April 9, 2025

Senate Pro Tem Mike McGuire

Senator Monique Limón
Chair, Senate Climate Working Group and Natural Resources and Water Committee

Senator Catherine Blakespear
Chair, Senate Environmental Quality Committee

Assembly Speaker Robert Rivas

Assemblymember Jacqui Irwin
Chair, Joint Climate Committee

Assemblymember Isaac Bryan
Chair, Assembly Natural Resources Committee

Re: Cap & Trade Reauthorization – Request 15% of GGRF for Agricultural Climate Solutions

Dear Speaker Rivas, Pro Tem McGuire, Assemblymember Irwin, Senator Limón, Assemblymember Bryan, and Senator Blakespear:

Climate change poses a major threat to our collective vision of a resilient agricultural system that ensures safe working conditions, clean air and water, and access to healthy food. Increasingly frequent and extreme wildfires, storms, droughts, and heat waves are already increasing the cost of food, causing significant economic losses in rural communities, and contributing to the loss of an average of 1,500 farms per year in California.

California farmers and families are rightly concerned about climate change impacts, including the rising cost of food production and cost of groceries. Solving these interconnected crises requires investments in holistic solutions and the capacity to scale them up over time. **We therefore urge the legislature to commit 15% of the state's Greenhouse Gas Reduction Fund (GGRF) on a continuous basis to advance agricultural climate solutions and ensure food affordability.**

California Has Agricultural Climate Targets

The state legislature and state agencies have established a number of targets for agricultural climate solutions that align with our vision, including the following targets in the Scoping Plan, SB 1383, and AB 1757:

- Reduce dairy methane emissions by 40% by 2030
- Increase certified organic acreage to 10% by 2030, 15% by 2038, and 20% by 2045
- Increase healthy soils practice adoption on 140,000 *additional* acres/year by 2030; 190,000 *additional* acres/year by 2038; and 190,000 *additional* acres/year by 2040
- Conserve 12,000 *additional* acres/year of croplands by 2030; 16,000 *additional* acres/year by 2038; and 19,500 *additional* acres/year by 2045
- Conserve 33,000 *additional* acres/year of grasslands by 2030 & sustain that rate through 2045
- Electrify 25% of agricultural energy demand by 2030

California is Not On Track to Meet Targets

While the state has made important progress in establishing incentive programs for agricultural climate solutions, we are NOT on track to achieve the state's targets. As a result, GHG emissions in agriculture have only slightly declined in the past two decades while working land carbon sequestration has only *minimally increased* by an estimated 361,484 MgCO2e/yr, or 1.2% of agricultural emissions (CARB 2024 data). **To achieve carbon neutrality, increase resilience, and ensure food affordability in the years ahead, the state will need robust, consistent funding for a portfolio of agricultural solutions and the local technical assistance capacity necessary to enable farmers and ranchers to scale these solutions.**

Existing Programs Can Help Us Meet Targets, but Need Consistent Funding

Recognizing the need for incentives and technical assistance to accelerate agricultural emissions reductions, **California has established a number of programs that advance agricultural climate solutions *and* increase resilience to climate change impacts,** including the following:

GHG Emissions Sources in Ag	**Solutions**	**Existing Programs (Agency)** Note: some programs are listed twice because they address multiple sources of emissions and advance multiple solutions
Livestock methane (CH_4)	Reduce livestock methane with non-digester strategies	• Alternative Manure Management Program (CDFA)
Nitrous oxide (N_2O)	Improve irrigation efficiency and nutrient management	• State Water Efficiency & Enhancement Program (CDFA)
Carbon dioxide (CO_2) from soil carbon loss, production of fossil	Improve soil health and support the adoption of sustainable pest	• Alternative Manure Management Program (CDFA)

