



**LAND
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PROJECT**

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Governor Newsom and Members of the California Air Resources Board (CARB),

The Land Stewardship Project, on behalf of our members, submits these comments sharing our concern about the current state of California's Low Carbon Fuel Standard (LCFS) and requests that you amend the current program to address the environmental injustices embedded in the program and that are having direct negative impacts on our members, and on the communities that we represent.

The Land Stewardship Project is a grassroots, member-driven, nonprofit organization that works with farmers and rural communities in Minnesota, Wisconsin, and Iowa. For over four decades, the Land Stewardship Project has organized thousands of small and mid-sized farmers, rural residents, and others to build a just and sustainable farm and food system, as well as healthy communities. Currently, our membership includes approximately 1,500 small and mid-sized farmers and an additional 3,000 households.

We work with our members and communities every day to build an agricultural system in which small and mid-sized farms and farming families can thrive, our air and water is clean, our soil is healthy, rural communities can prosper, and our climate is stable and resilient.

For 42 years, our members have worked together to advance a vision for agriculture and rural communities in the upper mid-west that has included “fighting the worst” that this current agricultural system is giving us and “promoting the best” that we know our system of agriculture and rural areas can be. Small and mid-sized farms and rural communities cannot thrive, or even survive, in an environment where the agricultural sector becomes increasingly consolidated. This consolidation includes large-scale feedlots that threaten our air, water, soil, climate, wildlife, farm economy, local rural economies, human health, and more.

During our history, LSP members, local community groups, and their neighbors have successfully prevented over 40 large-scale feedlots from being built or expanding. We have worked together to protect our shared air, water, land, climate, and communities from the harmful effects factory farms. From the gasses that it produces and the water pollution that it creates, to the good farmers and farm families that are pushed off the land because they cannot compete with operations that use massive economies of scale to produce near endless quantities of cheap produce.

We have also worked together to bolster and support farmers and farming methods that sustain the health of the land, air, water, climate, and communities. The Land Stewardship Project has directly trained over 1000 beginning farmers on sustainable farming practices, won tens of millions of dollars from state and federal governments for investments in programs that build soil health, create regional food systems, created tax incentive programs that make it easier for beginning farmers to gain access to land, and passed moratoriums on farm foreclosures when the farm economy experiences major downturns.

The Land Stewardship Project has a deep familiarity with building an agricultural system that is good for our planet and our communities in a way that works.

That is why the Land Stewardship Project and our members in rural areas are concerned about the injustice we see happening in our communities stemming from the current way the California LCFS rules are being implemented. Right now, our members are seeing multiple large projects being built proposed or proposed near them to capture methane, or factory farm gas, from industrial farms in their area. These proposals are being brought forward by both big oil and big agriculture corporations with little to no regard for the wishes of or the effects it will have on the community surrounding the sites. In many cases, these proposals are being snuck into communities as quietly as possible and are being proposed in a way that avoids any sort of public environmental review process. Many are brought forward at the behest of large industrial farms in the area, who already hold a large amount of control in the community and local economy, for the sole purpose of further enriching the owners of these industrial farms.

Because large industrial agriculture is able to take part in the LCFS program, the program has become the nation's largest and most lucrative pollution trading scheme for factory farm biogas, perpetuating harmful practices rather than serving its environmental objectives. It is driving the construction of more factory farms and factory farm biogas projects in states far from California, causing severe harm to air, water, public health, rural economies, and overall quality of life in communities where Land Stewardship Project members live, raise their families, recreate, grow food, and grow old in. Communities that are centers for the dairy farming industry have been particularly effected due to dairy manure being the feedstock of choice for many factory farm gas projects in the Upper Midwest. This is having disastrous effects on an already suffering industry and the communities that rely on that industry.

As an organization that works with farmers across the Upper Midwest to help them advocate for their interests, we are in regular communication with dairy farmers and dairy farm families, and are listening to what they care about, what they are proud of, what is working on their operation, what isn't working for them, what they are hopeful about and what they are concerned about. And the concern that we have heard about the most is about the consolidation of their industry that is being driven by large dairy operations. Operations of the size and scale of the ones that the current LCFS funds almost exclusively.

The dairy industry and the rural communities that are connected to that industry in the Upper Midwest are in a fragile state due to this ongoing consolidation. Minnesota is a prime example of this fragility. Since the late 1970's, Minnesota has not seen any meaningful change in the number of dairy cattle that are farmed in our state. What has changed drastically is the number of dairy farms and farming families.

In the late 1970's, there were about 40,000 dairy farms and dairy farm families in Minnesota, earlier this year that number dropped below 2,000. The dairy farmers and farm families that remain are regularly dealing with drastic price swings that dip the sales price that they receive for their milk to between seventy five and fifty percent of what it costs to produce. Farmers are saying that there is no way for them to compete with the large operations, like the ones that receive the bulk of the funds from trading carbon credits under the current LCFS program, when they can use their massive economies of scale to periodically dump large quantities of cheap to produce milk on the market. Driving down the collective price per hundredweight that all dairy farmers receive.

The main beneficiary of this consolidation has been Riverview Dairy, Minnesota's largest dairy farm operator. Riverview themselves owns over a third of all of the cow that are currently producing milk in

Minnesota. This same operation has received the most amount of money from the current LCFS program.

The fact that the state of California is maintaining a system that funnels millions of dollars to these large dairy operations like Riverview seems particularly unjust when the rest of the economic picture is laid out. These are massive corporations that already have an economic leg up over their competition. But the way the current LCFS program works helping their wallets get even larger by helping their operations secure an additional two revenue streams that they have exclusive access to. On top of making money from the milk they produce, the large dairy farms are currently able to sell the methane itself to natural gas companies to be used for energy and turn around and sell the carbon offset credits they accrue through the LCFS program and make money there. This effectively makes the primary source of revenue for a dairy farm large enough to participate in the program funding from energy production, and making the revenue gained from milk production into a byproduct. This energy-based revenue is something that the vast majority of farmers in the Upper Midwest are locked out of due to the unachievable upfront costs, but these farmers will still have to compete with milk that is being sold and priced as a byproduct, not a commodity.

In summary, it is because of the Land Stewardship Projects deep familiarity with what it really takes to have a truly sustainable system of agriculture, the experiences of our membership in rural areas, and the effects that the projects receiving funds from the California LCFS are having on rural communities and the dairy economy in particular that we ask you to amend your current LCFS program by:

1. Eliminating "avoided methane crediting" in 2024.
2. Addressing inaccuracies in the Life Cycle Assessment that ignore associated up and downstream greenhouse gas emissions from factory farm gas production.
3. Removing the 10-year "grace period" for factory farm gas producers.
4. Stopping double counting by allowing factory farm gas projects paid for and claimed by other programs to sell LCFS credits as well.

Sincerely,

Matthew Sheets

Policy Organizer with the Land Stewardship Project

On Behalf of the Land Stewardship Project Animal Agriculture Steering Committee