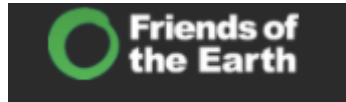
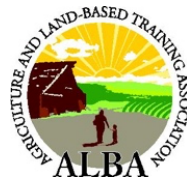




NATIONAL CENTER FOR APPROPRIATE TECHNOLOGY



**CUESA**  
CULTIVATING A HEALTHY FOOD SYSTEM



The Honorable Toni Atkins  
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 Nancy Skinner  
Chair, Senate Budget Committee  
State Capitol, Room 5094  
Sacramento, CA 95814

The Honorable Philip C. Ting  
Chair, Assembly Budget Committee  
State Capitol, Room 6026  
Sacramento, CA 94249

The Honorable Bob Wieckowski  
Chair, Senate Budget Sub. No. 2  
State Capitol, Room 4085  
Sacramento, CA 95814

The Honorable Richard Bloom  
Chair, Assembly Budget Sub. No. 3  
State Capitol, Room 2003  
Sacramento, CA 94249

January 28, 2021

**RE: Support for Sustainable Agriculture Investments; Request Funds for Compost Infrastructure/Waste Recovery and Alternative Manure Management; Limits of the Catalyst Fund**

Dear Senate Pro Tem Atkins, Speaker Rendon, Budget Chairs Skinner and Ting, and Budget Subcommittee Chairs Wieckowski and Bloom,

On behalf of the undersigned organizations from throughout the state focused on advancing food and farming systems, we write to support strategic investments in agricultural solutions that help California meet its climate goals while advancing economic recovery. We support many of the Governor's proposed Sustainable Agriculture investments as outlined in his January budget. We also request funds for compost infrastructure and related food waste recovery efforts and dairy and livestock projects that reduce methane emissions. Lastly, we share some concerns on the proposed Catalyst Fund.

The coronavirus pandemic has exposed the vulnerabilities of our food and farming systems. In this past year, more Californians than ever before are food insecure with over 6 million people experiencing hunger in the state. The disruptions to markets threaten to further erode the viability of the state's small farms. And the pandemic has disproportionately impacted farmworkers and other essential food workers while shuttering restaurants. The Governor's proposed investments in Sustainable Agriculture are an important start to investing in the recovery and resilience of our food and farm systems.

**We support the following proposed investments in the Governor's January 2021 budget proposal:**

**Healthy Soils Program (CDFA): \$15 million proposed for the early action relief package plus \$15 million for FY 2021-2022. Total proposed \$30 million.** During the peak of the shelter-in-place orders in the spring of 2020, over 600 farmers applied to the Healthy Soils Program. The program provides critical support for transforming farming practices that increase carbon sinks and reduce overall greenhouse gas emissions, while also supporting the economic viability of many of the state's farmers, including small and mid-scale farmers and ranchers and farmers of color.

**State Water Efficiency and Enhancement Program (SWEEP, CDFA): \$20 million proposed for the early action relief package plus \$20 million for FY 2021-2022. Total proposed \$40 million.** The Legislature created SWEEP at the peak of the state's last drought, with the aim of reducing on-farm water and energy use while reducing greenhouse gas emissions. On the cusp of what may be another drought, the new SWEEP will focus on both surface and groundwater sustainability, addressing water resilience for the state's agricultural economy.

**Small and Mid-Size Farm Support: \$3.35 million in early action funds and \$3.35 million in FY 2021-2022 to University of California Cooperative Extension (UCCE) farm advisors. Total proposed \$6.7 million.** Small farms are recognized by many Californians as the face of the agriculture industry. Unfortunately, according to the last U.S. Department of Agriculture Census (2017), California is losing small farms, a critical source of local, healthy, and sustainably produced food. The pandemic disrupted and eliminated market access, adding more stress on small farms. The modest \$6.7 million proposed for UCCE advisors will provide the

technical support needed for small farms to address business planning and improve their access to state and federal funds.

**Farm to School (CDFA): \$10 million proposed for FY 2021-22.** This funding will allow the Office of Farm to Fork's Farm to School program to continue for a second year, building on the pilot program that is being rolled out in winter 2021. Farm to School is an important catalyst for increasing health, equity and resiliency in California's food and agriculture system. It will improve healthy food access for millions of California's low-income school children; provide much needed stable markets for California's small and mid-size farmers and ranchers; and encourage the adoption of climate smart organic and regenerative agricultural practices.

