April 29, 2021

U.S. Department of Agriculture
1400 Independence Ave. SW
Washington, DC 20250

Re: Docket Number USDA-2021-0003

Dear Secretary Vilsack,

The Campaign for Family Farms and the Environment (CFFE) appreciates the opportunity to comment on the USDA's "Request for Public Comment on the Executive Order on Tackling the Climate Crisis at Home and Abroad" (Docket USDA-2021-0003).

CFFE is a coalition of state and national organizations, including Dakota Rural Action, Iowa Citizens for Community Improvement, Land Stewardship Project, Missouri Rural Crisis Center, Food & Water Watch and Institute for Agriculture and Trade Policy. Our organizations work together as CFFE to change policies that promote consolidation in animal agriculture at the expense of independent family farms. There is a decades-long trend in U.S. agriculture of consolidation that has driven small operations out of business, with those operations that remain growing larger. This is true in every sector of U.S. agriculture but is particularly severe in food animal production.

We are happy to see the USDA finally address the critical issue of climate change and acknowledge that policy changes are needed. Attention from USDA to how agriculture contributes to climate change and how agriculture will need to adapt to climate change is long overdue.

Below we offer comments in response to some of the specific questions the USDA posed. First, we also want to provide some larger principles that should guide USDA's approach to climate policy:

- A family-farm centered system, with more farmers on the land, is best suited to revitalize rural communities, produce a healthy and sustainable food supply and respond to climate change. Farmers will be essential to responding to climate change, particularly through a greater emphasis on building soil health – including through longer rotations, more perennial crops, the use of cover crops, and more sustainably managed grazing systems. A transition toward greater adoption of these systems must support farmers economically.

- Climate change is a serious challenge that requires a dramatic response. This crisis demands more than highly speculative market-based schemes that will allow polluters to keep polluting and let agribusiness pay farmers less for their crops and livestock. A serious plan to address agriculture and climate change must focus on how to create the economic conditions necessary for a diverse set of independent, family-scale operations to use the

best environmental practices possible while remaining economically viable. USDA's climate policy should have an explicit goal of increasing not just the overall yield of the U.S. farm system, but also the number of U.S. farms.

- Our current agriculture system is a result of intentional policy choices, lack of market competition enforcement that has concentrated agribusiness' market power, unfair trade agreements, regulatory enforcement failure and marketing deception and secrecy that separates farmers from consumers. A plan to meaningfully address climate and agriculture must address these structural issues, not just attempt minor improvements in environmental performance in a highly consolidated, industrialized system.

- USDA's plan must be holistic and consider more than just carbon in soil. Focusing only on one metric is a mistake. Economic viability and resilience for all farms and all farmers – no matter where farms are located, what they produce or who operates or owns them – must be the foundation of any USDA plan.

- The current system for raising food animals is part of the climate problem, not a solution. The decades-long trend of consolidation has transformed the livestock sector into a system dominated by large confinement operations that are tightly linked with a small number of extremely large slaughter and processing facilities. Factory farms require huge quantities of feed, water, chemical inputs and energy and manage manure in a way that drives greenhouse gas emissions. Investing even more public resources into this system will not address climate change. Instead, we need UDSA's climate plan to prioritize a dramatic transition in how we raise animals for food that is centered on independent family farms and sustainable managed grazing systems.

- Decades of corporate-controlled markets and policies have driven persistent overproduction which lowers prices paid to farmers. We need a more decentralized and functional marketplace where farmers and workers are paid fairly, consumers pay a fair price, our rural communities are supported and our environment is protected. USDA must include action to ensure competitive markets in any climate policy.

