Almond Alliance
OF CALIFORNIA

June 24, 2022

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via Electronic Submittal
Re: COMMENTS ON THE DRAFT 2022 SCOPING PLAN UPDATE

The Almond Alliance of California (AAC) and the Almond Board of California (ABC) appreciates the opportunity to provide comments to the California Air Resources Board (CARB) *Draft Scoping Plan*. The Almond Alliance and the ABC work together to provide regulators with a better understanding of how specific issues impact the California Almond industry.
The Almond Alliance is an association representing the California Almond community; 7,600 almond farms, 90% family owned and operated, 70% less than 100 acres, employing 110,000 Californians, to produce 80% of the world's supply of almonds.

Established in 1950, the ABC is a grower-enacted Federal Marketing Order (FMO) under the supervision of the U.S. Department of Agriculture. The FMO administers a broad-based mandatory program which spans incoming and outgoing quality, compliance, food safety, industry education, market development, and research on the growing, nutrition, and food safety of almonds. The ABC is financed by growers through an assessment collected on each pound of edible almonds they deliver to market.

About California Almonds

In 2020, California, produced 3.0 billion pounds of almonds. Almonds are put into commercial channels by approximately 100 handlers. Virtually 100% of U.S. commercial almond production is in California; grown on over 1.5 million acres throughout the Central Valley. California produces over 80% of the global supply.

Through the ABC, almond growers have been investing in research to both better understand the greenhouse gasses associated with the growing of almonds (Life Cycle Assessment/LCA), as to develop and implement best practices to grow almonds to reduce emissions or sequester carbon. The LCA showed that the trees, hulls, and shells - the co-products grown along with the kernel - provide sequestration, biomass energy, and dairy feed alternatives which off-set nearly 50% of the GHG emissions associated with 25 years of growing. Thus, the LCA helped us identify the opportunities contained with the co-products as well as opportunities to reduce other GHG emissions associated with almond growing.

The concept of sustainability is not new to California almond growers. Many of the concepts proposed by this draft Scoping Plan are already being implemented by almond growers and processors across the state. We encourage the Board to review the ABC's globally recognized California Almond Stewardship Platform (CASP) which uses grower data to document the sustainability of our industry to stakeholders, including buyers, regulators and consumers, and helps growers find ways to improve efficiencies. To date, 93% of CASP participants are recognized as Silver and Gold Medalists by the Sustainable Agriculture Initiative Farm Sustainability Assessment.

As the state of California and the California Almond community continue in our shared commitment to lead in sustainability, we ask your consideration of the following regarding the draft Scoping Plan:

Cost of Implementation. The scoping plan needs to focus on improving real-world economic inputs to the analysis of the cost to implement very aspirational Climate Action goals, especially in rural California. We believe that the draft drastically underestimates the cost of implementing the proposed scenario for perennial crops at $4 million/year considering the equipment replacement expectations and cost of on-site infrastructure and grid improvement. We are also very concerned that the drive to implement zero emission on-and-off road vehicle standards in rural California are lacking an analysis of the real economic costs to businesses and workers, the public investment that will be required and the time that will be required to support a successful zero-emission transition. We recommend that the Board work closely with NWL stakeholders to estimate a more accurate cost of implementing a proposed scenario to local government, businesses and workers.

Overly Optimistic Assumptions. We found that conclusions made by the plan's macroeconomic modeling of the NWL alternatives are overly optimistic regarding economic activity; the studies concluded that the industry's economic activity would grow proportionally to the industry's cost of implementation. As the Board is aware, California's growers and processors compete in a global marketplace while complying with the most advanced environmental, labor and resource regulatory environment in the world. We cannot ignore that a main driver of economic activity in rural California is agriculture. Since a majority of retailers and their consumers are cost driven, California growers and processors will lose global markets – even in California – if cost of production is higher here than outside of California. To conclude that the industry's economic activity would grow in proportion to its investment in implementation is economically short-sighted.

Leakage and Food Security. We concur with this statement in the draft, "The food system is under pressure from numerous factors, and climate change is a key concern. Climate change can affect food production and agricultural yield and exacerbate factors that limit food availability, such as supply chain disruption. Food security is defined as stable access to affordable, sufficient food for an active, healthy life." We also believe that the scoping plan should also acknowledge and analyze the effect each of its preferred NWL scenarios has on the "leakage" of the industry and its effect on Californian's food security. We cannot continue to ignore the fact

that the sustainability of the production of food in California is dependent on the economic viability and competitiveness of our farmers and ranchers in a global marketplace.

