



The Honorable Kevin de León
 Senate President pro Tem
 State Capitol, Room 205
 Sacramento, CA 95814

The Honorable Anthony Rendon
 Assembly Speaker
 State Capitol, Room 219
 Sacramento, CA 94249

The Honorable Bob Wieckowski
 Chair, Senate Committee on Environmental Quality
 State Capitol, Room 4085
 Sacramento, CA 95814

The Honorable Cristina Garcia
 Chair, Committee on Natural Resources
 State Capitol, Room 2013
 Sacramento, CA 94249

May 31, 2017

Dear Senate Pro Tem de León, Speaker Rendon and Chairs Wieckowski and Garcia,

On behalf of the California Climate and Agriculture Network, a statewide coalition of sustainable and organic agriculture organizations, we write to express our support for the state's on-going efforts to reduce greenhouse emissions and adapt to a changing climate. As you consider the future of the cap-and-trade program, we ask that you consider reforms to improve the program's ability to achieve greenhouse gas emission reductions and related co-benefits.

Our farmer and rancher members acknowledge the threat of climate change. They face greater weather extremes, increased pest and disease pressures and constrained water resources that challenge their ability to produce the food that we all depend upon. As a result, our farmer and rancher members are seeking climate change solutions that reduce greenhouse gas emissions, store carbon in soils, trees and shrubs, protect at-risk farmland from development and produce renewable energy all while providing multiple health and economic benefits. They are organic and sustainable agriculture producers who conserve natural resources, use low-input, biologically based management practices and are leaders in innovative farming in California.

Fundamental to the success of California's ambitious climate change goals is a robust set of policies that cap and reduce greenhouse gas emissions, support the transition of our economy away from fossil fuel inputs towards renewable energy sources, and improve our resilience. Among those policies is the state's cap-and-trade program, which provides important funding to incentivize greenhouse gas emissions reduction projects in the agriculture sector and in communities across the state. But reforms are needed. When considering the future of the cap-and-trade program we urge consideration of the following:

- **Continue climate change program investments in working lands and rural communities:** On-going funding for investments in climate change programs is crucial to meeting the goals of AB 32 and SB 32. We cannot seek a transformative economy without the technical and financial resources to make the transition. Despite being the largest agricultural economy in the country, too few resources have been allocated to realizing the unique and powerful climate solutions in agriculture. The Climate Smart Agriculture programs are an important, but modest start. The approximately \$180 million of cap-and-trade funding that has been invested in agriculture to date has yielded greenhouse gas reductions of over 678,000 MTCO_{2e}¹ or the equivalent of taking over 143,000 cars off the road. Future iterations of the cap-and-trade program must continue and expand upon these investments.

Should a carbon dividend be considered, we must balance the dividend with the need for investments to create livable, climate-friendly communities that achieve greenhouse gas emissions reductions and improve our resiliency. The state has attempted a dividend with the current CPUC credit on customer utility bills, but the credit is too small to benefit those most in need. If the goal of the dividend is to buffer the most vulnerable to rising energy costs, then the dividend must go to low-income households who are most vulnerable – all while maintaining critical climate program investments in our communities.

- **Prioritize co-benefits, sustainable agricultural solutions:** As we look to agriculture to reduce greenhouse gas emissions, we must prioritize low-input, biologically based and organic farming methods that reduce emissions and improve resilience over those practices that are short-term fixes that may keep polluting practices in place. We must also stem the loss of farmland - up to 50,000 acres are lost every year in California - and move towards in-fill development that focuses on protecting our at-risk agricultural lands.

We support efforts to design climate policy that provides multiple benefits to our communities such as improved water availability, enhanced wildlife habitat, improved air and water quality and enhanced soil quality. These and other environmental, health and economic outcomes can make all the difference in achieving climate smart AND resilient communities for generations to come.

- **Prioritize multi-benefit offsets in California:** Should offset projects remain part of the market-based mechanism to achieve greenhouse gas reductions, we support prioritizing offset projects sourced within California so that the state may benefit from the projects². We also support prioritizing offset protocols that demonstrate not only real and permanent greenhouse gas emission reductions, but that also deliver multiple environmental and health co-benefits.
- **Ensure a stable market that achieves real GHG emission reductions:** The focus of our climate policies should be on reducing greenhouse gas emissions and achieving related benefits, not on creating carbon markets where private investors may benefit through secondary market trading. We support limiting trading to those regulated under the cap-and-trade program; thus reducing the volatility of the market. We must also improve allowance allocation to avoid the oversupply of allowances on the market, which deflates the price of carbon and delays needed emission reductions.
- **Seek environmentally just, equitable climate policy:** As we look to achieve our 2030 climate change goals, we must continue efforts to lessen climate change impacts on the most vulnerable

¹ The estimate includes the GHG reductions from the State Water Efficiency and Enhancement Program (SWEET) and the Sustainable Ag Lands Conservation Program (SALCP) and does not include all of the funded projects to date and does not include benefits from new programs, like the Healthy Soils Program. Data source: https://arb.ca.gov/cc/capandtrade/auctionproceeds/cci_annual_report_2017.pdf

² For more on our position on the California Carbon Market, please see: <http://calclimateag.org/carbon-market/>

among us: the urban and rural poor and those who face disproportionate pollution burdens. In order to better understand how our policies are impacting disadvantaged communities, we need improved data collection, in particular, co-reporting of high quality data on GHG emissions and other air and water pollutants, to aid in analysis and guide regulation.

- **Ensure a just transition for workers:** Climate change will disrupt our communities and hurt our most vulnerable. We saw this with the recent extreme drought in which farmworkers were among the most negatively impacted, losing their jobs and economic security. We must seek climate change policies that provide for a just transition for all workers, urban and rural, who are most at risk of climate disruption.

Thank you for your leadership on these issues. We look forward to working with you to advance an effective, just, sustainable climate policy for California that is worthy of our reputation as global leaders on addressing climate change.

Sincerely,

Kelly Damewood
Policy Director
California Certified Organic Farmers (CCOF)

Jeanne Merrill
Policy Director
California Climate & Agriculture Network

Reggie Knox
Executive Director
California Farmlink

Rebecca Spector
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David Runsten
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Jan Derecho
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Dave Henson
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