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United States Department of Agriculture Office of the Chief Economist Seth Meyer, Chief Economist 1400 Independence Ave SW Room 112-A Mail Stop 3810 Washington, D.C. 20250

# **RE: Notice of Request for Public Comment on the Executive Order on Tackling the Climate Crisis at Home and Abroad** Docket Number: USDA-2021-0003

On behalf of the members of the Agricultural Council of Arkansas, a non-profit agriculture industry trade organization representing farmers, landowners, and agricultural businesses providing goods and services to the row-crop agriculture industry of Arkansas, we write to provide some comments to the U.S. Department of Agriculture (USDA) per its notice in the federal register seeking public comments on climate policy. As an organization representing those involved in production agriculture of a wide range of commodities over an estimated 7 million acres in Arkansas, we feel it is important that you receive some general comments on behalf of our members.

First, our members care deeply about the environment and are constantly striving to be better stewards of the land, improve upon existing practices, find efficiencies that benefit the environment, and ultimately maintain productive and profitable lands that can continue to produce from generation to generation. Our members livelihoods depend on this for sustainability, and we believe precision agriculture and science-based solutions can help us do it all even better.

Great strides have been made throughout history in terms of efficiency, best management practices, and increased productivity, especially in recent decades through scientific breakthroughs and advances in precision agriculture. However, with the goal of constant improvement, we still acknowledge that there is room for additional improvement. At this moment in history, we believe we are on the cusp of a time in which we can realize even greater potential in this area through the application of a wide range of advanced technologies that are converging at once to offer great opportunity for exponential improvement in a short amount of time. This is very exciting and promising.

If we do things carefully and strategically, we can get this done in a manner that works and puts American agriculture on a trajectory to continue to be the world leader in sustainable, climate friendly production of food and fiber. To this end, we want to offer some thoughts to help us get this done right for farmers, consumers, and the earth.

Some key principles we believe are most important in developing climate policy is ensuring that it 1) is based in sound science; 2) provides sufficient incentives for participating; 3) rewards early adopters; 4) avoids mandated activities or penalties; 5) works across all commodities and regions; and 6) does not take away anything from other programs farmers currently rely on.

Below are some comments on the specific questions offered in the request for comments. We appreciate you considering this input, and we hope you find it helpful.

Sincerely,

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John King III

President

Agricultural Council of Arkansas

#### **Climate-Smart Agriculture and Forestry Questions**

A. How should USDA utilize programs, funding and financing capacities, and other authorities, to encourage the voluntary adoption of climate-smart agricultural and forestry practices on working farms, ranches, and forest lands?

USDA should first define climate-smart agriculture and forestry practices or rank them based on importance of outcomes desired. We believe a quick solution would be to enhance payments for practices deemed most important, however, we believe there should be options for all regions and all commodities. The most simple and quick way to address the issue is likely to increase funding for existing incentive programs that fit the bill.

# **1.** How can USDA leverage existing policies and programs to encourage voluntary adoption of agricultural practices that sequester carbon, reduce greenhouse gases emissions, and ensure resiliency to climate change?

There are many popular and effective programs and policies already in place in the farm bill. These programs can deliver measurable outcomes. Enhanced incentives could increase adoption and participation rates. Early adopters should be recognized and rewarded for their previous contributions by participating in these programs. There should be no penalties for not participating in these programs, but USDA should consider offering additional "bonus" incentives for participation. Bonus incentives could have a significant impact on increased adoption. Existing policies limiting or restricting participation should be removed to achieve greatest outcome.

### 2. What new strategies should USDA explore to encourage voluntary adoption of climate- smart agriculture and forestry practices?

For new programs or new delivery strategies, USDA should not include any arbitrary eligibility limitations based on income, acreage, or other qualification, and they should not limit the level of participation in the form of payments or size of the project. Keeping it open to farms of all shapes and sizes will ensure that these programs have the broadest appeal for participation and the greatest impact for addressing the issue of concern.

In considering carbon credits for sequestration or reduced emissions, USDA should not eliminate or dilute other programs that achieve similar outcomes for the climate and environment or those programs that provide safety nets for farmers to continue to produce a safe, affordable and abundant food and fiber supply. In addition, USDA should consider rewarding practices that reduce carbon dioxide equivalents such as nitrous oxide and methane, and they should consider other initiatives, including preservation and restoration of wildlife habitat.

USDA should ensure a wide enough range of options for participating in these new policies so as to not limit participation for certain regions or commodities.

USDA should do their best to develop incentives that align with ongoing industry efforts, such as Field to Market and the U.S. Cotton Trust Protocol, which seek to improve in six key sustainability metrics of land use, soil carbon, water management, soil loss, greenhouse gas emissions, and energy efficiency.

USDA should also consider a role in helping the private sector stand-up private sector ecosystem markets by working with agriculture industry and ensuring that such markets do not take advantage of farmers and that markets are transparent and appropriately regulated to the benefit of those in agriculture who are participating.

#### **B.** How can partners and stakeholders, including State, local and Tribal governments and the private sector, work with USDA in advancing climate-smart agricultural and forestry practices?

First, any such policies must be acceptable and attractive to farmers to ensure participation from users and partners. Many organizations currently involved in agriculture stand ready to assist with delivery of such policies and programs.

We encourage public-private partnerships and coordination with land-grant universities, agriculture organizations, and local conservation districts to help market the programs and support the research and development they require. We generally have great confidence in USDA agencies and their staff at the state and local level to deliver, and state departments of agriculture and related state conservation organizations should be of assistance. Also, it's possible that companies already delivering goods and services to farmers may also be able to help deliver some services on behalf of USDA.

### C. How can USDA help support emerging markets for carbon and greenhouse gases where agriculture and forestry can supply carbon benefits?

USDA should focus on ensuring that farmers benefit from such markets and seek to head off risks that may be intended or unintended. An appropriate risk assessment to consider a broad range of potential risks should be conducted immediately and on an ongoing basis as markets activate in both public realm and private.

USDA should help promote and market credits to potential buyers of such credits provided such activities are deemed to be in the public benefit of farmers. USDA should also help promote and market U.S. grown commodities to potential buyers as being the premier supply as it relates to sustainability.

# **D.** What data, tools, and research are needed for USDA to effectively carry out climate smart agriculture and forestry strategies?

Additional data is needed to calculate estimated reductions in carbon or GHG emissions and other beneficial ecosystem market activities for credits to be issued and sold if such markets are to really come to fruition. In addition, a secure, safe and credible market of utmost importance. Credits must be traceable and verifiable. And, they must be priced appropriately and at a level that is meaningful to farmers.

A baseline must be established in order to measure progress and speak to the benefits of these efforts, especially as the U.S. promotes itself and its products to global markets.

# **E.** How can USDA encourage the voluntary adoption of climate-smart agricultural and forestry practices in an efficient way, where benefits accrue to the producers?

In the near term, focusing on familiar programs offered through NRCS and FSA, and enhancing those incentives, is probably the best way to move quickly. In the long run, much will depend on trust in the

market and the potential financial gain for participating. Incentives must be made attractive to farmers, and the benefits to farmers must be tangible.

USDA should also consider "bonus" incentives for farmers who move quickly into adopting these practices or enrolling in industry sustainability initiatives such as the U.S. Cotton Trust Protocol.