

**TESTIMONY OF WILL ROEHM, VICE PRESIDENT, MONTANA
GRAIN GROWERS ASSOCIATION**

Before the

**SUBCOMMITTEE ON PRIVATE SECTOR AND CONSUMER
SOLUTIONS TO GLOBAL WARMING AND WILDLIFE
PROTECTION
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC
WORKS**

October 24, 2007

Mr. Chairman, Ranking Member Warner and Members of the Committee:

My name is Will Roehm, I am Vice President of the Montana Grain Growers Association and a third generation wheat farmer from Great Falls Montana with my crop selection focusing primarily on winter wheat.

On behalf of the National Association of Wheat Growers and the agricultural sector generally, I would like to commend you Chairman Lieberman and Senator Warner for developing legislation to control greenhouse gas emissions that recognizes the important role that agriculture can play in capturing and storing greenhouse gasses.

I believe your proposed legislation takes an important first step in providing the necessary infrastructure for agriculture to be recognized for the immediate, cost effective and real greenhouse reductions and offsets our industry can provide. The American farmer has long been a careful steward of the land and the environment and contributing to the reduction of environmentally harmful levels of greenhouse gasses is a logical extension of what we see as our stewardship responsibilities.

I can state today that the National Association of Wheat Growers intends to actively support your efforts and we look forward to working with you and your staff as the process moves forward.

There are many critics of US farm programs, and while we believe many of these criticisms are not well founded and a strong farm safety net program is essential to maintaining our ability to stay on and work the land, we are also constantly seeking out entrepreneurial value-added opportunities.

A robust, uninhibited offset market presents just such an opportunity. The carbon offset program should generate real, measurable and verifiable emissions reductions or offsets but should not limit the market's ability to utilize this important tool to reduce greenhouse gas emissions. To that end, one significant improvement to your legislation would be to remove the 15% limit that would be applied to the offset market.

I understand there are some critics who believe agriculture offsets should not be allowed because they are unreliable or difficult to verify.

The National Association of Wheat Growers (NAWG) Board of Directors three weeks ago unanimously voted to move forward with a business plan that would establish NAWG as a carbon aggregator. I was a member of our Environment and Renewable Resource policy committee that likewise voted unanimously to make this recommendation to our Board. A report commissioned to provide direction on moving forward with this endeavor noted "Thus, one of the key differences moving into a mandatory system, will be the need – in fact the demand by buyers, to have projects that are able to pass measurement and verification tests."

In moving forward in our role as a potential aggregator, we intend to follow the measurement, verification and monitoring requirements set forth in the field manual put out by Duke University Press titled "Harnessing Farms and Forests in the Low Carbon Economy.", commonly called the "Duke Standard". The scientific consensus that supports this work should provide answers to those critics that claim agricultural offsets are unreliable.

And the potential for agricultural offsets in the US is enormous. The Pew Center for Global Climate Change reported that agricultural soils currently sequester approximately 20 million metric tons (MMTC) of carbon per year. Based on research in the field, there is the potential for soils to sequester 60 to 200 MMTC/yr *more* under soil conservation practices providing 12 to 40% of the reduction that would be needed for the US to return expected 2010 greenhouse gas emissions to 1990 levels.

The potential value for producers is also significant. In my state of Montana, if one were to assume .45 MMT per acre @ \$15/ton and further assume a limited enrollment of 10% of eligible producers we would realize a significant market of \$3.5 million annually. If half the state wheat acres are enrolled at that price, the income would be an estimated \$18 million. This is

not an unreasonable expectation since the report notes that 93% of Montana Grain Growers surveyed expressed an interest in aggregating their carbon tons with NAWG.

At the national level, using the same assumptions as above the market is valued at \$408 million just for wheat alone. Keep in mind that the practices that create the carbon crop also increase soil fertility, water quality and wildlife habitat.

It is apparent why agriculture should support, and actively pursue, as open and unrestricted greenhouse gas cap and trade market as possible. To that end, I would like to offer the following policy recommendations:

- Provide adjustment funds to help defray the cost of measurement, monitoring and verification.
- Encourage USDA to establish standardized measurement, monitoring and verification protocols to determine changes in soil carbon for market-based applications;
- Avoid policy that forces agriculture and forestry offsets to compete for limited market pools. Create markets that are large enough for all verifiable and measurable offsets to come to the market.
- Remove any artificial limits on the potential carbon offset market. The carbon offset market should be unlimited.
- Oppose any artificial price cap on carbon. This would have the effect of capping the price for carbon credits as well and drive away buyers who would treat the price cap as a carbon tax rather than offsetting or reducing emissions.
- Support dramatic and immediate expansion of agriculture greenhouse gas mitigation research. Expanding the carbon “crop” to its full potential will mean more research on various practices and crops that store carbon more efficiently and knowledge about how best to model and measure carbon gains in a cost efficient manner.

I hope that you will support agricultural offset policies that not only allow us to help solve pressing national problems, but also generate new revenue streams for agriculture. I strongly believe that a market-based system that treats carbon as a commodity would spur new technologies and generate significant revenue for agricultural practices that sequester carbon. However, a key to our ability to fully participate in this new market – which would be

one of the five largest agricultural commodities in the United States – are policies that do not limit our ability to participate or cap prices.

In closing Mr. Chairman, I want to again return to the idea that we see our contribution to help reduce greenhouse gas levels as part of an ongoing stewardship responsibility practiced by US agriculture. That responsibility was best summed up by one of the great conservation President's of the 20th century, Theodore Roosevelt who in 1910 observed:

“I ask nothing of this nation except that it so behave as each farmer here behaves with reference to his own children. That farmer is a poor creature who skins the land and leaves it worthless to his children. The farmer is a good farmer who, having enabled the land to support himself and to provide for the education of his children, leaves it to them a little better than he found it himself. I believe the same thing of a nation.”

I urge you to adopt policies that create opportunities for us to leave the land a little better than we found it ourselves. Thank you for your consideration.