

CALIFORNIA CATTLEMEN'S ASSOCIATION

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June 12, 2015

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

Dear Chair Nichols,

The California Cattlemen's Association (CCA) appreciates the opportunity to comment on the Short-Lived Climate Pollutant Reduction Strategy Concept Paper (Concept Paper). CCA represents over 1,800 California beef producers throughout each industry segment and together all cattle and calves generate \$3.3 billion annually for California's economy.

SB 605 (Lara) signed into law January 1, 2015 requires that the California Air Resources Board (ARB):

- Complete an inventory of sources and emissions of SLCPs in California based on available data;
- Identify research needs to address any data gaps;
- Identify existing and potential new control measures to reduce emissions;
- Prioritize the development of new measures for SLCPs that offer co-benefits by improving water quality or reducing other air pollutants that impact community health and benefit disadvantaged communities;
- Coordinate with other state agencies and districts to develop and implement measures identified as part of the comprehensive strategy;
- Consult with experts in academia, industry and the community on SLCPs; and
- Hold at least one public workshop during the development of the strategy.

Of the SLCP sources related to agriculture, the Concept Paper identifies that 26 percent of methane emissions are derived from manure management and 29 percent of methane emissions are derived from enteric fermentation. Although those numbers may appear significant in the context of the Concept Paper, in comparison to other sources of greenhouse gas emissions in California all emissions associated with livestock comprise only 5 percent of the total inventory. Methane emissions resulting from enteric fermentation from all beef cattle in California represent only 0.006 percent of the total greenhouse gas inventory and manure management from rangelands and cattle confined in feedlots totals 0.0008 percent of the total inventory. These figures also account for the total global warming potential of the emissions for each source and are weighted accordingly against other greenhouse gas emissions. Methane emissions from enteric fermentation and manure management resulting from beef cattle production is completely insignificant compared to other sources of greenhouse gas emissions in ARB's inventory.

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To ensure compliance with SB 605, the Concept Paper explores several potential actions that could further reduce methane emissions from livestock operations, primarily dairies. First and foremost, any action specifically related to livestock production that is developed as a result of this Concept Paper or the implementation of SB 605 should be completely voluntary. Emissions resulting from enteric fermentation and manure are biogenic in nature and although some reductions may be more feasible to implement to reduce emissions from liquid manure storage ponds, practices to reduce emissions from enteric fermentation and dry manure systems are largely unsubstantiated, cost prohibitive and almost entirely unfeasible. Any proposed action that is included in a final report should undergo an extensive cost-benefit analysis to ensure that the reduction per ton of methane is cost effective and reasonable.

Confined beef cattle facilities are managed to produce and store almost entirely dry manure unlike dairies that typically manage manure using liquid waste lagoons. The majority of cattle feedlot operations in California utilize their volume of dry manure to produce certified compost in large quantities that provide beneficial soil amendments for organic and conventional farmers. Efforts are already underway by the Administration and the legislature to provide financial incentives to increase the application of compost on farmland, rangeland and open space which has been demonstrated to increase carbon sequestration. The state already suffers from a low supply of certified compost and any regulatory mechanism advanced by this Concept Paper to further manage dry manure from beef feedlots will significantly diminish the current supply of composted manure and be completely counterproductive in supporting other Administration efforts.

In turn, actions should be focused on providing significant public resources to assist in the construction of numerous methane digesters on liquid manure holding facilities at dairies. The construction of digesters should remain voluntary based on their construction costs and their financial uncertainty to operate long-term. That said, a significant investment in public funds upfront will help to offset that uncertainty.

Emission reductions from enteric fermentation are largely based on increasing animal efficiencies in beef and milk production. The industry already widely adopts management practices that increase animal efficiency that not only result in the use of fewer resources in milk and meat production but correlatively reduces methane emissions from enteric fermentation. The best example of a management practice that is already widely adopted by the industry is the feeding of ionophores to ruminant animals. Ionophores alter ruminant fermentation patterns to increase the digestibility of forage and promote improved feed efficiency. A significant reduction in enteric fermentation has occurred however these gains have been realized over a long-term trend and no single management practice has been developed, notwithstanding the use of ionophores, to reduce emissions from enteric fermentation. Limited research has demonstrated that the feeding of grape pomace may reduce methane emissions from enteric fermentation however this research lacks further evaluation on how the use of this product might be appropriately and feasibly applied throughout the industry. Any suggested feed amendment to reduce methane emissions from enteric fermentation should be weighed against overall animal efficiency and animal health and welfare.

The Concept Paper states that, "Achieving the methane targets identified in this Concept Paper may be difficult or infeasible if emissions from enteric fermentation increase." This statement is largely irrelevant and should be removed from the Concept Paper. Although a substantial increase in the number of both beef and dairy cattle would be welcomed, it is likely never to occur in California with shifting land use patterns to urban development and intensive agriculture. Drought, regulations, markets and overall industry efficiencies are likely to cause the number of ruminant livestock in California to decrease over time or at the very least remain at those levels surveyed today. Ongoing drought has forced a reduction in the beef cow herd and the ongoing loss of feedlot capacity and beef processing facilities in California will restrict further expansion. Last year, the largest beef processing facility in California located in Brawley was closed which resulted in an almost 50 percent reduction in total feedlot capacity in the Imperial Valley equating to roughly a loss of 200,000 head of cattle on feed in California.

The Concept Paper also discusses the petition by the Animal Legal Defense Fund (ALDF) to measure and control livestock operations under ARB's Mandatory Reporting Rule and Cap-and-Trade Regulation. CCA is staunchly opposed to any such effort by ARB to force livestock producers to report greenhouse gas emissions or purchase allowances to offset greenhouse gas emissions. The economic result of implementing such a proposal would be devastating and would almost assuredly force most operators out of business. It should be recognized that such a proposal would also have an extremely high likelihood of leakage. Beef cattle production is predominant in most other states throughout the West and in the Midwest and would gladly accept the transplant of California livestock producers to their states. California is already a meat deficit state as the majority of the meat that is consumed here is imported from other states. The proposal by the Animal Legal Defense Fund would only exacerbate that deficit and completely eliminate the remaining finishing and harvesting capacity that is left in California.

It would be entirely inappropriate to thrust such a costly regulation on family owned businesses that cannot pass on their costs to consumers based on prices that are founded upon an extremely volatile domestic and international market outside their control. Family owned farmers and ranchers would be forced to compete against large energy, petroleum and manufacturing industries to purchase the limited supply of allowances that are sold. CCA strongly urges ARB to reject the petition offered by ALDF outright.

Again, CCA appreciates the opportunity to comment on the Concept Paper. Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Justin Oldfield". The signature is fluid and cursive, with the first name "Justin" and last name "Oldfield" clearly distinguishable.

Justin Oldfield
Vice President, Government Relations

CC: Mr. Craig Segall, Senior Staff Counsel, California Air Resources Board