

Quarterly Letter to Philanthropic Partners



Dear Philanthropic Partners,

This month, the CalCAN team is starting our 18th legislative session. I find myself reflecting back on how much has changed since our early years, when there was literally no conversation in the legislature or in the agriculture industry about the constructive role California agriculture could play in decreasing net greenhouse gas emissions.

In no small part due to the confidence and support of our funder community and an ever-expanding network of partners, there is now a suite of climate-smart agriculture programs that have allocated over \$1 billion for grants to farmers and ranchers for a wide range of practices. The state's climate plans and targets now include agriculture and its unique contributions to sequestering carbon and reducing carbon dioxide, methane and nitrous oxide emissions. And there has been a surge of interest across the country in healthy soils and regenerative agriculture.

One of the most significant barriers to unleashing the power of agricultural climate solutions is money. State and federal programs that incentivize climate-resilient farming systems are oversubscribed, and it remains challenging to secure sources of funding that are reliable and sufficient to meet farmer demand. CalCAN continues to make the case for funding multi-beneficial and nature-based climate strategies on farms and ranches. We are also turning our attention to program improvement and regulatory alignment to remove barriers to adoption of climate-beneficial approaches.

In the coming year, there is another important development on the horizon—the election of a new Governor and subsequent changes to agency leadership at CDFA and the Natural Resources Agency. As a non-profit organization, we do not engage in electoral politics. However, we plan to provide information about climate-resilient agriculture and build relationships with the future Governor and their staff.

Thank you for your sustained interest in our work. Please let me know if you have any questions or would like to schedule a time to meet.

Cheers,

A handwritten signature in black ink, appearing to read "Renata Brillinger", with a long horizontal flourish extending to the right.

Renata Brillinger, CalCAN Executive Director



CalCAN's Flagship Campaigns in 2026

A. Accelerating Methane Emissions Reduction on Dairies

CalCAN has been the leading proponent of California's Alternative Manure Management Program (AMMP) for over 10 years. The program provides grants to dairy producers to capitalize equipment that separates manure solids from liquids so the water can be recycled and the solids are composted for field application or animal bedding. AMMP is very popular among small and medium-sized dairy producers seeking to comply with dairy methane and water quality regulations while also reducing water use and fertilizer costs. It is an important alternative to anaerobic digesters, which primarily serve mega-dairies and solve none of the industry's environmental health issues. Methane is a potent GHG and the program currently has no other source of funding, so we are asking for \$50 million in the coming budget year.

An annual allocation of \$50 million over the next five to seven years would be enough to fund at least half of California's dairies that have not yet transitioned to dry manure management systems. This would yield enough methane emissions reductions to reach the state's 2030 methane reduction target (see our AMMP report below for more background on this analysis).

We are also sponsoring a bill ([AB 2100](#), Assemblymember Connelly) that would launch a public process to examine the potential of AMMP to reach the state's methane emissions reduction target, which we believe has been undervalued by the California Air Resources Board (CARB). To do this, the bill calls for a task force to be convened to recommend improvements to state plans, incentive programs, and regulations. AB 2100 would also require state agencies to develop a clearer and more efficient process for approving manure composting projects. CalCAN produced an analysis that makes a strong case for the bill (see *New CalCAN Report* section below).

B. Secure Dedicated Funding for a Portfolio of Agricultural Climate Programs

In early January, Governor Newsom released his draft budget for the 2026-27 fiscal year. For full details, please refer to [our blog post](#). Disappointingly, the proposed budget does not include any new funding from the state's Greenhouse Gas Reduction Fund (GGRF) for agricultural climate solutions. Instead the Governor proposes to use the entirety of the discretionary portion of GGRF for CalFIRE. Below is a recap of what is included for climate smart agriculture:

- One-time funding from the climate bond (Prop 4) for the Healthy Soils Program, a new equipment-sharing pilot program, and the Farmworker Housing Component of the Low-Income Weatherization Program.
- Ongoing investment for the Farm to School Program, which exclusively sources local food from farmers who use climate smart practices.
- Funding from the state's General Fund for incentives for enteric methane-reducing feed additives for livestock operations. In our comment letter on the budget, we raise cautions about [guardrails](#) that should be in place before allocating money to this practice.
- A proposed change to the distribution of funding for the Affordable Housing and Sustainable Communities Program (AHSC), which could affect the Sustainable Agricultural Lands Conservation Program (SALC). We are concerned that the historic 10% that SALC has received from the allocation to AHSC may be in jeopardy, and we continue to monitor this development closely with our network of land trusts and ag conservation allies.

