

# Carbon Farming

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Sustainable Organics Management

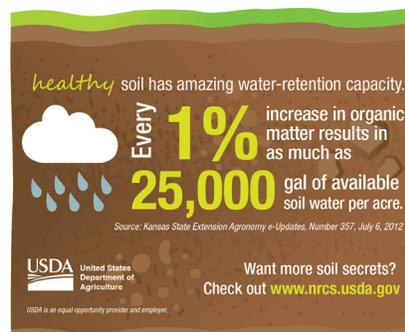
## FORK-TO-FARM

Visit Sacramento: America's Farm-to-Fork Capital. Vacation California, America's Fork-to-Farm nation-state that is returning its restaurant organic waste back to the soil. From state laws to environmental initiatives, our soils are getting healthier. Restore California Renewable Restaurants is a collaborative effort of restaurants, farmers, and diners working together to create a renewable food systems rooted in healthy soils. [Zerofoodprint.com](http://Zerofoodprint.com) restaurants are leading the fight against climate change by adding a 1% charge on your tab with a '1% for Healthy Soils' line item at the bottom. Customers may opt out if they wish. This plays seamlessly with AB 1826, mandatory commercial organic recycling. Payments will be gathered by the California Air Resources Board and spent on implementing carbon plans on farms and ranches across California.

The Healthy Soils Initiative has established both short and long term actions for enhancing soil health and compost and is front and center of many elements outlined. In the May Revision of the state budget, Governor Newsom passionately upped the Healthy Soils Program from \$18 million to \$28 million, while the Senate is proposing to increase CalRecycle's budget for infrastructure from \$25 million to \$75 million, using Cap-and-Trade dollars.

The 'Sustainable Agriculture' goal is to meet society's food and textile needs in the present without compromising the ability of future generations to meet their own needs. 'Organic Farming' is agriculture that makes healthy food, healthy soils, healthy plants, and healthy

environments a priority, along with crop productivity that involves choosing not to use pesticides, fertilizers, genetically modified organisms, antibiotics, and growth hormones. These types of carbon farming are now being studied as 'Regenerative Agriculture' that among other benefits, can reverse climate change by rebuilding soil organic matter and restoring degraded soil biodiversity – resulting in both carbon drawdown and improving the water cycle and saving up to 30% water use. Healthy soils has an amazing water retention capacity that for every 1% increase in organic matter results in as much as 25,000 gallons per acre. Agriculture can pull carbon out of the air and into the soil with compost use and regenerative agricultural practices.



Compost production and use are now being viewed as achieving Carbon Neutrality at the Role of Natural and Working Lands workshop last week with protocol development underway, where California plans to double down on compost use. According to new research, soil could act as a huge carbon sink to help balance out greenhouse gases with holding up to three times as much carbon as is found in the atmosphere. If we can tap into its potential to suck even more carbon pollution out of the air, dirt could save the Earth.

To be a 1%er, the IRS says you need to have an adjusted gross income of at least \$480,930 and probably hold some Big Oil stock. But to be an organic California 1%er, you need to join the [Perennial Farming Initiative to Restore California](#) on this Fork-to-Farm movement and invest in Big Soil.

## Proposed Budget

Governor Gavin Newsom continues to reinforce the message that California is committed to achieving a carbon-neutral economy, in part with investments in sustainable agricultural practices. During the January budget news conference, Governor Newsom specifically called out the Healthy Soils Program, saying healthy soils are “important” and are an “interesting passion of [his]” and that he hopes the legislature will share with him. With the Governor’s May Revision of his budget proposal for FY 2019-20, Healthy Soils received another proposed boost in funding; increasing the program’s proposed funding to \$28 million, up from \$18 million in the Governor’s January budget proposal and \$15 million in this fiscal year. The budget summary cites “\$10 million for the Healthy Soils program that increases carbon sequestration and keeps our leading agricultural industry productive and growing far into the future,” in describing the new proposed budget.

