

PRINCIPLES FOR GREENHOUSE GAS LEGISLATION

MARCH 20, 2009

- 1. The agricultural sector must not be subject to an emissions cap**—Attempts to cap agriculture’s two million farms and ranches in climate legislation would be costly and burdensome and result in greater costs than GHG emissions reductions benefits. Greater environmental benefits can be achieved by not regulating agriculture under an emissions cap. U.S. farms and ranches managed by crop, livestock and poultry producers can provide low-cost, real and verifiable carbon “offsets” that:
 - Greatly lower the costs to society of a cap-and-trade system while achieving real greenhouse gas emission reductions;
 - Provide the offsets needed to allow changes in energy production technologies and investments in capitol and infrastructure to occur, while providing market liquidity and low-cost emissions reductions to help the market function properly; and
 - Provide additional environmental benefits in the form of cleaner water, air and better wildlife habitat, while enhancing the fertility and productivity of the soil resource needed to provide food, feed, fuel and fiber.
- 2. Any cap and trade legislation must fully recognize the wide range of carbon mitigation or sequestration benefits that agriculture can provide**— The entire U.S. Agricultural Sector can play a significant role in helping to reduce domestic greenhouse gas (GHG) emissions through a market based cap and trade system by sequestration of carbon on agriculture lands, and reduction of emissions from livestock through dietary improvements and manure management. Crop, livestock and poultry farmers and ranchers can play a significant role in ensuring that a market-based cap and trade system will succeed in reducing GHG emissions.
- 3. Cap and trade legislation that makes economic sense for agriculture**—Should any cap and trade legislation be passed in Congress, the undersigned believe that it must be structured correctly, so that the value for farmers and ranchers exceeds the costs to them, their communities, and the US economy, all the while achieving the desired benefits for the climate.
- 4. USDA should promulgate the rules and administer an agricultural offset program**—USDA has the statutory authority provided in the 2008 Farm Bill, the institutional resources and the technical expertise necessary to create and administer an agricultural offset program that works for production agriculture. USDA has a track record of working with farmers as well as studying, modeling and measuring conservation and production practices that sequester carbon and that promote appropriate manure management and nutrient application on agricultural lands. USDA should be given adequate flexibility in implementing the offset program that allows them to account for new technologies and practices that emerge, which result in emission reductions from agricultural sources.

5. **The use of domestic offsets must not be artificially limited**—Current estimates predict that agricultural and forestry lands can help to reduce up to 20% of US GHG emissions on an annual basis. Therefore, we believe it is unwise and market distorting to place an artificial cap on the amount of domestic offsets a covered entity can use to meet its yearly obligations. Our goal should be to remove as much GHG from the atmosphere as possible. Artificial caps will prevent legitimate carbon sequestration, livestock methane capture, and manure gasification projects from occurring.
6. **Establish carbon sequestration and greenhouse gas mitigation rates based on science**—It is scientifically proven that agricultural soils sequester carbon. In fact, technologies are available to effectively measure soil carbon content. Sound and accurate measurements exist as to the amount of methane captured and destroyed in anaerobic digesters. USDA should quickly implement provisions of the recently enacted 2008 Farm Bill that directs them to develop guidelines and protocols related to farmer, rancher and forestland owner participation in greenhouse gas offsets markets. USDA has already developed a properly constructed science based model that includes statistically relevant random field measurements to help maximize agriculture's offset credits for carbon sequestration.
7. **Any cap and trade legislation must provide an initial list of project types that are eligible agricultural offsets**—Both the regulated community and agricultural sector need assurances that agricultural offsets will be available to lower costs of a climate change program. The regulated community needs to know that a sufficient quantity of offsets will be available for purchase so that they can comply with a mandatory cap. The agricultural sector needs to know which project types Congress considers to be eligible as agricultural offsets in order to assess the full impact of cap and trade legislation on agriculture. An initial, non-exhaustive list of project types in the legislation itself is critical to addressing these concerns. Shifting the burden of making these decisions to an entity other than Congress generates uncertainty that should be avoided.
8. **Recognize early actors**—Agriculture is always evolving. As technologies and practices improve, farmers are converting to alternative tillage practices such as no-till or ridge-till. They are reducing fertilizer application rates and enhancing crop uptake of fertilizer nutrients. Some livestock producers are able to use methane digesters and invest in covers for manure storage or treatment facilities while others are able to reduce enteric emissions with dietary modifications. Producers that have taken these steps should not be disadvantaged by being excluded from compensation for future offsets that occur as a result of these ongoing efforts.
9. **Stackable credits**—Many practices undertaken to reduce greenhouse gas emissions will provide additional public benefits, such as clean water, wildlife habitat, and reduced soil erosion. Projects participating in a greenhouse gas offset market should not be excluded from also participating in other markets for environmental services that currently exist or may arise in the future. Allowing producers to “stack” credits

will maximize the economic viability of carbon sequestration and manure management projects, ensuring more projects are undertaken and synergies with other environmental priorities are developed. In addition, new climate programs should complement existing conservation programs within the Farm Bill.

American Farmland Trust
American Soybean Association
National Association of Conservation Districts
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Farmers Union
National Milk Producers Federation
National Pork Producers Council
Public Lands Council
United Fresh Produce Association
Western Growers Association