During our budget advocacy this year, we will build on the progress we made in 2025 with the state Assembly, which proposed an allocation of 8% of GGRF funds to agriculture (an average of

CalCAN's Flagship Campaigns in 2026, continued

approximately \$300 million per year). We will continue to educate policymakers about the need for GGRF investments in an array of solutions for California agriculture, prioritizing those that tackle the largest sources of emissions. We are working closely with the office of Assemblymember Lori Wilson (the author of the Food and Farm Resilience Act in 2024 that influenced Prop 4) who has introduced AB 2184. The bill proposes \$300 million in GGRF funds annually for nature-based solutions, including at least \$50 million for the Healthy Soils Program.

C. Reduce Nitrous Oxide with Smarter Nitrogen Regulations

California's Irrigated Lands Regulatory Program (ILRP) was created to curb nitrate water contamination due to agricultural nitrogen fertilizer runoff and leaching into groundwater. Reducing nitrogen fertilizer use would not only improve water quality but also reduce nitrous oxide emissions, a potent greenhouse gas. In 2025, the State Water Resources Control Board (SWRCB) set up an expert panel to make recommendations for improving ILRP. This panel will continue to meet through the spring of 2026, and will deliver a final report of recommendations to the SWRCB.

Grounded in the input of farmers, we are advocating for future nitrate regulations to:

1. Incentivize organic, cover crop, and soil health practices—all of which can also reduce nitrous oxide emissions;
2. Avoid disproportionate regulatory burdens and offer simplified reporting for small-scale, organic and non-English speaking producers;
3. Provide technical assistance and outreach targeted to these under-represented farmers.

We may consider sponsoring legislation in 2027 to elevate the recommendations and encourage the Board to act.

New CalCAN Report: Reassessing the Role of Alternative Manure Management in California's Methane Reduction Strategy

AMMP has played an important role in the progress toward California's 2030 methane reduction target. However, this [new CalCAN report](#) shows the program has even greater potential than estimated by the state. The report concludes the state has not fully analyzed the multi-benefit role of AMMP practices or considered how coordinated interagency planning and increased support could maximize the program's impact. More funding to support wider adoption of these alternative manure management practices could result in significant methane reductions, significant improvements in water quality, and significant contributions towards the state's healthy soils and organic acreage targets. The findings in this report support the task force proposed in AB 2100, described above.



A manure separator which is a practice supported by AMMP.

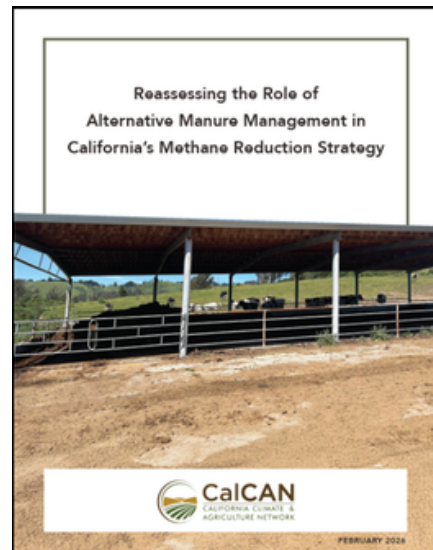
New CalCAN Report, continued

The “Reassessing AMMP” report was developed using a literature review, state agency data, and interviews with dairy producers, dairy industry technical assistance providers, and others.

