Institute for Agriculture & Trade Policy

March 19, 2025

Chair Liane Randolph
1011 I Street
Sacramento, CA 95814

RE: Information solicitation to inform implementation of SB 253 and 261

Dear Chair Randolph,

The Institute for Agriculture and Trade Policy (IATP)[1] is pleased to submit comments in response to the California Air Resources Board's (CARB's) solicitation for feedback to help inform its work implementing Senate Bill (SB) 253 and SB 261, as amended by SB 219. We recognize the vital importance of SB 253 and 261 across all sectors but will focus our comments on the applicability of these rules to the food and agriculture sector.

The food and agriculture sector is responsible for almost a third of global greenhouse gas (GHG) emissions[2], but most food and agriculture companies lack sufficient disclosure of GHG emissions and climate-related risks. The accounting firm EY reported in 2020 that "[t]he agriculture, food, and forest products sector performed the worst of all nonfinancial sectors" in terms of the quality of climate disclosures.[3] There is a clear need to compel food and agriculture companies to disclose GHG emissions and climate-related risk.

In California, agriculture is a significant source of GHG emissions. CARB has estimated that agriculture emitted 32 million metric tons of carbon dioxide equivalent in 2019, making it the fifth largest source of GHG emissions in California.[4] Climate change impacts on California agriculture are increasing, posing a threat to our agriculture system and global food supply chains.[5] Mitigating the threat posed by climate change presents economic and social benefits to farmers and ranchers, farm workers, rural communities, food businesses and taxpayers. According to our research, many of the world's largest food and agriculture companies have operations in California and would fall

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[1] IATP is a 38-year-old non-profit organization based in Minnesota that works for fair and sustainable food, farm and trade systems. IATP has worked for two decades on the intersection between climate and agriculture policy.

[2] GRAIN (2021), *FAO says food responsible for 31% of all greenhouse gas emissions, but that's not the whole story.* [GRAIN | FAO says food responsible for 31% of all greenhouse gas emissions, but that's not the whole story](#).

[3] Nelson, M. (2020), *How the agriculture sector adopted climate-related disclosures.* EY. [How the agriculture sector adopted climate-related disclosures | EY - US](#) p. 1.

[4] CARB (2021). *Assessing California's Climate Policies – Agriculture. https://lao.ca.gov/reports/2021/4483/cal-climate-policies-121521.pdf.*

[5] Josué M., Alvar E., Gaudin, M., Schwabe, K. A., & Sumner, D. A. (2024). Cultivating climate resilience in California agriculture: Adaptations to an increasingly volatile water future. *Proceedings of the National Academy of Sciences*, *121*(32). https://doi.org/10.1073/pnas.2310079121

under the jurisdiction of SB 253 and 261.[6] By requiring these companies to report their full scope GHG emissions and climate-related risk, SB 253 and SB 261 help reveal crucial information for investors about climate risk in the food and agriculture sector. The laws' requirement to report Scope 3 emissions is especially important, given that Scope 3 emissions account for 90% of agriculture companies' total emissions.[7]

By adhering to widely adopted reporting standards such as the GHG Protocol (SB 253) and ISSB standards (SB 261), the cost of compliance to the laws for companies is low. Many companies already use these standards in their reporting or will have to use them to report GHG emissions and climate-related risk in other jurisdictions. Recent research by Stanford University and Morgan Stanley Capital International (MSCI) has shown that investors are increasingly making decisions based on climate risk.[8] Therefore, SB 253 and SB 261 are not overly burdensome for companies but rather provide confidence and clarity on climate risks and opportunities for investors.

IATP offers the below comments related to specific questions asked by CARB:

Question #7: According to CARB's research, 70% of emissions from the agriculture sector in California are methane emissions from livestock.[9] Reductions in methane emissions are considered crucial for preventing the worst effects of climate change,[10] yet SB 253 and SB 261 do not require separate reporting of methane emissions. We encourage CARB to require companies to separately report emissions from each GHG, including methane.

Question #8: IATP urges CARB to require third-party assurance for full scope GHG emissions as defined in MRR for at least Scope 1 and Scope 2 emissions. As more jurisdictions introduce climate-related disclosure rules like SB 253 and SB 261, it is important that a high level of reporting accuracy is required so as to not create a gap in the quality of disclosures across jurisdictions. For example, New York's proposed climate-related disclosure law would require reasonable assurance of Scope 1 and Scope 2 in 2031.[11] We believe that reasonable assurance for Scope 3 emissions is also important, particularly for food and agriculture companies.

IATP commends the passing of SB 253 and SB 261 and respectfully urges the on-time implementation of the laws. Over a dozen jurisdictions including the European Union are moving forward with rules that require companies to report GHG emissions and climate-related risk.

[6] Yow, L. (2025). *Momentum in Mandatory Climate Disclosure: Impact on Meat and Dairy Giants.* IATP. Momentum in Mandatory Climate Disclosure: Impact on Meat and Dairy Giants | IATP.

[7] Bricheux, C., Lehr, J., Ponbauer, L., & Gatzer, S. (2024). *Tackling Scope 3 emissions through supplier collaboration.* McKinsey Sustainability. https://www.mckinsey.com/capabilities/sustainability/our-insights/sustainability-blog/tackling-scope-3-emissions-through-supplier-collaboration

[8] MSCI Sustainability Institute, (2024). *Institutional Investor Survey on Sustainability. https://www.msci-institute.com/wp-content/uploads/2024/04/2024-cgri-msci-sustainability-survey-FINAL.pdf*

[9] [9] CARB (2021). *Assessing California's Climate Policies – Agriculture. https://lao.ca.gov/reports/2021/4483/cal-climate-policies-121521.pdf.*

[10] IPCC, (2023). *Climate Change 2023 Synthesis Report*. https://www.ipcc.ch/report/ar6/syr/downloads/report/IPCC_AR6_SYR_LongerReport.pdf p. 95

[11] Climate Corporate Data Accountability Act, no. A04282 (2025). https://nyassembly.gov/leg/?default_fld=&leg_video=&bn=A04282&term=2025&Summary=Y&Text=Y

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More U.S. states are also stepping up, with Colorado,[12] New Jersey[13] and Illinois[14] joining New York as states with proposed climate-related disclosure laws. Given the SEC's recent abandonment[15] of the U.S. federal climate-related disclosure rule, California must remain the U.S. leader in championing corporate emissions and climate-related risk reporting.

Thank you for your work and consideration. If you have any questions or seek additional information, please contact Leila Yow at lyow@iatp.org.

Leila Yow

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[12] McGowan, J. (2025). *Colorado Bill Could Require Businesses to Disclose Climate Emissions.* Forbes. Colorado Bill Could Require Businesses To Disclose Climate Emissions.

[13] Climate Corporate Data Accountability Act, no. S4117 (2025). Bill Text: NJ S4117 | 2024-2025 | Regular Session | Introduced | LegiScan.

[14] Climate Corporate Accountability Act, no. HB3673 (2025). Illinois General Assembly - Bill Status for HB3673.

[15] Uyeda, M.T. (2025). *Acting Chairman Statement on Climate-Related Disclosure Rules.* U.S. Securities and Exchange Commission. SEC.gov | Acting Chairman Statement on Climate-Related Disclosure Rules.