

Farm Groups Divided Over Climate Change Legislation

From Denial To Recommended Revisions, Agriculture Is All Across The Board



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If you are worried about all of the day-to-day tasks of getting a crop in the ground, taking care of your livestock and making sure that your lenders are getting paid on time, climate change legislation is probably the furthest thing from your mind.

But like it or not, you probably need to add terms like cap and trade, offsets and emission allowances to your vocabulary. Understanding these terms will probably have more to do with your long-term profitability than which variety to plant or whether or not you culled the right cow.

That's because, believe it or not or like it or not, climate change legislation is moving through the House of Representatives like a steamroller, driven by Speaker of the House Nancy Pelosi and Energy and Commerce Committee Chairman Henry Waxman. The two California Democrats want to demonstrate to the world that they can address global warming, even though they had to cut so many side deals with members from coal and oil producing states that the legislation is a far cry from their original visions.

Although the far-reaching climate change bill is still likely to be amended several times before it arrives on the House floor for a vote, Democrats on the House Energy and Commerce Committee recently passed the American Clean Energy and Security Act of 2009. The measure was approved by a vote of 33-25 with all but four Democrats voting for the measure. Democrats voting against the measure were Rep. John Barrow (GA), Charles Melancon (LA), Jim Matheson (UT), and Mike Ross (AR). The one Republican voting for the bill was Mary Bono-Mack (CA). Nathan Deal (R-GA) was absent for the final vote.

In what has become typical fashion this year, Waxman released the whopping 932-page bill, (H.R. 2454) on a Friday with a pledge to start marking it up on Monday – providing little time to comprehend the entire measure. Agricultural groups quickly reviewed the bill and found it lacking in any specific role for agriculture.

Ag should play a role?

So is that good news? Many think that agriculture should be a prominent player in any type of climate change legislation because so many agricultural and forestry practices can sequester carbon and be a big part of the solution. According to the USDA, agriculture and forestry have the potential to reduce 15-25 percent of U.S. greenhouse gas emissions and provide new revenue streams for farmers and foresters in the process.

In a recent letter to Waxman, National Farmers Union President Roger Johnson called for the Energy and Commerce Committee to establish a “robust and flexible” offset program and to make sure that agriculture is not subject to an emissions cap. In addition, NFU called for the inclusion of several key provisions, including:

- The USDA is granted control and administration of the agriculture offset program;
- Early actors are recognized;
- No artificial cap is placed on domestic offsets;
- Carbon sequestration rates are based on science; and
- Producers are permitted to stack environmental benefit credits.

Earlier this year, NFU was one of 12 agricul-

tural groups that signed off on a list of “principles” for greenhouse gas legislation – The American Farmland Trust, American Soybean Association, National Association of Wheat Growers, National Cattlemen's Beef Association, National Corn Growers Association, National Farmers Union and National Milk Producers Federation, National Association of Conservation Districts, National Council of Farmer Cooperatives, National Farmers Union, Public Lands Council, United Fresh Produce Association, and the Western Growers Association. An updated fact sheet on those principles is available here: http://www.wheatworld.org/user-files/file/Climate%20Response_ALL_4%2021%2009.pdf

But after Waxman started pushing hard to move legislation without incorporating agriculture, some of those same groups opposed to the bill.

Can't support without changes

The National Corn Growers Association (NCGA) sent a letter to Congressman Waxman, expressing its concern with the current version and outlining the potential for negative economic impacts to the agriculture sector if a cap-and-trade system is not structured properly.

“After reviewing the legislation, we can see the bill does not clearly provide for a mechanism by which corn growers can sell carbon credits on the market,” NCGA President Bob Dickey said. “We strongly believe the bill will increase input costs without specific opportunities to offset those additions. We cannot support the American Clean Energy and Security Act in absence of the provisions that we have explained in some length to the Committee.”

American Farm Bureau Federation President Bob Stallman struck an even harsher tone in releasing a statement on its opposition to the bill.

“The (bill) is laden with so many policy prescriptions that its impact on the U.S. is almost impossible to measure and evaluate,” Stallman said. “We can be certain of some things, however – it will increase our operating costs and reduce our competitiveness abroad.”

According to Stallman, the measure does not adequately provide for alternative sources of energy that will “plug the hole” created when fossil fuel costs escalate dramatically. Farm Bureau is also concerned about the potential impact on fertilizer prices, given their sensitivity to natural gas costs.

“The bill would effectively lock the United States into these changes regardless of what is done by other countries, such as China and India,” Stallman said. “Such an approach is little more than gambling with U.S. jobs and productivity. Taken as a whole, the bill falls far short of what is necessary for agriculture to survive and grow.”

So the battle lines are drawn. We know that some groups are working hard to have “a seat at the table” in order to influence whatever comes out of Waxman's committee, while others are working feverishly to stop the legislation altogether. The Agriculture Committee will likely have a chance to review the bill, but it's still unclear how much of a chance those members will have to modify the bill.

The “kill job” could happen in the Senate, where rural states have much higher representation. But the biggest wild card is that the Environmental Protection Agency (EPA) might attempt to lower greenhouse gas emissions through regulations if no legislation is adopted.

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