



## **USDA Sec. Vilsack comments on release of analysis of House climate change legislation**

**By Agri-Pulse Staff**

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Washington, Dec. 18 – As Agriculture Secretary Tom Vilsack promised last week, on Friday USDA released a complete analysis of the House-passed Waxman-Markey climate change legislation. The Secretary made the following comments on the analysis:

- The USDA's Chief Economist, Joe Glauber, released the results of his full economic analysis showing that agriculture will benefit from energy and climate legislation if it includes a robust carbon offsets program and other helpful provisions. The costs of such legislation will be modest while returns from offsets will increase over-time and result in positive net income for agriculture.
- In addition to analyzing the impacts using our own model, USDA has also reported on the output of the FASOM model - a model developed by researchers at Texas A & M University that the Environmental Protection Agency (EPA) has used as part of its efforts to study the impacts of climate legislation. Earlier this month, Dr. Glauber discussed results from the FASOM model in testimony he gave before the House Agriculture Subcommittee on Conservation, Credit, Energy and Research.
- I am aware that the results of the FASOM model have caused considerable concern within the farm and ranch community as a result of the models projections on afforestation over the next several decades. If landowners plant trees to the extent the model suggests, this would be disruptive to agriculture in some regions of the country.
- Based on conversations with Dr. Glauber and my staff, I don't believe the results related to afforestation forecast by the FASOM model are necessarily an accurate depiction of the impacts of climate legislation. The model could be updated to better reflect current legislative proposals. The FASOM model as it is currently configured makes assumptions that reduce farmer income from offsets generated by conservation tillage, methane reductions and other offset activities. The model also makes other assumptions that could lead to an overestimate of afforestation. This is especially true given that the model attempts to forecast land use impact

over long-time horizons.

- As other recent analyses have shown, there are opportunities to expand greenhouse gas offsets and biomass energy production without removing significant amounts of land from production. As Dr. Glauber stated during his hearing on December 3, careful design of the offsets program will be important in order to avoid unintended consequences.
- In addition to reducing greenhouse gas emissions, I strongly believe that energy and climate legislation should be structured to help farmers profit from new income opportunities and that an outcome that damages agriculture is not anyone's intent or interest. The House of Representatives worked diligently to ensure a proper role for agriculture in its recently passed climate legislation. I am fully confident that the Senate will work to do the same.
- USDA and EPA are continually assessing and updating the assumptions that go into their models. I have directed Dr. Glauber to work together with EPA to undertake a review of the assumptions in the FASOM model, to update the model, and to develop options on how best to avoid unintended consequences for agriculture that might result from climate change legislation. Continually improving our analytical tools will help ensure that climate legislation can be designed in such a way as to create new income opportunities for farmers.

To read about concerns raised by Senate Agriculture Committee Ranking Member Saxby Chambliss and House Agriculture Committee Ranking Member Frank Lucas regarding the USDA analysis of the Waxman-Markey climate bill, go to:  
<http://www.agri-pulse.com/uploaded/20091218H3.pdf>.

To read the two-page Executive Summary of "The Impacts of the American Clean Energy and Security Act of 2009 on U.S. Agriculture" report from USDA's Office of the Chief Economist, go to: <http://www.agri-pulse.com/uploaded/20091218H2.pdf>.

To read the complete 80-page "Impacts of the American Clean Energy and Security Act of 2009 on U.S. Agriculture" report from USDA's Office of the Chief Economist, go to: <http://www.usda.gov/oce/newsroom/archives/releases/2009files/ImpactsofHR%202454.pdf>

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