



July 14, 2021

California Air Resources Board
PO Box 2815
Sacramento, CA 95812

Re: ***Comments addressing the DRAFT Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Reduction Target***

Chair Randolph and Members of the Board:

Agricultural Council of California (Ag Council) represents over 15,000 farmers across California ranging from small, farmer-owned businesses to some of the world's best-known brands. Within this membership, Ag Council represents nearly 40 percent of the milk produced in California. We appreciate the opportunity to provide comments regarding the Analysis of Progress toward Achieving the 2030 Dairy and Livestock Sector Methane Emissions Reduction Target (Analysis). This letter provides comments on the most important factors in reaching the target goal: ongoing capital funding for new methane emissions reductions projects, continued revenue streams to incentivize dairy biogas capture and beneficial use, and an available and accepted means of reducing enteric methane emissions.

California is home to the most ambitious climate goals in the world, and it is critical that the state continue to invest in environmentally transformational practices while partnering with the agricultural community to avoid placing California farmers at a disadvantage. We thank California Air Resources Board (CARB) staff for recognizing in the draft Analysis the significant progress the dairy and livestock sector has already made toward achieving the target goal of 40 percent below 2013 levels by 2030.

Per CARB's recommendations, we strongly support a minimum annual appropriation of \$75 million in target-based capital funding for the Dairy Digester Research and Development Program (DDRDP) and the Alternative Manure Management Program (AMMP) until fiscal year 2027-28, as stated in the draft Analysis under Incentive Funding Scenario 3: Target-Based Funding. As outlined in the Analysis, both DDRDP and AMMP have shown significant success in methane emission reduction. In fact, DDRDP alone has achieved more emissions reductions than any other California Climate Investment, representing 29 percent of all emissions reductions despite DDRDP's funding allocation of only 2.1 percent of the total funds, which makes DDRDP the most cost-effective investment of any program in the fight against climate change.

Historically, during the latter years of the Brown Administration, \$99 million was appropriated annually for these successful methane emission reduction projects. In recent years, however, this funding has not remained constant and has even fallen well below the \$75 million needed each year to achieve the 2030 goal. Both DDRDP and AMMP are oversubscribed from the dairy community, emphasizing the sector's eagerness to reduce emission with the state as their partner and the need for additional funds.

Related, Ag Council supports the funding being allocated in a manner that is technology neutral, meaning that the California Department of Food and Agriculture (CDFA) shall maintain the

funding authority to allocate dollars toward both DDRDP and AMMP efforts based upon the merits of the project applications and the need to attain the 2030 goal. An annual appropriation of \$75 million is the only viable option to reach the 2030 Dairy and Livestock Sector Methane Emissions Reduction goals.

Additionally, the use of on-farm agricultural byproducts should be considered a source methane emission reduction and included toward reaching the 2030 target goals. For example, almond shells are used for livestock bedding and almond hulls and citrus pulp are used in feed. In fact, over 40 percent of dairy cattle feed ingredients are agricultural by-products, and California dairies divert an estimated 10,275 tons of agricultural by-products from landfills.

On enteric emissions, the draft Analysis raises the issue of feed additives. In the Analysis, CARB staff “estimated that a scientifically proven, cost effective, safe, and consumer-accepted enteric methane mitigation strategy may be commercially available within the next three to five years.” The Analysis also “assumes the adoption of a feed additive with 30 percent enteric methane mitigation potential” with a 100 percent adoption rate of this feed additive by the entire sector. Although the potential for enteric emission reduction is sizeable, California cannot rely on assumptions to guide regulatory policy. We urge CARB to adhere to the voluntary, incentive-based provisions in statute as provided in SB 1383 (Lara), which was signed into law in 2016.

Under SB 1383 (Lara), enteric emissions reductions shall be voluntary, scientifically proven, and incentive based, among other factors. The statute reads:

Enteric emissions reductions shall be achieved only through incentive-based mechanisms until the state board, in consultation with the department, 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. Voluntary enteric emissions reductions may be used toward satisfying the goals of this chapter. (Health and Safety Code, Section 39730.7)

If an enteric reduction feed additive with long-term methane reduction potential is approved by the U.S. Food and Drug Administration (FDA), the additive must overcome technical and market barriers to ensure it is both available and affordable. We understand that Figure ES-1 in the Analysis does not include enteric, and we do not believe this method should be included until science-based FDA approval is given to any feed additives, in addition to the factors outlined in SB 1383 above.

The dairy community appreciates the work of CARB to partner with us to achieve statewide climate goals. Thank you for your time and consideration of our comments.

If you have any questions or comments, please reach out to Dani Diele on my team at dani@agcouncil.org.

Sincerely,



Emily Rooney
President
Agricultural Council of California

