

2021 POLICY GUIDES

Climate/Carbon Markets

Climate/carbon markets and the ability for farmers and ranchers to earn additional revenue selling credits remain a hot topic within the agricultural community. At the same time, private companies, along with state and federal lawmakers, are continuing to work to shape this debate. Proposed policies, programs and private market initiatives have impacts and opportunities across numerous industries, from agriculture to transportation.

Voluntary markets where farmers are paid to sequester carbon or provide other ecosystem services (water quality improvements, pollinator habitat, etc.) could mean additional revenue streams for farmers, but should be evaluated in the context of individual farms. They are constantly evolving, and few regulations exist in the space.

Current AFBF policy focuses on the private marketplace rather than regulation. American Farm Bureau helped create the Food and Agriculture Climate Alliance (FACA), a group of agriculture and environmental organizations which developed more than 40 policy recommendations based on three principles: agricultural and forestry climate policies must be built upon voluntary, incentive-based programs and market-driven opportunities; they must promote resilience and adaptation in rural communities; and they must be science-based. These recommendations share an overarching goal to do no harm.

NEFB and AFBF policy also helped develop and support the Growing Climate Solutions Act, a bipartisan piece of climate legislation that recently passed the Senate with the support of Nebraska Sens. Deb Fischer and Ben Sasse. The bill establishes a process through which USDA will be able to provide transparency, legitimacy, and informal endorsements of third-party verifiers and technical service providers that help private landowners generate carbon credits. Through the program, USDA will help connect landowners to private sector actors who can assist the landowners in implementing the protocols and monetizing the climate value of their sustainable practices. Third-party entities, certified under the program, will be able to claim the status of a “USDA Certified” technical assistance provider or verifier. The USDA certification lowers barriers to entry in the credit markets by reducing confusion and improving information for farmers looking to implement practices that capture carbon, reduce emissions, improve soil health and make operations more sustainable. The bill also instructs USDA to produce a report to Congress to advise about the further development of this policy area. In the House of Representatives, Nebraska’s 2nd District Congressman, Don Bacon, is the chief Republican sponsor of the legislation.

Questions to Consider

1. How do we ensure farmers remain at the table to provide input for any climate change or sustainability discussions happening at the state or federal level?
2. What meaningful, constructive policies and programs are needed to guarantee farmers get the credit they deserve for work already completed through conservation practices and when participating in voluntary ecosystem service programs (carbon sequestration, water quality, etc.), and to avoid unnecessary regulation?
3. How could voluntary programs (whether through the private market or USDA) be better configured to incentivize farmers to participate?

Current AFBF Policy

503 / Climate Change Pages 170-171

Comment/Question