**Sustainable Groundwater Management Act (Department of Water Resources (DWR)): \$30 million in early action funds and \$30 million in FY 2021-2022 to the DWR for grants to support groundwater planning and implementation projects in critically overdrafted basins. Total proposed: \$60 million.** California is in the process of implementing one of the most ambitious water regulations that this state has ever seen. Communities across the state, but especially in the San Joaquin Valley are grappling with how to transition to less water intensive and strategic uses, while working to preserve the economic engine of agriculture across the rural region. We support grants for planning and implementation, especially to support GSAs in their efforts to further on-farm practices that increase the water holding capacity of soils and other on-farm water savings measures. Improved SGMA implementation is critical to agricultural resiliency.

**Regulatory Relief (CDFA): \$4 million in early action funds and \$2 million in FY 2021-2022 to CDFa to evaluate and implement regulatory alignment. Total proposed \$6 million.** The regulatory requirements on farmers, ranchers, and meat processors, including those who practice organic and sustainable agriculture, are complex, duplicative, and at times contradictory. We look forward to working with the legislature and administration in framing this budget request in ways that support small and organic producers, farmers of color, and processors by working with CDFa to reduce paperwork burdens and broaden market access, while maintaining high levels of environmental stewardship and public health protections.

**Transition to Safer, Sustainable Pest Management: \$20 million for integrated pest management research and extension; \$16.5 million for strengthened enforcement and monitoring; \$1.5 million for community engagement. Total proposed \$38 million.** Current toxic, synthetic pesticide use harms people, pollinators, and California's water supply. Low-income communities and communities of color are disproportionately harmed by toxic pesticide use. We support replacing the current flat-fee mill assessment on pesticides with a risk-based assessment that funds more robust enforcement of existing laws, as well as greater protections for communities and ecosystems, holistic pest management strategies that prioritize soil health and pest prevention, and programs that monitor and address the negative impacts of pesticide use on farm workers and disadvantaged communities on the frontlines of pesticide exposure.

The Governor's January budget proposal leaves out some critical investments to advance the state's efforts to address methane emissions from food waste and livestock manure.

**We request the following:**

**\$40 million for Compost Infrastructure/Food Recovery and Waste Reduction (CalRecycle)**

We request \$20 million for CalRecycle in the early action budget and an additional \$20 million in FY 2021-2022. Meeting SB 1383 (2016) landfill methane reduction goals and mandates for 75 percent diversion of organic waste (by 2025) will mean up to 8 million new tons of compost could be produced, but only if infrastructure is in place to process the materials. CalRecycle estimates organic materials management infrastructure will cost up to \$3 billion, requiring at least a \$100 million annual investment from the state to meet these highly-aggressive goals in the next five years. Additionally, SB 1383 requires 20 percent edible food recovery, a laudable goal that has only become more urgent as the COVID-19 pandemic has increased the number of food insecure Californians to over 6 million.

**\$30 million for Alternative Manure Management Program (AMMP, CDFA).** We request \$15 million for CDFA in the early action budget and an additional \$15 million in FY 2021-2022. In 2019-2020, dairy producers, many of whom are small and mid-scale producers, requested over \$54 million in AMMP dollars to transition their operations from wet manure handling and storage (which produces the bulk of the state's agricultural methane emissions) to dry manure handling and storing, which can then be composted. The Governor's proposal shifts these projects to the Catalyst Fund, which we discuss further below.

**Catalyst Fund: Not likely to work for the majority of farms:**

The proposed Catalyst Fund may work for larger agricultural operations, which can take out loans for projects, but it is less likely to work for smaller, less capitalized farming operations, which represent the vast majority of sustainable agriculture in the state. Moving AMMP into the Catalyst Fund, for example, will not work for small dairies, which are still recovering from years of depressed dairy prices and are not in position to take on more debt. Moreover, shifting funds away from established grant programs to a new loan program will end funding for technical assistance for farmers and demonstration projects, which are part of those existing grant programs. As a consequence, moving Climate Smart Agriculture programs to the Catalyst Fund will hurt the long-term adoption of climate-beneficial practices on the state's farms and ranches.

Thank you for your consideration of these issues. We look forward to working with you to advance an equitable and resilient budget proposal.

Sincerely,

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