

# NATIONAL FARMERS UNION

## Talking Points: American Clean Energy and Security Act (ACES)

- If Congress fails to pass comprehensive climate change legislation, the Environmental Protection Agency (EPA) will move to regulate greenhouse gas emissions. Supreme Court decisions required EPA to determine whether GHG emissions are a threat to public health – EPA said yes. A regulatory effort will not permit agriculture to mitigate increased production costs like a cap and trade program would.
- NFU has been a long-time, leading advocate for the progressive role agriculture can play in combating global climate change.
- NFU policy supports a national, mandatory carbon emission cap and trade system to reduce non-farm greenhouse gas emissions providing that the system offers realistic opportunities for farmers and ranchers to be part of the solution.
- Carbon sequestration projects are the most cost effective and readily available means of reducing greenhouse gas emissions on a meaningful scale.
- The sequestration and mitigation rates of greenhouse gases must be based upon science; USDA has an existing science-based model which should be utilized.
- The American Clean Energy and Security Act of 2009 is a step in the right direction. While not a perfect piece of legislation, the bill addresses a number of NFU priorities.
- **Bill highlights:**
  - Agriculture is not considered a covered entity and will not be subject to the emissions cap or the bill's greenhouse gas reduction requirements.
  - The U.S. Department of Agriculture (USDA) is appointed the exclusive agency in charge of implementing and operating the domestic agriculture and forestry offset program and will be able to utilize its extensive national network of field officers, research capabilities, scientific experts and conservation partners.
  - Producers and forestland owners will be eligible for the offset program providing they have an approved plan of practices which sequester or avoid greenhouse gas emissions.
  - Those who meet the established requirements will be eligible to sell their credits at a fair market price to regulated entities.
  - Farmers and ranchers who previously implemented carbon sequestration practices and participated in a voluntary offset market are fairly recognized and compensated if their offsets have not been used.
  - The EPA scheme of international indirect land use is discontinued and required to be re-evaluated via a five year independent study, which must be jointly accepted by the Secretaries of Agriculture and Energy and the EPA Administrator.
- NFU will continue to advocate for climate change legislation that ensures the involvement of farmers and ranchers through realistic opportunities and guidelines.

*“It gives rural communities and farmers the opportunity to participate in climate solutions and generate new income.”*

-President Barack Obama

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## Talking Points: Climate Change

### **NFU supports a comprehensive legislative approach to address climate change.**

Given the Environmental Protection Agency's (EPA) announcement that greenhouse gas emissions are a threat to public health, the failure of Congress to pass climate change legislation will require EPA to regulate greenhouse gas emissions under the Clean Air Act.

An EPA-driven regulatory approach to reducing greenhouse gas emissions will bring all of the downside of increased energy inputs and none of the upside of carbon offset opportunities.

A robust and flexible agriculture offset program will help moderate the energy-related price increases that will occur as a result of a cap and trade program. It will also provide an opportunity for farmers and ranchers to make income by getting paid from the market for adopting certain practices.

NFU policy supports a national, mandatory carbon emission cap and trade system if the following conditions are met:

- **The U.S. Department of Agriculture (USDA) is granted control and administration of the agriculture offset program;**
  - USDA is where the expertise lies.
  - USDA has an office in nearly every county in the United States while EPA doesn't even have an office in every state.
- **Early actors are recognized;**
  - The date for determining project eligibility should be January 2001, not January 2009.
  - The voluntary yet legally binding contracts with existing registries, including those on the Chicago Climate Exchange (CCX), should be recognized.
- **No artificial cap is placed on domestic offsets;**
  - Because agricultural offsets provide the easiest and most readily available means to reduce greenhouse gas emissions on a meaningful scale, legislation should not artificially limit these projects' ability to provide a positive impact;
- **Carbon sequestration rates are based upon science; and**
  - USDA has an existing science-based model that should be utilized to ensure agricultural producers are fairly and accurately recognized for their environmentally friendly activities.
- **Producers are permitted to stack environmental benefit credits.**
  - Agricultural activities under an offset program often provide additional environmental benefits including clean water, wildlife habitat and reduction of soil erosion.

Even before climate change legislation was introduced in Congress, NFU emerged as the leading voice for how agriculture can play a significant role in combating global climate change and supported a mandatory cap and trade program.

The Farmers Union Carbon Credit Program was launched in 2006, since that time:

- More than 5 million acres enrolled
- Nearly 4,000 producers enrolled across 31 states
- 3.9 million metric tons of carbon offsets
- Nearly \$9.5 million earned on behalf of enrolled farmers and ranchers
- Offsets estimated to be equal to the annual emissions of 320,000 automobiles.
- Eligible practices: No-till crop management, conversion of cropland to grass, sustainable management of native rangelands, new tree plantings, anaerobic digesters.