By email to climate@cdfa.ca.gov

November 21, 2025

Re: Comments on October 2025 Draft Climate Resilience Strategy for California Agriculture

To whom it concerns:

Dairy Cares appreciates the opportunity to comment on the above-referenced draft Climate Resilience Strategy. Formed in 2001, Dairy Cares (www.dairycares.com) is a coalition of California's dairy producer and processor organizations, including trade associations representing dairy farmers (California Dairy Campaign, California Farm Bureau Federation, Milk Producers Council), milk-processing companies and cooperatives (including California Dairies, Inc., Dairy Farmers of America-Western Area Council, Hilmar Cheese Company, and Land O' Lakes, Inc.), and others with a stake in the long-term environmental and economic sustainability of California's dairy sector.

Dairy Cares staff reviewed the October draft and also participated in CDFA's informational webinar. We note that CDFA already has a robust climate strategy in place, one that has been foundational in supporting California dairies' world-leading methane reduction efforts, with more than 5 million metric tons (CO2e) reduced annually. This significant progress toward the state's climate goals requires continued support from CDFA and other state agencies and programs as dairy families move toward the goal of a 40 percent reduction in methane by 2030 as set in SB 1383 (Lara). We appreciate CDFA's efforts to update and broaden its Climate Resilience Strategy and offer the following supportive comments:

1. **Continue access to programs that reduce emissions, benefit water quality and enhance water conservation and reliability.**

As noted in Chapters 9 and 12 of the draft Strategy, dairy programs like the Alternative Manure Management Program (AMMP), the Dairy Digester Research and Development Program (DDRDP), and Dairy Plus Program reduce emissions of methane and include some practices that reduce other air pollutants. Additionally, the State Water Efficiency and Enhancement Program (SWEEP) supports installation of manure subsurface drip irrigation systems (manure SDI). It is essential that these programs continue to be funded at levels that will allow additional dairies to access these funds to install beneficial projects.

It is equally important to recognize that to achieve climate resilience, dairies must be positioned to increase water quality protection and enhance water supplies through conservation. These programs – along with direct reductions of methane and other greenhouse gases – also provide substantial water quality and water conservation benefits. Through DDRDP and other digester incentive programs, nearly 170 Tier 1 pond liners (double-lined with leachate collection) have been installed or are in the process of being installed on California dairies. In addition, Dairy Plus has already funded 14 projects totaling $16.7 million on dairies, which both reduce methane and measurably improve water quality outcomes. In addition, manure subsurface drip irrigation systems have been installed on 29 dairies, covering more than 4,000 acres of forage fields, where they reduce water consumption, improve nutrient use efficiency, reduce water quality impacts and reduce greenhouse gas emissions. Continued access and funding for these programs is essential to further improvements in climate resiliency for dairies across the state.

2. Continue support for the Manure Recycling and Innovative Products Task Force (MRIP).

As noted in the introduction, a key principle in the draft Strategy is developing a "bioeconomy … based on products, services, and processes from biological resources like plants and microorganisms that contribute to a sustainable and circular economy." The report further notes in Chapter 2 that California is a net importer of nitrogen fertilizer that is derived from combustion of fossil fuels. MRIP, formed by CDFA Secretary Karen Ross in 2021, recognized the potential to integrate surplus dairy manure in a circular bioeconomy through development of manure products and markets. We strongly support continuing the MRIP mission in developing these products and markets. The MRIP has so far served as an excellent platform for multi-agency discussion of priorities for research, development, pilot projects and funding needs to further enhance a circular bioeconomy that includes manure and manure products.

3. Support continued efforts to remove barriers and streamline permitting for composting of dairy manure for export to other farms.

Chapter 10 of the draft Strategy speaks to the important role high quality compost could play in making agriculture more resilient to climate change. We believe that dairies represent great potential to be a major supplier of high-quality compost. Dairy manure is a superior component feedstock for compost in that it does not require the extent of pre- and post-processing contaminant removal that is associated with municipal sources of compost. There is also an adequate supply of surplus manure for composting in agricultural areas, and so, compared to other sources of compost, dairy-sourced compost does not need to be transported as far to be used on non-dairy agricultural fields. Dairies are well positioned to supply compost to other segments of agriculture once permitting and other economic barriers are addressed.