His revised proposal for Cap-and-Trade spending additionally includes increases in several categories related to bioenergy, including heavy duty vehicle replacement (up to a total of \$447 million in multiple buckets), agricultural diesel engine replacement (up to \$90 million from \$25 million), dairy methane (up to \$35 million from \$25 million), and climate research (transformative climate communities, now receiving an additional \$92 million, to a total of \$132 million to be administered by the Strategic Growth Council). The proposed funding for waste diversion (\$25 million for CalRecycle, well below the \$75 million proposed by the Senate) and forests (\$200 million) remains the same as the January budget proposal.

### [SB 54 \(Allen, Skinner, & Wiener\)](#)

TOPIC: Recycling: Would establish the California Circular Economy and Plastic Pollution Reduction Act, which would require the department, in consultation with the State Water Resources Control Board and the Ocean Protection Council, to adopt regulations to source reduce and recycle 75% of single-use packaging and products sold or distributed in California by 2030.

STATUS: Do pass Appropriations on May 23, 2019. Read second time. Ordered to third reading.

### [AB 1080 \(Gonzalez\)](#)

TOPIC: Companion bill with SB 54.

STATUS: Do pass Appropriations Committee on May 16, 2019. Read for third time and amended.

### [SB 667 \(Hueso\)](#)

TOPIC: Greenhouse Gases: Requires CalRecycle by January 1, 2020, to develop a five-year strategy to meet the state’s organic waste and diversion goals by supporting organic waste infrastructure development, and by June 1, 2021, to coordinate with the Treasurer’s Office on developing financial incentives for in-state recycling infrastructure. Also, requires the Treasurer to coordinate with Nevada, Oregon, and Washington on infrastructure financing to support regional recycling needs and infrastructure.

STATUS: Passed in the Appropriations Committee on May 16, 2019. Read second time. Ordered to third reading.

### [AB 144 \(Aguilar-Curry\)](#)

TOPIC: Organic waste: Requires the Strategic Growth Council to develop a scoping plan for the state to meet its organic waste management mandates, goals, and targets and would require the scoping plan to include among other things, recommendations on policy and funding support for closing the loop on carbon-neutral or carbon-negative organic waste management practices.

STATUS: In Appropriations Committee – Held under submission on May 16, 2019.

### [AB 1228 \(Calderon\)](#)

TOPIC: Compostable Cutlery. This bill would allow a credit against those taxes on January 1, 2020, and before January 1, 2025, in an amount equal to 20% of the costs paid or incurred during the taxable year by the qualified taxpayer for the purchase of compostable cutlery.

STATUS: May 1 – Re-refer to Committee of Revenue and Tax

### [AB 1583 \(Eggman\)](#)

TOPIC: Requires the department, upon appropriation by the Legislature, to establish a Paper Recycling Incentive Program that makes incentive payments to in-state processors of waste paper and to establish an Organic Waste Recycling Incentive Program that makes incentive payments to in-state organic waste recycling facilities that process organic waste collected from municipal sources. The bill would require the department to convene a Statewide Commission on Recycling Markets and Curbside Recycling.

STATUS: Do pass Appropriations on May 20. Order for third hearing.

### [SB 44 \(Skinner\)](#)

TOPIC: Medium-duty and heavy-duty vehicles: comprehensive strategy. The California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program, upon appropriation from the Greenhouse Gas Reduction Fund, funds zero- and near-zero-emission truck, bus, and off-road vehicle and equipment technologies and related projects. This bill would require CARB no later than January 1, 2021, to develop a comprehensive strategy for the deployment of medium-duty and heavy-duty vehicles in the state that results in bringing the state into compliance with federal ambient air quality standards, a reduction of motor vehicle greenhouse gas emissions by 40% by 2030, and reduction of motor vehicle greenhouse gas emissions by 80% by 2050, as specified.

STATUS: Passed Senate May 20, 2019. In Assembly.

## Water Board EIR

The State Water Board proposes to amend General Waste Discharge Requirements for Composting Operations, Order WQ-2015-0121-DWQ (General Order) and will hold the scoping meeting on May 29, 2019 from 2:30 pm to 4:30 pm at Cal-EPA to prepare a Supplemental EIR. The General Order includes requirements to protect water quality from composting activities while streamlining the permitting process. The General Order applies to commercial and municipal facilities that aerobically compost materials such as green waste, manure, anaerobic digestate, biosolids, food scraps, and scrap paper products. Eligible composting operations are classified into two tiers designed to reduce the threat to water quality. The tiers are based on the amount and type of feedstocks composted and site conditions such as depth to groundwater, percolation rate, and proximity to surface water and drinking water supply wells.

