

March 17 Joint Informational Hearing on Cap-and-Invest and Agriculture

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Good morning Senators. My name is Brian Shobe, and I'm the Policy Director with the California Climate and Agriculture Network. CalCAN is a network of farmers, ranchers, scientists, and advocates who work to advance agricultural climate solutions through state and federal policies. CalCAN formed in 2009 in part to offer a constructive, farmer- and science-based perspective on the state's implementation of AB 32, so it's an honor to be here today speaking on that topic.

Farmers and ranchers in the state are facing the loss of international and domestic markets and rising costs of labor, energy, water, and fertilizer. On top of that, climate change is already causing [billions of dollars in economic losses](#) and contributing to the [loss of an average of 1,500 farms per year](#). It is also [increasing the price of food](#) for everyone.

The state has established targets to reduce dairy manure methane, increase healthy soils practices, and electrify agricultural energy use. State agencies are also implementing necessary-but-disruptive groundwater and water quality regulations.

Reducing farmers' costs, achieving state targets, and complying with state regulations will require widespread upgrades to current agricultural infrastructure, equipment, and practices that are unlikely to occur without additional state investments in cost-effective, multi-benefit solutions.

Thankfully, California has established a suite of programs to do just that. I'll give you three examples of these programs – all of which are in the top quarter of GGRF programs in terms of cost-effectiveness.

First, the Alternative Manure Management Program, or AMMP, helps farmers reduce the amount of manure that ends up in methane-producing lagoons. Two-thirds of AMMP projects convert manure into compost.

Shifting from liquid to dry manure management helps dairies comply with SGMA, by using less water, and water quality regulations, such as the pending Dairy General Order, by facilitating transport of excess manure from dairies to other farms as a substitute for fertilizer. Scaling up dairy manure composting can also help achieve the state's targets to increase soil health practices and organic acreage. And in terms of bang for your buck, we published report a few weeks ago that revealed that AMMP is the 4th most cost-effective GGRF program.

Second, the State Water Efficiency and Enhancement Program, also known as SWEEP, offers grants to implement irrigation system upgrades that both reduce greenhouse gas emissions and improve water use efficiency. Typical projects include upgrades to more efficient, solar-powered irrigation pumps, conversion to micro and drip irrigation, and soil moisture monitoring. These projects significantly reduce farmers' energy and water costs, help farmers adapt to SGMA, and

improve local air quality. They also reduce nitrous oxide emissions, a greenhouse gas that is 300 times more potent than carbon dioxide.

Third, the Healthy Soils Program incentivizes farmers and ranchers to adopt practices such as composting, cover crops, and hedgerows that increase soil carbon. These practices reduce farmers' fertilizer and pesticide costs and improve water infiltration and retention, provide pollinator and beneficial insect habitat, and improve air quality by reducing dust and pesticide exposure.

A [recent evaluation](#) of all three programs by researchers at CalPoly SLO found that:

- the vast majority of participants intend to continue using their new practices after their grant ends
- that nearly three-quarters of participants felt their farm was more resilient after implementing the new practices
- And that over half of the participants felt their project had a significant impact on the adoption of climate-smart practices by other growers

Farmer demand for these programs has typically outpaced available funding by two to three times, but funding for the programs have suffered from boom and bust funding cycles that have strained farmers and the agencies implementing the programs.

During last year's Cap-and-Invest reauthorization, the Assembly attempted to address this challenge by proposing to set aside roughly 8% of GGRF for agricultural climate solutions. But after three-party negotiations, SB 840 failed to guarantee **any** future funding for ag.

I'd like to close by reminding you that the intersecting economic and climate crises we're living through are putting farmers on razor thin margins. So we are now at an inflection point where we can either give farmers a lifeline by supporting them with multi-benefit solutions to help their economic viability and climate resilience, or we can fail to act, and continue to lose family farmers and pay the price at the checkout line.