December 13, 2019

The Honorable Mary Nichols, Chair California Air Resources Board 1001 I Street Sacramento, CA 95814

RE: 19-12-2: San Joaquin Valley Agricultural Equipment Incentive Measure

Dear Ms. Nichols:

The California Farm Bureau Federation (Farm Bureau) is writing in support of the San Joaquin Valley Agricultural Incentive Measure proposed for adoption at the California Air Resources Board's (CARB) December meeting. Farm Bureau represents more than 33,000 members as it strives to protect and improve the ability of farmers and ranchers engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of California's resources. The incentive measure proposed for adoption will allow the state to obtain credit towards meeting the emission reduction targets included in the PM 2.5 State Implementation Plan for the San Joaquin Valley (PM 2.5 SIP). This recognition is an integral piece to achieving successful implementation of the PM 2.5 SIP and Farm Bureau urges CARB to adopt the incentive measure.

The PM 2.5 SIP includes a goal of replacing 12,000 Tier 0, 1, and 2 tractors by 2024. CARB estimates the cost of replacing these tractors will be \$1.4 billion. This cost comes on top of expected costs for farmers and ranchers to replace heavy duty diesel trucks by 2023. It will be necessary to obtain a significant portion of this amount as incentive funds to help accelerate the turnover of the targeted tractors. Farm Bureau, and other agricultural organizations, have been instrumental in obtaining both state and federal incentive funds in the past to help incentivize the replacement of older agricultural equipment. Farm Bureau remains committed to continuing its efforts to obtain additional incentive funds to help meet the goal. However, it must be recognized that agricultural organizations will need broad support from both within and outside of state government to obtain the funds necessary to achieve the goal.

Towards that end, more than \$189 million in state and local funds have been invested in projects already included in the incentive measure. In addition to the public funds, more than \$162 million of private investments have been made from agricultural producers bringing the total to more than \$351 million in spending to replace older tractors in the San Joaquin Valley. It is also important to note that the San Joaquin Valley Air Pollution Control District has seen a demand of two to three times the amount of funding it has received under the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program. This illustrates the support for incentives by the agricultural community. Incentives work, as long as funding is available, the San Joaquin Valley will be able to meet the tractor replacement goal.

December 13, 2019 Page 2

Farm Bureau appreciates CARB staff's open communication as they developed the incentive measure, and again, urges the adoption of the incentive measure and urges CARB's support for providing additional incentive funding for tractor replacement to meet the goals included in the PM 2.5 SIP.

Sincerely,

Noelle Cremers

Senior Policy Advocate