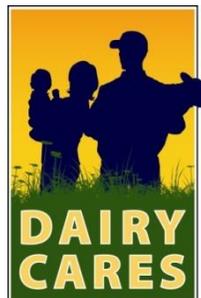


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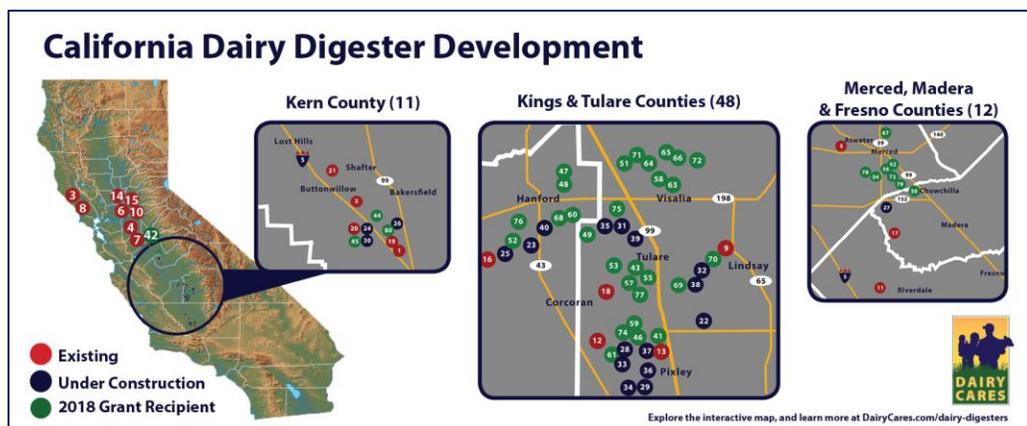
Dairy Cares Newsletter

July 2018

DairyCares.com

California doubles down on climate-smart dairy

On July 6th, the California Department of Food and Agriculture (CDFA) announced grant awards for 40 additional dairy digester projects under its Dairy Digester Research and Development Program (DDRDP). With 40 projects already in operation or in various stages of construction, the state will soon have a total of 80 digesters. The DDRDP is projected to deliver the largest greenhouse gas reduction of all investments in California's climate action portfolio to date. CDFA estimated that the initial 64 projects funded will reduce greenhouse gas emissions by 13 million tons in just their first 10 years of operation. Dairy digesters also create clean, renewable energy. With the support of grant funding matched by private dollars, California's family dairy farms are making tremendous strides in their world-leading methane-reduction efforts.



There are now 80 dairy digester projects across California. Learn more, and download the map at DairyCares.com/dairy-digesters.

Digesters are one of the three main strategies California's dairy farmers are using to voluntarily achieve the target established in 2016's Senate Bill 1383 (Lara). The goal is to reduce methane emissions from dairy manure management by 40 percent below 2013 levels by 2030. The three main strategies are capturing methane (via digesters and turning it into renewable energy), avoiding methane (via alternative manure management technologies and strategies), and supporting ongoing research.

Digesters are playing the leading role in this effort. Between the digester projects currently in operation and those under development, California is now clearly leading the nation in dairy methane reduction. Funding in the 2018-19 state budget should provide another estimated 40 projects. With continued grant funding, it is conceivable to have 100 to 120 digesters operating within the next four to five years.



Cow-powered fuel is coming soon to California.

This investment is already proving to be highly cost-effective for the state. At a cost of \$8 per metric ton of CO₂ equivalent reduced (not including the matching private funding), the DDRDP is the third-most cost-effective out of the state's 48 climate action programs.

Digesters also have other environmental benefits, including the reduction of other pollutants to varying degrees, depending on how the energy is used. The digester projects currently being funded will require additional infrastructure in order to clean, condition, and inject gas into the biomethane pipeline.

California's earlier digester projects were designed to create electricity, but the state is currently investing heavily in projects that will create transportation fuel. A total of 58 projects to date (including all 58 of the most recent grant recipients) will create renewable natural gas (RNG) to be injected in the biomethane pipeline and will be used as carbon-negative transportation fuel in trucks and buses. The first projects will be complete by the end of the year.

The cost to connect digesters to pipeline can be a significant portion of total project costs, depending on the size (biogas volume) of the project and its location to the nearest pipeline with adequate capacity. The California Public Utilities Commission is currently reviewing submissions to select at least five pilot projects. Each of the five projects will create centralized infrastructure to clean, condition, and inject biomethane from multiple digesters. Meanwhile, California Air Resources Board is working to create stable market incentives to ensure the long-term success of these digester projects.

While the DDRDP is already making great progress, a newer program—the Alternative Manure Management Program (AMMP)—is just getting started. The AMMP provides financial incentives for alternative (non-digester) manure management technologies and strategies to avoid the creation of methane. In the inaugural year (2017), 18 grants were awarded. Research will be conducted to verify and quantify the methane reduction potential of various projects. CDFA will soon announce the 2018 recipients. As initial AMMP projects are built and verified, this program will begin contributing to the statewide dairy methane reduction goal.

California's rapidly growing number of digesters, along with the anticipated development of more AMMP projects, demonstrates the dairy community's widespread commitment to farming practices that are good for the planet. The state's dairy farm families continue to boost environmental standards beyond reducing methane—protecting the climate, improving the air we breathe, and securing their way of life. By working with the state to implement digesters and alternative manure management projects, dairy families are making the effort to keep their farms in California—despite rising labor and energy costs. Ongoing diligence will be needed to ensure the long-term success of this world-leading endeavor.

California's dairy families are world leaders in climate-smart dairy farming.

Dairy Cares is a statewide coalition supporting economic and environmental sustainability and responsible animal care. Our members include Bar 20 Dairy Farms, California Cattlemen's Association, California Dairies Inc., California Dairy Campaign, California Dairy Research Foundation, California Farm Bureau Federation, Dairy Farmers of America-Western Area, Dairy Institute of California, F & R Ag Services, GHD, Inc., Hilmar Cheese Co., Joseph Gallo Farms, Land O'Lakes, Merck Animal Health, Milk Producers Council, Ruan Transport Corp., Western United Dairymen, Yosemite Farm Credit and others. For information, visit DairyCares.com or call 916-441-3318. To subscribe to the monthly e-newsletter, contact dairycares@gmail.com.