1. *Climate-Smart Agriculture and Forestry*

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 must not build its climate plan on a foundation of market-based solutions that only encourage good practices if they can be converted to a new revenue stream. A system focused on payments for carbon (either through private market programs or a USDA-run carbon bank) is inappropriate for a number of reasons, which we elaborate on below. Instead, the USDA should consider the multiple benefits of practices that are good for the climate, including increased resilience to extreme

weather, reduced input use, protecting water quality, and long-term economic viability of farm operations. Allowing certain practices or a small number of hard-to-verify metrics like soil carbon to be monetized ignores these other benefits and will likely leave behind many farms that are unable to successfully manage the risk and complexity of carbon payment programs. A better framework to harness these multiple benefits is to expand and improve USDA's conservation programs to support farms using practices that are beneficial to soil health and the environment. Improvements to existing conservation programs could make them work for more farms and offer more reliable results than experimenting with market-based schemes like carbon payments.

A focus on turning practices that are better for the environment into a new revenue stream for farms ignores the long history of declining farmgate prices that drive overproduction and contribute to climate change. Rather than trying to make up for low prices paid to farmers in consolidated, uncompetitive markets with speculative schemes like carbon payments, USDA should revise existing conservation programs to prioritize climate-friendly practices, dramatically increase enrollment and provide more technical assistance. And rather than forcing farmers to try to navigate yet another potential source of supplemental revenue to try to keep their operations afloat, USDA should include in its climate plan a commitment to making sure agriculture markets function well enough for farmers to get a fair price for the actual crops or livestock they produce. Farmers don't need help from USDA to figure out a side-hustle to supplement the low prices they get for their crops and livestock. They need help from USDA to make sure that they can get a fair price for what they produce in the first place, a price that covers good environmental practices on the farm.

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

<u>Improve and Expand Conservation Programs</u>

Public money should be invested in programs to support good practices and ensure good markets for crops and livestock, not a volatile, impermanent carbon payment system. A good way to do this is to improve and expand existing conservation programs by:

- Investing in the transition toward regenerative agriculture through the Conservation Reserve Program, Conservation Stewardship Program, and the Environmental Quality Incentives Program (EQIP).

- Revising conservation programs like EQIP to prioritize practices that provide real climate benefits, like longer crop rotations and pastured livestock, and to remove support for manure management infrastructure for large confinement operations, including anaerobic digesters.

Additionally, other USDA programs that can assist farms with improving their environmental practices, such as the Rural Energy for America Program (REAP), need to be revised to end support

for factory farm gas ("biogas" or "renewable natural gas" derived from manure) projects. REAP should not be a source of financing for expensive, outdated technology like anaerobic digestion or other gas-burning infrastructure. Instead, REAP should prioritize truly renewable energy sources such as solar and wind. USDA should also stop promoting anaerobic digesters through the AgSTAR partnership with the Environmental Protection Agency.

We also refer you to comments from the Rural Coalition that include specific suggestions for outreach to HBCU, tribal and other agriculture institutions serving socially disadvantaged farming communities, as well as ideas for the Natural Resources Conservation Service (NRCS) to better address traditional, indigenous and regional agricultural practices in USDA conservation programs.

End USDA Support for Factory Farms

There are additional ways that current USDA programs expand and prop up the industrial livestock system, to the disadvantage of independent family-scale producers, that should be addressed in a USDA climate plan. The USDA should:

- Stop the practice of allowing USDA guaranteed loans to finance new or expanding CAFO operations.

- Stop using USDA commodity purchase programs to buy excess meat production from multinational corporate meatpackers.

- Pause the department's current effort to revise the regulatory regime for genetically engineered animals. Climate change should not be an excuse for approving an unnecessary, unproven technology that will prop up the climate-damaging confinement livestock production system. A better framework would emphasize a precautionary approach that evaluates not just the risk for plant and animal pests, but also the economic and environmental impacts of adoption of these technologies, including intellectual property practice impacts on industry structure, environmental impacts of increased use of affiliated herbicides or intensification of confinement production of livestock due to the adoption of GE technology.