Here are the key findings:

- **AMMP’s methane reduction potential has been underestimated** – CARB’s 2022 analysis did not capture the potential role alternative manure management practices could play in achieving California’s methane targets. New data, research, and state policies warrant revisiting CARB’s previous assumptions and considering more ambitious scenarios.
- **High adoption rates have significant potential for methane reduction** – If 50–75% of California’s dairy industry adopted alternative manure management practices, methane reductions could approach the additional 4.4 MMTCO₂e needed to meet the state’s methane reduction target.
- **AMMP is more cost-effective than recognized** – Based on updated calculations, AMMP is the fourth most cost-effective California Climate Investments program tracked by CARB. Current analyses underestimate its cost-effectiveness by assuming a five-year project lifespan when evidence suggests most projects last beyond five years.
- **Co-benefits of alternative manure management practices can play a vital role in meeting various state targets** – These practices offer key co-benefits that support state targets related to water quality, healthy soils, and organic transition.

[Click to Read the Report](#)



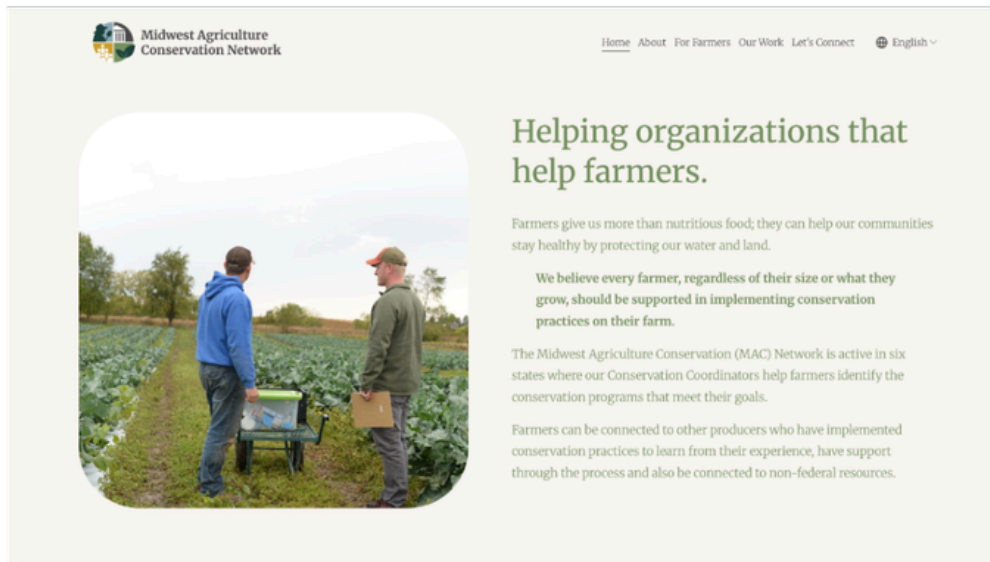
CalCAN’s Policy Director to Testify at Legislative Hearing

Brian Shobe, CalCAN’s Policy Director, was invited by Senator Anna Caballero, the Chair of the Senate Agriculture Committee, to participate in an informational hearing on March 3rd to be held jointly by the California Senate Committee on Agriculture and the Senate Committee on Environmental Quality, titled “Agriculture and the Cap-and-Invest Program.” This invitation reflects CalCAN’s relationship with legislative leadership. We appreciate the opportunity to participate and will continue to position ourselves as a leader and constructive voice in shaping the future of California agriculture.



New Website for CalCAN's Midwest Agriculture Conservation Network

2025 marked the first full year of operations for the Midwest Agriculture Conservation Network which serves small and medium-sized and historically underserved farmers with access to federal conservation incentives for climate-resilient practices. CalCAN provides financial support, training, and a coordinated community of practice involving sustainable agriculture organizations in six Midwestern states (KS, MO, IA, WI, WS and MI). The cohort of organizations shares skills, resources and lessons learned. Check out the Network's [new website](#)! Please reach out to Amalie Lipstreu, the program director, to learn more (amalie@calclimateag.org).



**Save the Date:
CalCAN Conference in Fresno
Scheduled for Nov. 9th**

We will be hosting a climate and agriculture conference in Fresno on November 9th, the first time organizing such an event in the San Joaquin Valley. This gathering will bring together producers, agriculture stakeholders, researchers, non-profit partners, and policymakers. The topics will focus on issues particularly important to California's Central Valley, such as air and water quality.

More information will be provided in the following months!