March 10, 2026

Senator John Laird
Chair, Senate Budget & Fiscal Review Committee
1020 N. Street, Room 502
Sacramento, CA 95814

Assemblymember Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

Senator Eloise Gómez Reyes
Chair, Senate Budget Subcommittee 2
1021 O Street, Suite 7210
Sacramento, CA 95814

Assemblymember Steve Bennett
Chair, Assembly Budget Subcommittee 4
1021 O Street, Suite 4710
Sacramento, CA 95814

RE: Assemblymember Ash Kalra's $25 Million Budget Proposal for Biomanufacturing and Alternative Protein Research - OPPOSE

Dear Chairs Laird and Gabriel,

We respectfully oppose Assemblymember Kalra's request for $25 million to support ongoing research and development efforts in biomanufacturing innovations. As announced at a recent hearing of the Select Committee on Alternative Protein Innovation, Assemblymember Kalra indicated these funds would flow to academic institutions as well as nonprofits and others doing work in the alternative protein space.

On behalf of the undersigned organizations, we oppose this proposal to direct $25 million in state funds toward alternative protein biomanufacturing research and development. Such funding will not benefit California's consumers, farmers, and ranchers, but rather serves to enrich private

enterprises that have heavily invested in the processors of alternative protein products. Additionally, this proposal directly conflicts with newly enacted bipartisan legislation under AB 1264 (Gabriel), which seeks to limit the availability of "ultraprocessed foods of concern" in school meals.

We urge you to instead consider allocating funds to existing over-subscribed state programs that directly assist agricultural farmers and ranchers in advancing the State's environmental goals.

State funding for alternative protein research and development directly undermines the State's 2025 efforts to combat consumption of ultra-processed foods

In an effort to shield California students from the detrimental health impacts of ultra-processed foods (UPF) - impacts which include cancer, cardiovascular disease, metabolic disorders, neurological or behavioral issues, and other health harms - the Legislature approved the bipartisan measure AB 1264 (Gabriel), which will phase out inclusion of ultra-processed foods in meals served to school pupils. While the bill is limited to school meals, it is rooted in an understanding that ultra-processed foods are harmful for all Californians.

The vast majority of "innovation" supported through biomanufacturing research - particularly with regard to plant-based meats, fats, and proteins and integrated meat products - is, by definition, ultra-processed. A recent analysis by the California Senate Health Committee supports this finding, noting that ultra-processed food includes foods "derived from further processing of food constituents, such as soy protein isolate," and additives commonly used in alternative proteins, "such as preservatives, antioxidants and stabilizers."

Peer-reviewed research demonstrates that consumption of ultra-processed alternative proteins contributes to negative health outcomes, with one study noting that UPF consumption contributes to the inadequate intake of many micronutrients such as protein, fiber, vitamin B2, vitamin B12, folate, zinc, and calcium, and that the detrimental impacts of consuming ultra-processed foods outweighed any potential benefit of adopting a "plant-forward" diet.[1]

By directing $25 million toward alternative protein biomanufacturing research and development, Assemblymember Kalra's proposal undermines the Legislature's efforts to promote healthy diets by minimizing Californians' consumption of ultra-processed foods. Worse, support for ultra-processed alternative proteins shifts California toward *promoting* ultra-processed food consumption and the attendant harmful health outcomes.

The cost of alternative protein research and development should not be borne by the State

Alternative protein processors have enjoyed robust investment from venture capital firms and other private investors hoping to realize significant profits from the projected growth of the alternative protein industry. In 2022 alone, investors poured $2.9 billion into the industry. The advisory boards overseeing alternative protein research centers are composed almost exclusively of executives from alternative protein companies whose investors stand to gain from publicly funded research and development efforts. *The private investors who stand to profit from these investments ought to fund them, not the State.* Rather, the State's resources - including the $25

1 Svenja Fedde *et al.*, *Ultra-Processed Foods and Plant-Based Alternatives Impair Nutritional Quality of Omnivorous and Plant-Forward Dietary Patterns in College Students*, 15 SCI. REP. 4233 (2025).

million proposed by Assemblymember Kalra - should be prioritized to assist California farmers and ranchers in sustainably producing California-grown agricultural commodities in a manner that promotes our State's ambitious environmental goals and rural economies, including, but not limited, to methane emission reduction goals, healthy soils, composting, enhanced carbon sequestration, natural and working lands climate smart goals, wildfire resilience, water conservation and groundwater recharge.

