

June 6, 2008

The Honorable Mike Crapo  
United States Senate  
Washington D.C. 20510

Dear Senator Crapo:

As agricultural organizations, we write to thank you for your efforts to ensure agriculture will play a significant role in addressing climate change through a voluntary, non-regulatory framework of sequestering carbon on agricultural lands, as well as capturing greenhouse gas (GHG) emissions from stored manure facilities and through maximizing the use of manure as a renewable energy source in crop production. Specifically, we wish to commend your efforts in developing the Stabenow-Crapo offsets amendment, cosponsored by Senators Brownback, Salazar, Dole, Johnson and Conrad, to Chairman Boxer's substitute to *S. 3036, Lieberman-Warner Climate Security Act of 2008*.

Agriculture and forestry can play an important role in helping the U.S. address climate change, but the extent of the economic and environmental benefits that society and agriculture will enjoy, and that the cap-and-trade system can produce, will hinge upon the legislative details of the policy and how these valuable agricultural and forestry offsets are managed.

On May 6, 2008, many of us wrote to Chairman Boxer and Ranking Member Inhofe highlighting several issues that agriculture and forestry felt would improve GHG cap and trade legislation being considered on the Senate floor. These issues included giving the United States Department of Agriculture (USDA) clear authority to implement the agricultural offset program, eliminating the artificial cap on the use of domestic offset allowances, ensuring legislation does not unfairly undermine the full value of agricultural offset activities, empowering USDA to develop effective modeling tools to measure carbon sequestration on farms, recognizing early actors who have already undertaken GHG emission reduction activities, and ensuring that projects in GHG offset markets are not excluded from also participating in other environmental services markets.

We are grateful that you and your staff worked with us to craft an amendment that sought to address these matters in a constructive manner while also correcting several additional issues that were raised by Chairman Boxer's substitute amendment.

Specifically, we appreciate that your amendment:

- acknowledges USDA's institutional resources and technical expertise by giving USDA clear authority over an agricultural and forestry offset program and the emission allowance program; this is essential to a functioning, appropriate program;
- changes the cap on domestic offsets; EPA has indicated that the cap is low enough in this bill that unlimited offsets would provide cost-containment while still driving technological innovation;

- clearly states in law an initial list of eligible project types, to provide certainty;
- makes clear that early actors in the agriculture and forestry sectors can receive early action credits;
- eliminates the restriction that offset projects not receive support from any other government incentive, subsidy or mandate as contemplated in the Committee-passed version, since this restriction would dampen participation in either GHG emissions reductions activities, or conservation programs, or both;
- provides a fair and scientifically based methodology for valuing and verifying agricultural offset credits; and
- restores the 5 percent set aside for allowances for agriculture and forestry as included in the Committee-passed version.

Agriculture and forestry can offset a significant percentage of annual U.S. greenhouse gas emissions while providing valuable environmental benefits to society if policies are enacted to enable and promote these reductions without unduly burdensome and onerous requirements. Scientists have indicated that we do not have the luxury of taking any emissions reductions technologies off the table in considering climate change legislation. Agricultural sequestration and emissions reductions technologies are widely available now, across the U.S. landscape, at net cost-savings to society, and provide additional environmental benefits to all. No other offsets offer these benefits.

We commend your efforts to help craft an outcome that benefits society and our sector in a responsible way, and look forward to continuing to work with you to address these important matters in the future.

Sincerely,

American Farm Bureau Federation  
American Soybean Association  
John Deere  
National Association of Conservation Districts  
National Association of Wheat Growers  
National Barley Growers Association  
National Cattlemen's Beef Association  
National Corn Growers Association  
National Council of Farmers Cooperatives  
National Farmers Union  
National Milk Producers Federation  
National Pork Producers Council

cc: The Honorable Harry Reid  
The Honorable Mitch McConnell  
The Honorable Barbara Boxer  
The Honorable James Inhofe  
The Honorable Joe Lieberman  
The Honorable John Warner