Address Extreme Consolidation in Agriculture Markets

Decades of unchecked mergers and lack of enforcement to curtail anticompetitive behavior in agriculture markets have led to extreme levels of consolidation and concentration in every sector of the food system, especially meat, poultry and dairy. For the transition to climate-friendly livestock production to succeed, producers using better practices must be able to access markets that are competitive enough to provide a fair price. USDA must address agricultural markets as part of its plan to address climate change by:

- Immediately reinstating the Grain Inspection Packers and Stockyards Administration (GIPSA) as a stand-alone agency within USDA. While this is an urgent first step, simply restoring

GIPSA is not sufficient to address what is wrong in livestock markets. A restored GIPSA must also act to enforce and improve regulations on meat and poultry companies' conduct.

- Immediately withdrawing the 2020 version of the Farmer Fair Practices Rules. Use the 2016 version of the Farmer Fair Practices Rules as the starting point for a new rulemaking process (based on the 2008 Farm Bill).

- Closing loopholes in the regulations for *voluntary* country of origin labels to require that meat displaying a U.S. label actually comes from animals that were born, raised and slaughtered in the U.S. and working with Congress to reinstate *mandatory* country of origin labeling for meat and expand it to include dairy products.

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

USDA should spend public money on programs that work for all types of farms, not buy into the hype around carbon markets that benefit big agribusiness and let polluters off the hook for their emissions. Agriculture markets already don't work for most farmers—they don't pay farmers fairly and are tightly controlled by a handful of big companies that dominate the market. We don't need to repeat those mistakes in responding to the climate crisis. USDA should support good practices, not create or facilitate carbon markets that leave out small farms and create one more financial favor for the largest farms.

In addition to the ideas listed in response to question 1, for the livestock sector, USDA should also include in its climate plan policies that would:

- Stop the construction of new or expanding large CAFOs, and develop a plan to phase-out of existing large CAFOs by 2040

- Establish a program and provide funding for a voluntary buyout program to enable existing factory farm owners to pay down debt and/or transition to alternative agricultural systems on their land (such as pasture-based livestock or specialty crops).

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?

We refer you to the substantive comments submitted by the Rural Coalition that include suggestions for specific organizations, communities and institutions the USDA should collaborate with to ensure that climate policy will work for as many farms and farmers as possible. They also suggested that the USDA set up a process for socially disadvantaged farmers to review USDA programs to evaluate equity concerns.

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

USDA should not spend public resources creating, supporting or facilitating carbon markets. We refer you to detailed comments submitted by two of our members, Institute for Agriculture and Trade Policy and Food & Water Watch, which offer concrete evidence of why carbon markets are a false solution to climate change. Briefly, we have the following concerns about carbon markets, whether private or USDA-run:

- Measurement techniques for soil carbon sequestration are inconsistent at best and could be burdensome for farms wishing to participate in these markets, potentially wiping out any possible financial return. This verification challenge also makes carbon markets very vulnerable to fraud.

- Carbon sequestered in soil fluctuates and may be short-lived. It is also not clear how carbon markets can fairly compensate early adopters who may have sequestered significant amounts of carbon before the establishment of the payment program but are not able to show additional sequestration moving forward.

- Previous attempts at cap and trade programs have failed to meaningfully reduce emissions but do allow local pollution burdens in frontline communities to continue or even increase as polluting companies buy credits to continue their emissions. This is not a realistic or ethical way to tackle the problem of climate change.

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

USDA support for tools, research and data collection must be focused on programs that benefit the most farms possible and that make information or new products publicly available. Instead of devoting agency resources to facilitating the use of controversial and unproven technologies like genetically engineered animals, feed additives, or manure-derived biogas to address the emissions from concentrating huge amounts of animals and their manure on large confinement operations, the USDA should instead prioritize research into advancing climate-smart practices for family farm-based regional food systems that prioritize soil health, pasture-based livestock production, and lower-input systems. Research supported with public money should also prioritize publicly available seeds and breeds that address the needs of producers in different regions of the country as they adapt to more extreme growing conditions.