The State Water Board also proposes to amend the General Order by expanding the Agricultural Composting exemption to include non-agricultural sites, allow the composting of both on-site and off-site materials, and increase the export limit. The resulting compost would be returned to the land owned by the same owner of the composting operation and up to 5,000 cubic yards can be exported (sold or given away) annually to be consistent with the small-volume conditional exemption. The purpose of the SEIR is to analyze the potential impacts associated with the proposed amendment and to evaluate a reasonable range of alternatives that would avoid or lessen any of the significant impacts that may be identified.

## Double Down on Compost Use

The [January 2019 Draft California 2030 Natural and Working Lands Climate Change Implementation Plan](#) (Plan) is now available and after two years the State finally included [CCC metrics](#) to double down on compost and mulch use by 2030 and made compost application a priority after being silent. Comments are due on Feb 8, 2019. Where the preliminary draft Plan did not include compost use on irrigated cropland at all, now compost application is being targeted, adding 31,000 to 62,000 acres each year to 2030, and mulching over cropland also increasing at 10,400 to 20,800 acres per year.

The analysis to support this Plan used a sampling method to combine COMET Planner outputs from twelve agricultural counties into a statewide average. While specific levels of activity for each practice were required to generate the estimated climate benefits, CDFA will target implementation acres for healthy soils practices generally, rather than on practice specific acreages. Additionally, because a statewide average was used, the acreage target is statewide rather than regional. Considering historic funding levels, it is assessed that implementation at the scale would cost approximately \$18 – \$36 million per year, reducing GHG by 5.3 to 10.7 million metric tons.

This Plan aims to integrate management objectives wherever possible, coordinating all natural and working lands programs under a united approach. The implementation will significantly increase and improve conservation, restoration, and management of California's natural and working lands through State programs and other means, to enhance their resilience to worsening climate change impacts, sequester carbon, and reduce GHGs, and create healthy soils.

[CARB hosted a public meeting on May 17, 2019](#) to hear from academic experts, practitioners, and the public to explore how policy, practices, and innovative financing mechanisms can help California's natural and working lands contribute towards carbon neutrality by mid-century while supporting healthy and resilient ecosystems. The meeting featured discussions of land management to meet our climate change goals.

## SB 1383 Regulations

CalRecycle's proposed regulations were officially noticed by the Office of Administrative Law (OAL) on January 18, 2019. This rulemaking implements regulatory requirements to reduce landfill disposal of organic waste in order to achieve the greenhouse gas emissions reductions. The formal 45-day comment period from January 18, 2019 – March 4, 2019 resulted in numerous comments posted at <https://www.calrecycle.ca.gov/laws/rulemaking/slcip>. The next 15-day comment period will begin around the CalRecycle Monthly scheduled for Diamond Bar on June 18, 2019. CalRecycle hopes to adopt SB 1383 regulations by December 2019. Dr. Howard Levenson's retirement party was on May 23, 2019 and we thank him for moving SB 1383 regulations along.

## AB 901 Regulations

The AB 901 Recycling and Disposal Reporting System (RDRS) was approved by the Office of Administrative Law on March 5, 2019. It has come to CalRecycle's attention that there has been confusion over the effect of the requirement for reporting entities to register in RDRS. CalRecycle is in the process of answering questions and providing clarification within the next month. Given the number of new reporting entities and questions related to the new requirements, CalRecycle will not be taking any action against reporting entities who have not registered by the April 30th deadline, but will expect all reporting entities that are required to register to do so by May 31st.

## SB 1335 Regulations

This law prohibits foodservice facilities located in a state-owned facility, operating on or acting as a concessionaire on state-owned property, or under contract to provide food service to a state agency from dispensing prepared food using food service packaging unless it is either recyclable, reusable, or compostable. CalRecycle must adopt regulations by January 1, 2021 that clarify terms, specify criteria, and outline a process for determining the types of food service packaging that are reusable, recyclable, or compostable. Workshop is scheduled for June 4, 2019 in Sacramento.

