Incentive Programs Are Essential to Planet-Smart Dairy Leadership

Through public partnership, California dairy farmers have made world-leading progress, but more funding is needed to achieve goals and ensure long-term success.

California's dairy farms operate under the highest standards for food safety, labor, and environmental protection. This leadership can come with significantly higher input costs, as compared to milk production elsewhere. Dedicated to their land and their communities, California's dairy farm families have continued to invest in improvements to ensure the long-term sustainability of their operations. Public partnership has been essential in this effort, allowing California's dairy farmers to serve as world leaders in climate action, while also taking important steps to improve water management.

Climate Leadership

Over the past few years, nearly 500 dairy methane reduction projects have been implemented across California farms. Collectively, the state's dairy farms have achieved an annual reduction of 5 million metric tons of methane (5 MMTCO2e/year). Meanwhile, dairies have also made significant improvements in the protection of water quality and in boosting water use efficiency through a variety of investments in modern technologies.

Agricultural programs funded under California Climate Investments have returned "bang for buck" in both greenhouse gas (GHG) reductions and significant air quality benefits. Incentive payments help buy down the capital costs of expensive projects, such as digesters and alternative manure management strategies, or the purchase of cleaner agricultural equipment to replace older models. Project construction and maintenance create jobs and economic growth in rural, disadvantaged communities, while providing significant air quality benefits.

Although considerable progress has been made, additional emission reductions are needed to meet statewide GHG, methane, and air quality goals. Prioritizing agricultural investments that allow for the turnover of older agricultural equipment (via the FARMER program), development of dairy methane avoidance and capture projects (via the AMMP and DDRDP), and investment in sustainable food production technologies (via FPIP) will all be critical to meeting our state's clean air and climate goals. Agricultural investment programs are highly over-subscribed. Total funding needed for the highly cost-effective programs currently exceeds $1 billion, in order to achieve necessary emission reductions and clean air benefits.

Water Stewardship

California dairy farms are also dedicated to improving the protection and conservation of water resources. In the coming years, dairies will be required to make substantial further improvements in the nitrogen use efficiency of manure nutrients that are applied to forage croplands, in order to better protect groundwater. Achieving these objectives will require an "all of the above" approach, involving manure export, treatment of surplus manure, improved irrigation, and precision application of nutrients to cropland. Additionally, given increased water scarcity and the implementation of the Sustainable Groundwater Management Act (SGMA), many dairies in the Central Valley are having to substantially reduce water pumping, as determined in local subbasins. Given these water scarcity and water quality challenges, significant investments will be needed to convert flood-irrigated forage cropland to either pivot or subsurface drip irrigation, and to invest in other advanced water and manure management technologies and strategies.

One key incentive program, made possible through federal, state, and dairy sector partnership, is available now to support California dairy farmers with water quality goals. The Dairy Plus Program is currently seeking project proposals, to help advance manure management practices and improve water quality protection, while also reducing methane emissions. The program is funded through the U.S. Department of Agriculture (USDA)'s Advancing Markets for Producers (AMP) Initiative, and it is administered by the California Department of Food and Agriculture (CDFA)'s Office of Agricultural Resilience and Sustainability (OARS) in partnership with the California Dairy Research Foundation and other dairy partners. A total of $34 million is available to be awarded in what is anticipated to be the final round of the Dairy Plus Program. Like other dairy incentive programs, Dairy Plus has historically been oversubscribed with applications, and another robust set of submissions is expected by the September 14 deadline. Support from Dairy Plus continues to be critical for California dairy sector’s sustainability journey.

Community Commitment

The families who own and operate California’s dairies are not only working to address challenges on their farms, but also in their rural communities. Alongside other farmers, businesses, and organizations, they are contributing to local water programs throughout the San Joaquin Valley that ensure rural residents who rely on private wells have access to safe drinking water. Through these programs, residents are encouraged to participate in free well testing. Access to free drinking water is being provided through bottle-filling stations and direct delivery to households with impacted wells.

The dairy sector also supports the need to continue funding California’s SAFER program (Safe and Affordable Funding for Equity and Resilience). SAFER is designed to establish long-term, sustainable solutions for water systems where Californians are in need of safe and adequate drinking water, helping to minimize the disproportionate environmental burdens experienced by some communities.

Maintaining the Promise of California Dairy

First and foremost, California’s dairy farms produce nutritious and affordable milk and dairy products that people across various cultural backgrounds enjoy daily. The environmental leadership of dairy farm families is *in addition to* their critical contributions to human health and wellness and to rural economies. However, farmers and food producers in the Golden State increasingly face high regulatory compliance costs, which have rippling effects and impact food prices for families. Unfortunately, economists predict further consolidation of California’s family dairy farms and additional milk production leakage to other states. When food production moves away, it is then produced in other states or countries without the same environmental protections and goals, leading to emission leakage and failing to achieve the ultimate goal of serving the well-being of our California communities. Therefore, public-private partnership remains essential for further investments and advancements in California’s planet-smart dairy farming, as well as maintaining hundreds of thousands of dairy jobs and our local supply of wholesome milk and dairy foods.

Further progress and success in California’s planet-smart dairy farming depends on continued support for farm incentive programs.

Dairy Cares is a statewide coalition supporting economic and environmental sustainability and responsible animal care. Our members include Bar 20 Dairy Farms, Clover Sonoma, California Dairies Inc., California Dairy Campaign, California Dairy Research Foundation, California Farm Bureau Federation, Dairy Farmers of America, Dairy Institute of California, F & R Ag Services, Hilmar Cheese Company, Joseph Gallo Farms, Land O’Lakes, Inc, Milk Producers Council, Valley Milk, LLC, Saputo, Yosemite Farm Credit, Zenith Insurance Company, and others. For information, visit DairyCares.com.
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