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

As stated above, we do not believe that USDA should use public resources to create or facilitate carbon payment programs. But if these programs continue to proliferate, USDA could focus its efforts to help farmers navigate these markets with resources that help farmers evaluate contracts that are required for participation. USDA should also explore options for regulating potentially abusive contract terms in carbon payment programs, such as non-disclosure provisions or mandatory arbitration requirements.

2. *Biofuels, Wood and Other Bioproducts, and Renewable Energy*

C. How can USDA support adoption and production of other renewable energy technologies in rural America, such as renewable natural gas from livestock, biomass power, solar, and wind?

USDA should not use public resources to finance, promote or otherwise support so-called renewable natural gas or biogas from livestock or any infrastructure to continue generating power by burning natural gas, no matter its source. This means that the priorities for REAP and EQIP must change to exclude anaerobic digesters, gas infrastructure and other manure management infrastructure for large-scale confinement livestock operations and instead prioritize true renewable energy sources like solar and wind.

4. Environmental Justice and Disadvantaged Communities

A. How can USDA ensure that programs, funding and financing capacities, and other authorities used to advance climate-smart agriculture and forestry practices are available to all landowners, producers, and communities?

C. How can USDA ensure that programs, funding and financing capabilities, and other authorities related to climate-smart agriculture and forestry practices are implemented equitably?

USDA has a long and troubled history of failing to serve all landowners, producers, and communities equitably. The USDA has recently acknowledged the serious deficiencies in one recent initiative, the Coronavirus Food Assistance Program, with tremendous disparity in how direct payments were distributed to farms. But this problem is not new and it is not isolated to the CFAP program – this is a pattern has been repeated for decades in USDA programs of all kinds.

Therefore, it is critical that any new programs focused on climate change, or expansions of existing programs, do not just rely on the same methods USDA has always used for sign-up, outreach or technical assistance. There are small, beginning, and socially disadvantaged farmers who are not familiar with or not comfortable going into county FSA offices. Basing outreach efforts only on contacting those already in the FSA system or relying solely on online outreach will limit who knows

about new programs. USDA should partner with community-based organizations to develop new practices for setting up programs that will work for their communities.

Additionally, USDA must overhaul its civil rights processes and commit new resources to making sure there is a reasonable path for farmers to pursue a timely remedy when they experience discrimination in trying to access USDA services. We refer you to the more detailed comments submitted by the Rural Coalition on these issues, as well as their suggestion for how USDA can involve socially disadvantaged farmers, tribal governments and other advocates in a systematic review of USDA's programs.

Access to affordable land is a critical barrier to many people who wish to start farming, as well as a barrier to many farmers in making long-term investments in practices that can build healthy soil and address climate change. Short-term rentals don't allow farmers to invest in the long-term practices necessary for truly climate-friendly agriculture. USDA must finalize and implement new regulations to address heirs property issues and finish its overdue study on land tenure as part of its climate plan.

Additionally, when designing new climate programs, USDA needs to expand the list of impacts it considers beyond just the traditional assessments of costs and benefits to ask:

- Will this program be not just available, but feasible, for all types of farms (considering region of country, types of crops or livestock produced, ownership models, scale) and farmers?

- What impact will the policy have on land tenure?

- What impact will the policy have on farmgate prices for crops and livestock? Are climate programs creating a competitive advantage for some operations that can then sell their crops or livestock for lower prices?

- What impact will the policy have on economic viability of independent, family-scale farms?

- What impact will the policy have on markets – will it drive further consolidation or vertical integration? USDA policy evaluation should no longer ignore the impact new policies will have on consolidation and the structure of the farm system.

We appreciate the opportunity to comment on this critical subject and USDA's priorities. If you have questions or need more information, please contact Patty Lovera at pattylovera20@gmail.com.

Sincerely,

Campaign for Family Farms and the Environment