A SUSTAINABLE AG PERSPECTIVE ON CARBON MARKETS

THE VIEW FROM CALIFORNIA

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A BIT ABOUT CALCAN

**Mission:**
CalCAN serves as the only California sustainable agriculture voice on state and federal climate change policy.

**Goal:**
We seek resources for and remove barriers to agricultural climate change solutions.

**Strategies:**
We cultivate farmer leadership, build a network and advance policy initiatives.
OVERVIEW OF OUR VIEW ON CARBON MARKETS

In 2006, the Global Warming Solutions Act (AB 32) directed the California Air Resources Board (CARB) to develop mechanisms for limiting the state’s greenhouse gas (GHG) emissions to 1990 levels by the year 2020. CARB determined that implementation of a cap-and-trade system was one tool to achieve approximately 20 percent of these reductions.

Under cap-and-trade, farmers and ranchers from throughout North America will have opportunities to create and trade carbon offsets (also known as offset credits) in the California carbon market. Farmers and ranchers wishing to participate in the carbon market will have to carry out eligible GHG emission reduction projects that meet the criteria described in offset protocols approved by CARB. It is likely that one or two new agriculture-related protocols will be approved each year following the launch of California’s cap-and-trade program in January 2012.

A sustainable agriculture viewpoint

The California Climate and Agriculture Network (CalCAN) is a coalition of the state’s leading organic and sustainable agriculture organizations, formed to be the voice of sustainable agriculture on California climate policy. We came together out of concern that agriculture, dependent on weather and natural resources, is uniquely vulnerable to climate change and has much to lose if the worst impacts of a changing climate are not averted.

We also understand that agriculture can significantly contribute to reducing its emissions and sequestering carbon dioxide, particularly provided with adequate incentives and resources. CalCAN recognizes a potential role for the carbon market if designed to achieve maximum GHG reductions that result in real, verifiable GHG emission reductions that do not unintentionally result in greater GHG emissions elsewhere.

Furthermore, it is essential that the carbon market not cause disadvantages to either farmers and ranchers who are early adopters of conservation measures or small and mid-size producers. In addition, public health and environmental benefits should be considered in the design of the carbon market along with climate benefits. And, finally, the California carbon market should be transparent, and its participants should be accountable for delivering the GHG emission reductions for which they are provided offsets.

Here we outline principles that we argue should guide the development of the California carbon market vis-à-vis agriculture.
PROTOCOL REQUIREMENTS

- ✓ Verifiable
- ✓ Quantifiable
- ✓ Additional
- ✓ Permanent
TAKE A WHOLE FARM APPROACH
CONSIDER ECONOMIC & AGRONOMIC BENEFITS
PRIORITIZE HEALTH & ENVIRONMENTAL CO-BENEFITS
CREATE A TRANSPARENT & ACCOUNTABLE MARKETPLACE

- Transaction costs
- Third party involvement
- Verification requirements
- Price of carbon

Step 1: Determine Reporting Obligation
  - Attributable emissions activities, facility owner/operator (and contractors), reporting operation boundary, estimated emissions level

Step 2: Prepare for Reporting
  - If emissions are 50,000 tonnes or more
  - Prepare to gather information for quantification methods
  - Prepare to manage emissions data – controls, audit trail

Step 3: Collect Emissions Data
  - Using specified quantification methods
  - Manage emissions data as per prepared procedures
  - Retain relevant controls

Step 4: Register
  - Complete Ministry of Environment registration form online

Step 5: Engage Verification Body
  - If emissions are 25,000 tonnes or more
  - Using accredited Verification Body

Step 6: Verify Emissions
  - If emissions are 25,000 tonnes or more
  - Using accredited Verification Body

Step 7: Submit Report
  - Calendar year 2012 emissions
  - One-time report of historic (2006-2009) emissions for years in which emissions were 20,000 tonnes or greater (if this has not been submitted previously)

Step 8: Submit Verification Statement
  - If emissions 25,000 tonnes or more

Step 9: Ministry Compliance Review and Publication
  - Publication of reporting operation emissions in accordance with the regulation
PRACTITIONERS SHOULD BENEFIT
LEVEL PLAYING FIELD FOR EARLY ADOPTERS & SMALL/MID-SCALE PRODUCERS
CALIFORNIA’S CAP & TRADE PROGRAM

Created a mandatory carbon market
Existing agriculture protocols:
1. Anaerobic digesters on CAFOs
2. Rice – early drainage; dry seeding

Also created a Greenhouse Gas Reduction Fund
• $872 million in 2014/15
• Projected to be > $2 billion this year, and growing
• Investments in voluntary actions that reduce GHGs
GREENHOUSE GAS REDUCTION FUND

2014-15 budget allocations:
• Farmland conservation = $5 million
• Water conservation = $10 million
• Bioenergy projects = $15 million

2015-16 budget proposals:
• Farmland conservation = $20-30 million
• Water conservation = $10 million
• Bioenergy projects = $15 million
• On-farm demonstration projects = $50 million?
THANKS!

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