

**STATEMENT OF THOMAS VILSACK  
SECRETARY OF AGRICULTURE  
BEFORE THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE**

**JULY 7, 2009**

Madam Chairman and members of the Committee thank you for the opportunity to discuss the role of agriculture and forestry in addressing climate change and in building our Nation's renewable energy capabilities. I am pleased to be joined today by Secretaries Chu and Salazar and Administrator Jackson. USDA, the Department of Energy, and the Environmental Protection Agency maintain a close partnership in our work on climate change and renewable energy.

Climate change is one of the great challenges facing the United States and the world. The science is clear that the planet is already warming. While climate change will affect us all, there are particular vulnerabilities and challenges for farmers, ranchers, and those who make a living off the land. I would like to commend the House for its extraordinary efforts in developing historic, comprehensive energy and climate legislation that creates the framework for U.S. leadership on climate change. I, along with Secretary Chu, Administrator Jackson, and the Administration look forward to working with the Senate as you begin your deliberations. Our hope is that Congress enacts a bill that meets the President's objectives of creating an efficient, cost-effective, and comprehensive approach that leverages the Nation's capacity for innovation, creates jobs, reduces dependence on foreign oil, and protects our children from ills associated with pollution.

I believe it is crucial that we engage the participation of farmers, ranchers, and forest landowners. This issue is too important for agriculture and forestry to sit on the sidelines. A viable carbon offsets market – one that rewards farmers, ranchers, and forest landowners for stewardship activities – has the potential to play a very important role in helping America wean itself from foreign oil. It also represents a significant building block to revitalizing rural America. Landowners can also play an important role in providing low-carbon renewable energy.

The potential of our working lands to generate greenhouse gas reductions is significant. In fact today, our lands are a net sink of greenhouse gases. Based on the latest statistics from EPA's Inventory of U.S. Greenhouse Gas Emissions and Sinks, forest and agricultural lands in the U.S. take up more greenhouse gases in the form of carbon dioxide than is released from all of our agricultural operations<sup>1</sup>. The situation is different in developing countries, where agriculture and deforestation play a much greater role in emissions. In aggregate, land uses are responsible for over one-third of global greenhouse gas emissions. It is difficult to see how greenhouse gas concentrations in the atmosphere can be stabilized without policies that target emissions and carbon sequestration on agricultural and forestlands. As a result, it is vital that America demonstrate how the inclusion of agriculture and forests in our domestic approach to climate change can produce real and lasting benefits to both landowners and the climate.

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<sup>1</sup> Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990 \* 2007. U.S. Environmental Protection Agency, 2009. EPA 430-R-09-004. Pages ES-4-6

Under climate change legislation the farm sector will experience both costs and benefits. Energy price increases can impact row crop production and other agricultural activities. For example, fertilizer and fuel costs account for 50 to 60 percent of variable costs of production for corn. Because of higher personal transportation expenditures, rural households are more likely than urban households to feel the pinch of increased gas prices.

But, I believe that there are significant opportunities for rural landowners in a cap and trade program that recognizes the contribution that farms, ranches, and forests can make in addressing climate change. Rural landowners can benefit from incentives in climate and energy legislation that reward production of renewable energy such as wind and bioenergy. A number of renewable energy technologies such as anaerobic digesters, geothermal, and wind power can reduce farmers' reliance on fossil fuels. In cooperation with the Department of Energy, USDA will contribute to promoting these technologies and our outreach and extension networks will need to help make them available to farmers, ranchers, and land managers.

These technologies and promotion of a clean energy economy will also stimulate the creation of new jobs. As farmers, ranchers, and land managers look to install an anaerobic digester or build a wind farm – people will be needed to build the machines and install the systems. And, because many of these technologies will be utilized in rural areas – many of these jobs could be created in rural America. These farmers, ranchers,

and forest owners can also benefit from legislation that creates markets for greenhouse gas offset credits.

To be effective in addressing climate change, the offsets market will need to accomplish two goals. First, the market will need to recognize the scale of the changes needed and the infrastructure that will be required to deliver information, manage data and resources, and maintain records and registries. Second, ensuring the environmental integrity of agricultural and forest offsets is critical to addressing climate change and maintaining public confidence in the carbon offset program.

To produce meaningful emissions reductions, an offsets program will likely require the participation of thousands of landowners. I believe USDA, working with EPA, the Department of Energy, the Department of Interior, and other relevant agencies can play a very important role in getting offsets to scale while ensuring the integrity of the offsets program. We look forward to partnering with our fellow agencies to work with the Senate in designing a credible offsets program.

Let me give you a few examples of the scale of activities that USDA provides nationwide. Under the Conservation Reserve Program, USDA manages over 750,000 contracts with landowners who have taken environmentally sensitive land out of production for at least 10 years. USDA's Natural Resources Conservation Service (NRCS) manages a network of over 1,300 registered technical service providers nationwide.

- The Climate Change Program Office, within the Office of the Chief Economist, conducts research on technical guidelines for quantifying the greenhouse gas benefits of conservation and land management activities. In doing this research, the Office works closely with our Office of Ecosystems Service Markets, NRCS, and the Forest Service, as well as other federal agencies.
- NRCS, Farm Service Agency (FSA), and the Forest Service have significant expertise in integrating greenhouse gas considerations into our conservation programs and landowner outreach;
- NRCS and our Extension System also educate farmers, ranchers, and rural landowners on how to improve energy and fertilizer use efficiency;
- State and Private Forestry provide rural landowners with the information they need to improve forest management;

It is important that agriculture and forestry offsets have high standards of environmental integrity. Quantification and reporting systems need to be rigorous, verifiable, and transparent – and review and auditing systems will need to be in place. Uncertainties must be accounted for and reduced. Greenhouse gas benefits accrued through carbon sequestration will need to be monitored over time to ensure that the benefits are maintained and that reversals are accounted for if they occur. If these principles are followed, the resulting offsets should be real, additional, verifiable, and lasting.

USDA can support this effort through its scientific expertise, and technical capabilities, specific to greenhouse gases, carbon sequestration, and offsets. For example, in 2006, USDA released guidance to farm and forest landowners to allow them to estimate their greenhouse gas footprints. We are developing user-friendly tools that can help farmers and landowners make these calculations.

I would like to close by again thanking the Committee for taking up this important issue for agriculture, rural lands, and the environment. I believe that agriculture and forestry can play a vital role in addressing climate change and that, if done properly, there are significant opportunities for landowners to profit from doing right by the environment. USDA is ready to help make this happen.