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## **Farm leaders call for common sense solutions on climate change**

**By Sara Wyant**

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Representatives from the National Farmers Union (NFU) and the National Corn Growers Association (NCGA) testified before the House of Representatives Committee on Small Business Wednesday about how agriculture can play a positive role in reducing greenhouse gas emissions---if legislation is drafted appropriately.

“Greenhouse gas reductions from livestock and agricultural conservation practices are the easiest and most readily available means of reducing greenhouse gas on a large scale,” NCGA’s Fred Yoder testified. “The Environmental Protection Agency estimates that agricultural and forestry lands can sequester at least 20 percent of all annual greenhouse gas emissions in the United States.”

Yoder outlined several of NCGA’s key policy priorities under a cap-and-trade system and stressed that agriculture should not be subject to an emissions cap.

“Any efforts to regulate greenhouse gas emissions from America’s two million farms and ranches would be costly and burdensome,” Yoder said. “Our industry accounts for only roughly 7 percent of all greenhouse gas emissions. Therefore, it would seem unreasonable to concentrate on regulations for such a small and diffuse industry.”

Yoder also mentioned the importance of rewarding those who act early and warned about potential input cost increases for fertilizer, fuel and machinery.

Another top priority of our industry, under a cap-and-trade system, includes the role of the U.S. Department of Agriculture (USDA). NCGA, along with our industry partners, feels that USDA, rather than the Environmental Protection Agency (EPA) should play a prominent role in developing the standards and administering the program for agricultural offsets, Yoder added.

“The Department has the institutional resources and technical expertise necessary to oversee a program that has the potential to be massive in scope. USDA has a proven record of working with farmers, in addition to studying, modeling and measuring conservation as well as production practices that sequester significant amounts of carbon. USDA should be given

adequate flexibility to implement an offset program which allows them to account for new technologies and practices that emerge.”

NFU President Roger Johnson said his organization supports a cap and trade program because it “holds the most promise in making actual GHG emissions reductions while mitigating the overall energy cost increases resulting from such a program.” Currently, NFU is the largest aggregator of agriculture carbon credits on CCX. We currently have More than 5 million acres enrolled across 31 states; nearly \$9.5 million has been earned for the almost 4,000 producers that have voluntarily enrolled in our program. As a result, Johnson said his organization has learned valuable lessons on how to properly construct a cap and trade program. He also highlighted the complexity of the issue for many farmers and ranchers.

“The issue of climate change is complex to navigate and often requires access to a special dictionary to define words like additionality, permanence, early actors and leakage,” he explained.

Johnson outlined several provisions that should be included in any cap and trade program:

- Agriculture and forestry sectors should not be subject to an emissions cap as they are too small and diffuse to be directly regulated. Legislation should not artificially limit the amount of domestic agricultural project offsets.
- The agriculture sector should be provided with a percentage of overall allowances as proposed in the 2008 Lieberman-Warner climate change bill so that agriculture producers can implement activities that provide GHG benefits that may not technically fall within the scope of an offset program.
- Farmers, ranchers and landowners that have already adopted certain practices to reduce GHG emissions and entered into a voluntary, yet legally-binding contract should be allowed to participate under a federal mandatory cap and trade offset program.
- Defining “additionality” can become a slippery policy slope that can easily limit participation under an offset program. NFU supports the establishment of a static baseline of activity to measure against when determining additionality. The fixed baseline should establish what practices were being performed on a specific piece of land on a specific date; any activity that results in GHG reductions measured against that baseline should be deemed eligible/additional.
- The establishment of a reserve pool of offsets to address potential reversals of carbon sequestration projects is prudent for the integrity of the program. However, a differentiation must be made between anthropogenic (human-caused) and non-anthropogenic (natural) emissions. Therefore, in establishing a reserve pool of offsets, participants should not be required to account for carbon reversals caused by natural acts such as hurricanes, drought and wildfires.