Funding for alternative proteins is unlikely to benefit California agricultural producers

While funding for alternative protein biomanufacturing may benefit *processors* of plant-based protein products, such funding would not benefit California agricultural *producers*. The alternative protein industry's reliance on crops such as peas and soybeans benefits producers *outside* of California. California's production of soybeans, for instance, is so negligible that the USDA's National Agricultural Statistics Service does not report on soybean production within the state. Neither soybeans nor peas are grown in quantities sufficient to be included in the Department of Food and Agriculture's Agricultural Statistics Review. Rather, the constituent ingredients for plant-based alternative proteins are often sourced from outside of California, including soybeans from the Midwest and pea proteins sourced from China. Additionally, there is little incentive for California farmers to transition to major crops grown elsewhere, as in-state producers enjoy a premium on specialty crops uniquely suited to California's environment.

Not only would state investments in alternative proteins *fail* to include California's crop producers, such investments could also harm domestic dairy and meat producers. Alternative proteins are produced to compete with the global meat market, in addition to producing plant-based dairy alternatives. Dairy products and cattle & calves are California's first and fourth most valuable agricultural commodity sectors, respectively, with a total annual value of $13.59 billion. The state's prioritization of plant-based *alternatives* to these domestic products stands to economically benefit out-of-state crop producers at the expense of domestic beef and dairy producers.

Claims that alternative protein products promote climate resilience are inaccurate

Support for alternative protein production is often couched in the language of sustainability. Such claims are oversimplified and misleading, however.

First, it should be noted that California's meat and dairy producers are among the most environmentally sustainable in the world. The California Air Resources Board estimates all livestock production in the state accounts for roughly 6% of greenhouse gas emissions, well below global averages, and California producers are constantly striving to further reduce their climate impact through participation in programs such as CDFA's Alternative Manure Management Program and Dairy Digester Research and Development Program. Through these programs, CDFA estimates that California's dairy industry is on track to reduce its manure methane emissions by more than 57%. It should also be noted that livestock production results in significant wildfire suppression benefits attributable to livestock grazing and carbon sequestration benefits attributable to rangeland stewardship, advancing the state's wildfire resilience and greenhouse gas reduction priorities.

Secondly, ingredients for alternative proteins are often sourced from out-of-state, resulting in significant GHG emissions attributable to their transportation into California and the

manufacture and production of end-product protein alternatives. Producers of plant-based meat alternatives do not disclose the total amount of greenhouse gas emissions across all of their operations, supply chains, or consumer waste. Without data on the GHG emissions from plant-based food processors, claims that their production benefits the climate are misleading at best.

The State's limited budget resources are better directed at programs benefitting California agricultural producers in furtherance of the State's climate and biodiversity goals

California's budget challenges mean that *any* investments made by the State must go to its most beneficial uses. Rather than funding alternative protein biomanufacturing research and development that benefits out-of-state crop producers, enriches private venture capital, and further proliferates consumption of ultra-processed foods, the State should direct its financial resources - including the $25 million proposed by Assemblymember Kalra - to aiding California producers in advancing the State's ambitious environmental goals.

For the reasons above, we urge you to **reject** Assemblymember Kalra's $25 million budget request for alternative protein biomanufacturing research and development and to instead prioritize allocations that benefit California agricultural producers while advancing our state's environmental interests.

Sincerely,

Kirk Wilbur
Vice President of Government Affairs
California Cattlemen's Association

Sakereh Maskal
Policy and Advocacy Lead
Pesticide Action and Agroecology Network

Brian Shobe
Policy Director
California Climate & Agriculture Network

Michael R. Dimock
Executive Director
Roots of Change

Anja Raudabaugh
Chief Executive Officer
Western United Dairies

Jamie Fanous
Policy & Organizing Director
Community Alliance with Family Farmers (CAFF)

Kat Taylor
Principal
Office of Kat Taylor

cc: Assemblymember Ash Kalra
Senate Pro Tem Monique Limón
Assembly Speaker Robert Rivas
Senate Minority Leader Brian Jones
Assembly Minority Leader Heath Flora