the leakage of California GHG is already occurring.



The analysis states that perhaps dairy consumption or demand for dairy products is declining, however this is incorrect. According to the United States Department of Agriculture (USDA), State, National, and global dairy consumption is increasing, not decreasing. It is important to note that fluid milk consumption has declined, but that increases in demand for other products (cheese, butter, yogurt, etc.) have led to an overall increase in total dairy consumption. However, California dairies are leaving the state

due to significantly higher costs of doing business in California compared to that of other western states.

Production in these other states is increasing to make up the decline in California production. This is the definition of leakage. Leakage is counter to the efforts of the State to achieve these reductions and keep the economy and businesses thriving in California. The best way to avoid leakage is to continue voluntary incentive-based programs, such as those that have already achieved



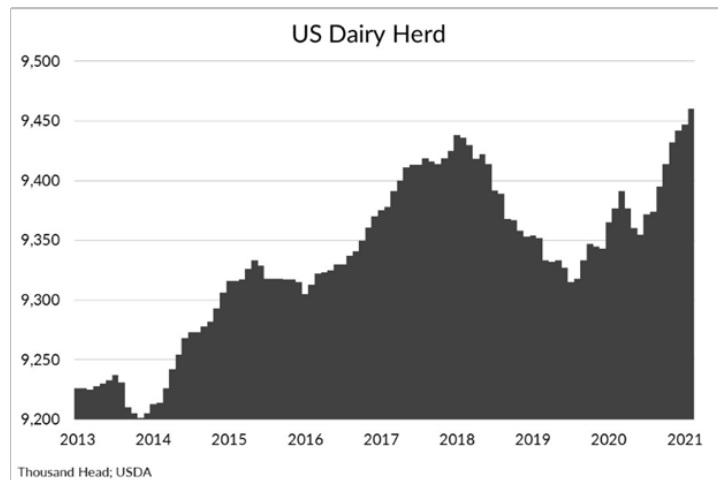
significant reductions. It is important that we support milk and beef production in California

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while achieving GHG emission reductions to show other states and countries that it can be done while maintaining viable farms. Only in this way can California achieve meaningful global GHG reductions.

It is important that we show that livestock emissions reductions can be achieved while maintaining a robust dairy and livestock sector that ensures that Californian's have access to fresh, locally grown products. The alternative is regulatory measures that cause milk production to move to other States and countries that do not produce milk and dairy products as efficiently, therefore increasing emissions through out-of-state production and additional reliance on transportation to move those products, known as "leakage".

This will send the message to other milk producing regions that demanding emissions reductions from their dairy and livestock sectors, as California did, is ineffective in addition to being harmful to dairy producers here in California. This would have the effect of increasing global GHG emissions at the cost of California businesses and jobs. As pointed out in the Analysis, California has made great progress in reducing GHG emissions from manure management as required by SB1383. It is important that we continue that progress without contributing to additional leakage. The best way to do that is to continue the path of utilizing voluntary incentive-based programs that have proven to work here in California.



Locally Sourced Nutritious Products

Consumers value beef and dairy products for the dense nutritional package that they offer. Evidence continues to show that dairy foods like milk, yogurt and cheese offer a unique package of nutrients that work together to provide multiple health benefits, including optimal growth and development in children and reduced risk of developing chronic diseases such as Type 2 diabetes and heart disease. Children who do not meet the daily recommended servings of dairy milk, yogurt or cheese may have inadequate intakes of important nutrients and protein necessary for optimal growth and development. According to the Centers for Disease Control and Prevention, students who drink one or more glasses of milk per day are more likely to have higher grades, with 43% of high school students earning mostly A grades drinking at least one glass of milk per day as compared to 28% of students with mostly D and F grades. Most Americans are not consuming enough dairy to meet their nutritional needs. Dairy foods continue to be recognized as a nutrient-rich food, providing people with three of the four nutrients of public health concern, specifically potassium, calcium, and vitamin D, as well as iodine for pregnant women.

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Other Comments

In footnote 10 of the Analysis CARB mentions that anaerobic digestion projects receiving Aliso Canyon Mitigation Settlement funds do not count toward the 2030 target. This should not be the case as these projects achieved emissions reductions on farms that are counted as part of the 2013 baseline. Other projects funded by Cap & Trade, or the Low Carbon Fuel Standard (LCFS) bring in funding from sources to achieve reductions in their own emissions, such as transportation. However, in those cases the emissions reductions are counted as part of the livestock 2030 target. It should be the same for these reductions. However, if ARB is not able to credit the livestock sector with these emission reductions, then they should be removed from the 2013 baseline also.

Footnote 48 states that dairies that have installed an alternative manure management project are unlikely to install a digester. This is not correct. It is possible for dairies that have installed alternative manure management practices to install a digester and achieve additional reductions.

We agree with ARB that continuing voluntary incentive funding allows the state to promote the most environmentally beneficial practices. As stated in the analysis this has been the case to date with higher cost more beneficial projects being selected over lower cost projects with fewer benefits.

The work that has been done to remove the barriers, as highlighted in the Analysis, has helped projects move forward and achieve greater reductions. However, the analysis also mentions that there has been limited progress in overcoming technical barriers to quantifying the resultant emissions reductions from Alternative Manure Management Program (AMMP) projects. It is important that the ARB, the Department, and the industry continue to work to overcome these obstacles to capture the value for the AMMP emissions reductions that have been achieved. This would provide additional incentives to achieve greater reductions.

We look forward to continuing these discussions with you, the Legislature, Governor Newsom's senior staff in how our members continue to lead the nation in environmental sustainability.

Sincerely,



Paul Sousa, Director of Environmental & Regulatory Affairs
Western United Dairies