4. Include dairies in the state's overall groundwater recharge strategy.

Chapter 2 of the draft Strategy discusses the importance of developing new groundwater recharge strategies. To date, dairies have been largely precluded from on-farm groundwater recharge programs due to concerns about potential water quality impacts. However, University of California experts have suggested that under many circumstances, the benefits of groundwater

recharge on dairy forage lands have the potential to greatly outweigh any impacts. We believe it is essential to include continued research and demonstration projects in the Strategy to fully evaluate the potential feasibility of managed aquifer recharge on dairy lands. Doing so could provide important tools for improving groundwater quantity and quality on dairies, making them more climate resilient.

5. Continue, enhance funding for Carl Moyer, FARMER and other air quality-related programs.

Chapter 9 of the draft Strategy notes the importance of enhancing agricultural practices to support clean air communities. Farmers, including dairies, have shown strong willingness to adopt such practices when sufficient funding is available through supportive incentive programs. For example, many dairies have adopted electric feed mixers to reduce emissions and help to improve regional air quality. Reaching air quality goals outlined in the State Implementation Plan for ozone and particulate matter cannot be achieved by dairies and other agricultural programs without continuing support and sufficient funding for these programs.

6. Facilitating electrification will require continuation of Renewable Energy Programs.

As the report points out, facilitating electrification in the dairy sector while decarbonizing the economy requires multi-agency collaboration. This is especially important for ensuring that dairy and other farm operations continue to have access to clean, renewable energy sources. Unfortunately, recent decisions by the California Public Utilities Commission (CPUC) are discouraging, rather than encouraging, on-farm renewable energy development. The CPUC's elimination of Net Energy Metering aggregation in the agricultural sector effectively eliminates future opportunities for on-farm solar systems. The CPUC is also currently proposing to eliminate the bio-energy feed-in tariff program known as BioMat. Elimination of this program will further impact the development of on-farm bioenergy projects, including dairy digesters, which can produce clean renewable electricity.

7. Rising energy costs are detrimental to further electrification.

Unfortunately, energy rates are high in California and continuing to increase. Electricity rates in particular are double the national average and rising far faster than inflation. Some dairy farms are now paying in excess of $0.40 per kilowatt hour, which is dramatically increasing irrigation, milking parlor, and other energy related costs. The dairy sector uses energy at every step in the production process, from the farm to processing, cold storage, further processing and transportation. Electricity rate increases drive the cost of pumping water, which dramatically increases already rising on-farm water costs and food prices in the state. Electricity rate increases at the dairy processing and retail segments are also problematic, leading to higher retail grocery prices.

8. Rising energy costs put state's dairy sector at competitive disadvantage.

Energy rates in California are also far more expensive than those found in other western states, putting California's dairy sector at a significant cost-of-production and competitive disadvantage.

The unfortunate reality is California rates are going to continue to skyrocket over the next decade as electrification continues. California's aggressive climate and renewable energy goals and poor cost management by the state's investor-owned utilities such as Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) are driving these unsustainable increases.

Consider the following future cost drivers:

- Investments in transmission lines will cost ratepayers more than $60 billion according to CAISO.
- Unnecessary undergrounding of power lines to mitigate wildfires could cost ratepayers more than $25 billion.
- Extension and expansion of distribution lines to meet the state's electrification goals will also cost ratepayers tens of billions of dollars.
- Development of expensive and unproven offshore wind resources will add tens of billions more to ratepayers' bills.

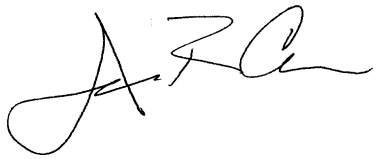
California's climate policies are expected to add more than $150 billion in utility investment and increased profits for IOU shareholders. Each dollar invested by utility companies costs ratepayers an estimated $3.50 over the life of the project. These cost increases will come at the expense of dairy farmers, food processors, and retail customers.

Conclusion

We appreciate the opportunity to comment on the Draft Climate Resilience Strategy. We are at your service should you have any questions.

Sincerely

Michael Boccadoro
Executive Director



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