



CALIFORNIA FARM BUREAU FEDERATION

EXECUTIVE OFFICES

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January 26, 2018

Barry Bushue
President
Oregon Farm Bureau
9880 S.E. Revenue Road
Boring, OR 97009

Dear Barry:

This letter is to respond to your inquiry regarding California's Greenhouse Gas (GHG) Program.

I want to make it abundantly clear that the California Farm Bureau and the greater business community opposed the legislation that initiated the state's GHG program, AB 32 (Pavley), the Global Warming Solutions Act of 2006. AB 32 created a statewide program to require stationary sources including food processors, large wineries, and energy providers of fuel and natural gas to reduce their GHG emissions to 1990 levels by 2020.

In 2016, SB 32 (Pavley) was introduced and became law and that measure established even more ambitious goals that increased the original GHG program beyond 2020 to 2030, and increased the GHG reductions goal to 40% below 1990 levels, but failed to include the authority to continue the cap-and-trade program that had been in place. SB 32 was also opposed by California Farm Bureau and the business community.

The California Farm Bureau along with the business community supported follow-up cap-and-trade legislation last year, AB 398 (Garcia), because without the cap-and-trade program, the only recourse to comply with existing GHG law until 2030, would be costlier, with direct "command and control" regulations with no flexibility for the large stationary sources (large wineries, food processors, energy providers) to manage the required reductions to their GHG emissions.

Because of AB 32 and SB 32, the mandate to reduce GHG emissions would have been required with or without AB 398 (the cap and trade extension). The state's nonpartisan Legislative Analyst's Office compared the costs of cap-and-trade with direct regulation and found mandates to be two-to ten-times more expensive than cap-and-trade.

Farming is energy intensive and, therefore, needs the most cost-effective GHG emissions reduction solutions. **While Farm Bureau has continued to oppose the premise of the California GHG program and the related legislation enabling that program,** it will be in place until at least 2030 and so supporting the cap-and-trade program was essential for the survival of our industry. However, our preference would be to not have a GHG statute in place at all.

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It should be noted that production agriculture in California is not included in the cap-and-trade program because farms and ranches do not meet the threshold that requires mandated reductions. California's GHG program is statewide and each sector is expected to make reductions. The California Department of Food and Agriculture has developed two successful voluntary programs for reducing GHG emissions. Voluntary GHG reductions can be achieved that will help meet the state's GHG goals, but these programs do not need to be mandated. If they were, we would definitely oppose such an effort.

I hope this clarifies the position of the California Farm Bureau Federation on this important matter. If you have further questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Johansson". The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

JAMIE JOHANSSON
President