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Peterson continues work on climate bill compromises

By Agri-Pulse Staff

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In a teleconference call with reporters Wednesday morning, House Agriculture Committee Chair Collin Peterson (D-MN) explained that tough negotiations over recent days and nights have resulted in agreement on a re-written climate change bill that he supports and expects to pass the U.S. House of Representatives later this week.

One key achievement is “an offset program for agriculture that we believe will work.” He said the negotiators agreed “to leave the running of the program, the rule-making and so forth, with USDA, without EPA involvement.”

“The offset program which we believe now is a workable program and is a potential source of income for farmers, should mitigate any additional cost for those people who can produce,” added Peterson.

The Chairman made it clear that what blocked progress toward an agreement is “that EPA doesn’t trust agriculture and agriculture doesn’t trust EPA.” Later, he added that the same sense of mutual distrust divides agriculture and the environmental community.

He also said that some unsettled issues remain – such as providing some level of oversight or audit authority for EPA regarding USDA’s operation of the program that will enable farmers to be paid for providing carbon offsets based on farming practices such as no-till and nutrient management, even if those practices are already in place.

“I don’t really have a problem with them having some kind of an oversight or audit function at the macro level, the department looking at the overall program, but we weren’t able to work that out, so we are going to send a letter down to the White House to get their input. I’ve been talking to them, I think they generally agree with us, but in any event, that is going to be something they are going to give us their advice on how they think EPA could be involved in this process to try to help them be more comfortable.”

The definition of biomass is also a bone of contention, although Peterson said the issue could be settled as early as tonight. Some members from rural states have expressed concerns that woody biomass from federal forest lands would not be eligible under the current definition of biomass

“We had an agreement to use the farm bill definition, then when we got into the weeds on this, in terms of taking the international land use out of the RFS and out of the climate change bill, so that is still not totally nailed down at this point....We think we are going to end up with something that we can live, that is basically the farm bill definition,” he explained.

Peterson certainly seems happy about the agreement to take indirect land use calculations out of the bill, a measure that many said would shut down investments in many existing biodiesel and new ethanol plants because of the assumption that renewable energy production here caused producers in the Amazon to cut down more rainforest. The Chairman said there is going to be a five-year study on indirect land use, and at the end of that time, depending on what the conclusion of that study is, the three agencies, the Department of Energy, EPA and USDA will all have to sign off, so what that means is that USDA has veto power over this.”

Peterson also outlined several changes made for the National Rural Electric Cooperatives. For more details, see the 6-24-09 edition of *Agri-Pulse*.

This afternoon, Peterson was expected to brief farm groups who have been noticeably quiet about the deal he cut with Chairman Waxman. Both Growth Energy and the American Farmland Trust made strong statements of support for the legislation. The American Farm Bureau Federation applauded Peterson’s efforts and described him as a “determined advocate for America’s farmers and ranchers and a leader to be reckoned with in the halls of Congress.” However, the nation’s largest farm group says the legislation continues to be “seriously flawed” and “should be amended or defeated.”

“This legislation raises a wide range of issues that are detrimental to U.S. agriculture, “ says AFBF President Bob Stallman. “One of the chief challenges is the energy deficit the bill will create. New technologies hold great promise for our nation, but are nowhere close to coming on line. The bill forces agriculture and other productive sectors of our nation’s economy into a position of severe competitive disadvantage with trading partners like China and other nations who will not burden their economies to control carbon emissions.”