fuel-based inputs, & burning of agricultural waste	management, organic systems, and alternatives to agricultural burning	● Biologically Integrated Farming Systems Program (CDFA) ● Climate Adaptation and Resilience Program (WCB) ● Climate Ready Program (SCC) ● Healthy Soils Program (CDFA) ● Organic Transition Program (CDFA) ● Regional Equipment-Sharing Program (CDFA)* ● Urban Agriculture Program (CDFA)
Carbon dioxide (CO_2) from combustion engines and on-farm energy use	Decarbonize agricultural equipment and increase on-farm renewable energy	● Clean Off-Road Equipment Vouchers (CARB) ● Regional Equipment-Sharing Program (CDFA)* ● Renewable Energy for Agriculture Program (CEC) ● State Water Efficiency & Enhancement Program (CDFA)
Ag land loss & conversion to higher GHG land uses	Prevent farmland conversion and increase secure land tenure	● Farmland Access & Conservation for Thriving Communities (DOC)* ● Sustainable Agricultural Lands Conservation Program (DOC)**
	Increase technical assistance to support the solutions above and improve farmer access to climate disaster relief funds	● Climate Smart Technical Assistance Program (CDFA) ● California Underserved and Small Producer Program (CDFA) ● UC Small Farms Team (UCANR)

*These are new programs established by Proposition 4 and reflect the vision of AB 2313 (Bennett) Regional Equipment-Sharing and AB 524 (Wilson) Farmland Access and Conservation for Thriving Communities Act
**Currently receives 10% of the 20% continuous appropriation for the Affordable Housing and Sustainable Communities Program (AHSC), equivalent to 2% of total GGRF revenue.

These programs are also some of the state's most cost-effective climate programs. In fact, the climate-smart agriculture programs historically funded by GGRF are all in the top 20 most cost-effective programs (out of 90 total). The SALC program alone has achieved 15% of the GGRF's total emission reductions, despite receiving only 2% of its funding.

Climate Smart Agriculture Programs Historically Funded by GGRF	**Cost Per Ton of GHG Reduced ($/$CO_2$e)**	**Cost-Effectiveness Rank (of 90 GGRF programs)**

Sustainable Agricultural Lands Conservation Program (SALC)	$10	3rd
Alternative Manure Management Program (AMMP)	$67	12th
State Water Efficiency and Enhancement Program (SWEEP)	$83	17th
Healthy Soils Program (HSP)	$108	19th

These programs have a multitude of benefits beyond GHG reduction, including that they:

- save farmers thousands of dollars per year on energy, water, fertilizers, and pesticides;
- increase farm and community resilience to extreme weather;
- increase biodiversity and wildlife habitat;
- reduce dust, pesticides, nitrates, and other sources of air and water pollution that disproportionately affect farmworkers and low-income rural communities.

Farmer demand for these programs has typically outpaced available funding by two to three times, and the programs have durably changed agricultural practices: a recent CalPoly program evaluation of CDFA's climate smart ag incentive programs found that **3 out of 4 grant recipients plan to continue the practices they were funded to adopt *after* the incentive funding runs out**.

However, these programs have suffered from inconsistent, boom-and-bust funding cycles that have made it difficult to scale up the local technical assistance capacity to support farmers in accessing the funds and limited their adoption of climate-resilient practices. This inconsistent funding has also placed significant strain on state agencies administering wildly fluctuating levels of one-time funds.

Agriculture is Underfunded Relative to Current Emissions and GHG Reduction Potential

Agriculture has been underfunded relative to its share of statewide GHG emissions and its ability to sequester carbon. Though the sector is currently responsible for 8% of emissions *and* has the capacity to sequester carbon, the sector has only received 2% of continuously appropriated GGRF funds and 5% of all GGRF funds (continuous and discretionary) to date. Enhanced stewardship of California's working lands is essential to meet the state's climate goals, achieve its 30x30 objectives, protect its ground and surface waters, restore its soils and biodiversity, and ensure a resilient and economically viable agricultural future for California.

Decarbonizing the agricultural sector creates many co-benefits, such as generating ecosystem services, supporting agricultural livelihoods, creating healthier foods, and reducing toxic pollution and associated costs in communities and ecosystems. Moreover, the government has a strong public interest in protecting a healthy, stable, and secure domestic food supply.

Under-investment in holistic agricultural climate solutions has a price: in the grocery bills of California families, in the loss of multigenerational family farms, in the permanent loss of

farmland, and in the missed opportunity to turn a source of emissions into a sink. **This legislature has the rare, once-in-a-decade opportunity to prioritize climate solutions that meet basic human needs – healthy food, clean air, and clean water – by investing 15% in the agricultural climate solutions and programs outlined above.**

Sincerely,

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