Economic Sustainability. True sustainability must be economically viable and environmentally accountable. If the practice puts the farmer out of business, the partner in sustainability is lost, and the environmental benefit with it. Any climate smart ag practices that come out of the scoping plan should be in a grower's self-interest, achievable, and agronomically beneficial. Solutions should consider food safety and variable farm sizes. programs, including incentives and market-based solutions must be made available.

Opportunities & Challenges

For California almonds there are three main areas primary areas with significant opportunities and challenges with where there are opportunities along with significant challenges for almond growers and processors to align with the goals of the Scoping Plan:

1. Renewable Energy;
2. Climate-Smart Agriculture Practices; and,
3. California-Grown Bio-Energy and Economy.

Renewable Energy.

There are multiple points where the California almond industry can positively contribute to the increased development and use of renewable energy for growing and processing almonds. CARB needs to focus on realistic economic analysis and timelines for implementing aspirational driven climate goals regarding zero emission for on-and-off road vehicles in rural California especially as it relates to affordability of equipment, realistic deployment, local economic activity and improvement of the electrical grid and infrastructure.

We are supportive of the promotion of on-farm energy production, programs that incentivize innovative agricultural energy on the farm and at processing facilities that facilitate transition to renewable energy.

Climate-Smart Agricultural Practices.

The California Almond Stewardship Platform is an example of how real-world sustainability is implemented in the agricultural sector. We are proud and supportive of the sustainability efforts of both our organic and conventional growers. The draft scoping plan appears to conclude that sustainability, water use efficiency, integrated pest management and Climate Smart practices are synonymous with organic agricultural systems. Agricultural practices that improve soil health, reduce greenhouse gas emissions, promote judicious use of pest management tools and sequester carbon can be implemented across conventional and organic systems. The scoping plan's proposed scenario shouldn't be a choice between organic and

conventional systems, but instead should focus on specific agricultural practices that reduce global warming emissions and sequester carbon across the board.

While we understand that leadership of CalEPA has stated that pesticides would not be considered in the scope of the plan – the draft does contain several unsubstantiated conclusions in a climate scoping plan – regarding hazard, harm, pesticides, and pesticide exposure. We encourage the Board to maintain its focus on the authority provided by AB 32.

Until there's a proven Climate Smart retail marketplace that compensates growers and ranchers for their climate investments, the scoping plan's chosen NWL scenario practices should be evaluated and promoted based on the economic sustainability of individual farms and ranches and remain voluntary.

A key to the success of the scoping plan's Climate Smart Strategy will be the availability and accessibility to technical assistance regarding implementing Climate-Smart Agricultural Practices. California has two of the best technical service providers in the world: the University of California's Cooperative Extension and California's 98 Resource Conservation Districts. Both of these organizations should be on the forefront regarding support from the Board.

While there are pro's and con's with existing conservation easement programs in California, we are supportive of efforts to incentivize keeping agricultural lands in production that include management plans to maintain/increase carbon sequestration.

We would also recommend that the Board reach out to California's agricultural commodity groups as there are multiple sustainability platforms, like the California Almond Stewardship Platform that could be supported to expand monitoring and tracking of management actions and outcomes consistent with the tracking and monitoring recommendations of the Climate Smart Strategy.

The scoping plan should bring specific focus and actionable agronomic, pest management, nutrient and water-use research, data, and technology to California's farmers and ranchers for successful reduction of greenhouse gas emissions.

California Grown Bio-Energy and Economy.

We are supportive of the promotion of partnership with communities and the private sector to expand and develop new infrastructure for manufacturing and processing of climate smart agricultural and biomass products.

California Grown almond by-products (shell, hulls, and woody biomass) are positioned to play a key role in the carbon intensity of fuels, as they can be converted into a low carbon biofuel and energy source. Potential products include biogas, ethanol, and even jet fuel, produced through pyrolysis or other extraction processes.

Again, we appreciate CARB taking the time to solicit feedback on how to incorporate working lands into the scoping plan. There are a variety of ways that the almond industry, California agriculture more broadly, and our hardworking farmers can continue to improve their already excellent efforts in support of these goals. We seek partnership that shows how adoption of climate smart agricultural practices improves the bottom line, and helps to maintain the vibrancy, productivity and future of farming in California. Both the Alliance and the Almond Board look forward to continuing to work with CARB on these complex issues.

Sincerely,

Aubrey Bettencourt

President, Almond Alliance of California

Cc: Jesse Roseman, Principal Analyst Sustainability & Env. Affairs, Almond Board of California