### **The California Compost Coalition**

is a registered Lobbying Coalition with the Fair Political Practices Commission (FPPC), created in 2002 by a group of compost operators in response to demands for increased recycling of organic materials & production of clean compost, bioenergy, anaerobic digestion, renewable natural gas, and biochar.

#### **CCC Members**

Agromin  
American Refuse  
Atlas Disposal  
Burrtec Waste Industries  
Caglia Environmental  
California Waste Recovery Systems  
California Wood Recycling  
CleanFleets.net  
Clean Fleets Advocates  
Clover Flat Compost  
Cold Canyon Compost  
GreenWaste Recovery  
Marin Sanitary Service  
Mt. Diablo Resource Recovery  
Napa Recycling Compost  
Northern Recycling Compost  
Phoenix Energy  
Quackenbush Mt. Compost  
Recology Blossom Valley Organics  
Recology Feather River Organics  
Recology Jepson Prairie Organics  
ReFuel Energy Partners  
Soiland Co, Inc.  
Sonoma Compost  
Tracy Material Recovery Compost  
Upper Valley Recycling  
Vision Recycling  
Zanker Road Resource Management  
Z-Best Compost Facility  
Zero Waste Energy Development  
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Steve Peterson, Financial Advisor  
Monica White, Sustainability Advisor  
Sean Edgar, Fleet Advisor

#### **CCC Legislative Affairs**

Justin Malan, EcoConsult  
Neil Edgar, Edgar & Associates Inc.

## **CCC Member News**

### **Compost Industry Has Capacity**

CalRecycle published the SB 1383 Infrastructure and Market Analysis Report, which was to conduct research and analysis of the organics recycling and diversion infrastructure, barriers to infrastructure development, and the status of markets for products generated by organics recycling. The results of this study will be incorporated into a CalRecycle report required by SB 1383, which calls for CalRecycle, in consultation with the CARB, to analyze the progress that the waste sector, state government, and local governments have made in reducing organic waste disposal. The report can be downloaded here: <https://www2.calrecycle.ca.gov/Publications/Details/1652>.

California currently has more than 160 permitted compost facilities, and more than a dozen anaerobic digestion facilities that accept about 6 million tons of organic material each year. The state's composting facilities combined have approximately 4 million tons of processing capacity remaining. This available capacity remains concentrated in Southern California. To put these quantities in perspective, 12-14 million new tons of organics need to be diverted statewide from landfills each year to meet the SB 1383 75% by 2025 diversion goal.

Over three quarters of the available composting capacity for new organic materials exist in Southern California. 56% of all facilities are privately owned stand-alone facilities, and another 24% are privately owned facilities affiliated with a landfill or transfer station. The remaining 20% are publicly owned facilities. This prevalence of private sector ownership is reflected in how and why the compost facilities operate. Surveys conducted during the Integrated Waste Management Consulting April 29th study revealed that the main motivating factor for these facilities is profitability and the production of high quality soil amendments. Other benefits, such as diversion, greenhouse gas benefits, and research ranked lower in importance than the production of a profitable and marketable end product. These existing compost facilities are most likely to utilize windrow technology (71%), or aerated static pile technology (25%), with only a few (4%) utilizing in vessel digestion systems. This however, the report only counts existing facilities and technology prevalence may shift as new facilities are developed.

The study found 68% of composting and anaerobic digestion facilities have no plans to expand. Those facilities which are planning on expanding cited increased processing contracts as the primary reason for growth. On the other hand, regulatory, land use, market, and economic barriers were all cited as factors limiting the expansion of compost facilities.

Composters also identified that SB 1383 and AB 1594 result in some changes to compost feedstocks that affect operations. These impacts include greater amounts of feedstock, increased amounts of food waste, green waste formerly used as ADC being composted, and higher levels of contamination. For the purposes of expansion, these changes suggest composters will expand to react to both a qualitative and quantitative change in feedstock.

The study highlighted the development of organics collection programs as the key to expanding organics processing infrastructure. The report posits that the programs come first, and infrastructure second; the chicken comes before the egg. Additionally, composters will need significant incentives, from processing contracts to other financing mechanisms, to make the necessary investments in infrastructure to meet the goals of SB 1383. The costs of these incentives are predicted to fall ultimately on the ratepayer.