National Association of Conservation Districts

Testimony of
Earl Garber
On behalf of the
National Association of Conservation Districts
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Hearing on
Climate Change Legislation
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Good Afternoon. I am Earl Garber, Second Vice President and Legislative Committee Chair for the National Association of Conservation Districts (NACD). I own a rice, soybean and hay farming operation in Basile, Louisiana and work as a crop consultant for G&H Seed Co. I have served as a supervisor of the Acadia Soil and Water Conservation District in southwest Louisiana since 1981. I am pleased to be here today to discuss climate change legislation and the work of several conservation districts across the country that serve as verifiers of carbon credit contracts.

Across the United States, nearly 3000 conservation districts are helping local people to conserve land, water, forests, wildlife and related natural resources. We share a single mission: to coordinate assistance from all available sources -- public and private, local, state and federal -- in an effort to develop locally driven solutions to natural resource concerns. More than 17,000 officials serve in elected or appointed positions on conservation districts' governing boards. Working directly with more than 2.3 million cooperating land managers and local communities nationwide, their efforts touch more than 778 million acres of private land. We support voluntary, incentive based programs that provide a range of options, providing both financial and technical assistance to guide landowners in the adoption of conservation practices, improving soil, air and water quality providing habitat and enhanced land. Practices we know as the cornerstones of good conservation and land stewardship are also practices that increase soil organic content and sequester carbon.

NACD has always supported locally led conservation, and maintaining our member district's ability to work directly with communities to protect natural resources. We recommend that climate change legislation recognize the contributions of agriculture, forestry and community conservation efforts to reduce greenhouse gas emissions via market-based payments for emissions offsets.

Agriculture producers that utilize conservation tillage farming practices for row crops sequester atmospheric carbon. Such practices as no-till and strip-till significantly reduce soil disturbance, leaving carbon sequestered by plant material residue that is left in the soil to decay into organic matter. This process leaves carbon in the ground for many years. Grazing and rangeland management can also promote carbon sequestration utilizing the same ecological process. Rangeland grasses, shrubs and forbs place carbon in the soil through natural growth and decay cycles.

Livestock operators can also qualify for carbon credits for the capture of methane. By utilizing manure management practices and methane capture technology such as methane digesters, livestock operations can prevent methane emissions that would have otherwise been emitted to

the atmosphere. Captured methane is combusted, and the avoided atmospheric release could be eligible for offset credits. Offset credits for avoided methane emissions are determined by such factors as the baseline manure management system, average livestock population, and methane content of recovered gas.

Forestland owners and managers can utilize forestry BMPs that sequester carbon in plant material. By actively managing forests through sustainable silviculture, thinning and harvesting, continued forest growth is promoted and capacity for carbon storage is increased. Forest carbon credits can also be generated by afforestation projects that create newly forested land.

Building upon our foundation of natural resource protection, we believe that additional gains can be made to sequester carbon and reduce greenhouse gas emissions. However, we must also recognize and reimburse those landowners that have already taken appropriate conservation activities on their land, in order to protect existing valuable carbon stocks. We should not risk losing the conservation efforts, sequestered carbon, and natural resource protections we have in place today or penalize early adopters.

One of the impacts of climate change is shifting crop patterns and growing seasons. These changes can impact growing seasons, water distribution, nutrient distribution and forest and wildfire frequency and intensity, and there is a significant need to assist landowners in adapting their land use and agricultural practices to the changing climate. One of the best mechanisms for assisting landowners is through a Farm Conservation Plan developed by the USDA Natural Resources Conservation Service in cooperation with a locally led conservation district.

Today several of our members are working with partners, participating in carbon sequestration efforts to mitigate greenhouse gas emissions. Conservation Districts are a known and trusted resource to work with landowners to ensure that they understand their climate mitigation contracts and are fulfilling their contractual obligations.

The work being done in Illinois is a good example of the work conservation districts are doing to verify carbon sequestration contracts. Landowners can participate in carbon markets in several ways. Large-scale landowners can participate directly in carbon markets by registering with an offset provider such as the Chicago Climate Exchange (CCX). By CCX's standards, units constituting less than 10,000 metric tons of carbon must be aggregated before becoming eligible for trading. Aggregators establish pools, or an arbitrary time frame over which contracts are accepted. Landowners sign contracts with aggregators to perform carbon sequestering activities through agriculture and forestry conservation practices.

Under current markets such as CCX, producers that enroll lands are paid annually at a standardized rate for carbon per acre and must contract for a minimum of 5 years for conservation tillage, 15 years for sustainable forestry practices and 100 years for harvested wood products. This standardized rate is important so as to not create an adverse incentive to a desirable crop rotations. For example, soybeans would sequester less carbon than corn and the carbon sequestration contract should not influence producers' planting decisions during that typical corn/soy rotation. Payment is made to producers for carbon contracts by the aggregator as credits are sold on the carbon market.



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The Illinois Association of Conservation Districts serves as a verifier of carbon sequestration contracts. Verification ensures that eligible conservation practices are in place so that carbon credits are authentic. In properly implemented conservation practices, crop residues from previous years are left on the soil surface, and root systems from previous crops are left to decay in the soil. This process maintains or increases the organic carbon content of the soil. Equipment used to achieve the acceptable results include no-till and strip-till planters; certain drills and air seeders; strip-type fertilizer and manure injectors; and in-row chisels.

Districts undertake contract verification of 10% of the total acres under contract filed during a given pool. Land is inspected to verify that proper management practices are being performed by the landowner that holds the credit. Verification reviews adherence to contract requirements and assurance that conservation practices meet or exceed NRCS technical standards. Rates of carbon sequestration in the U.S. generally range from 0.2 to 0.6 metric tons per acre per year for conservation tillage, grasslands are at a rate around 1.0 metric ton per acre per year, and forestry is generally higher than 1.0 metric ton per acre per year.

Verification costs are shared among producers based on percent of acreage in a pool. The costs associated with a conservation district's activities for verification will vary depending on the location of the producer and such factors as the size and proximity of tracts of land that are enrolled. Smaller, more dispersed tracts of land typically incur greater costs than larger, contiguous tracts. Average verification costs in states in which conservation districts are involved in carbon trading average $120 per contract or $30 per hour plus transportation costs. Aggregators and verifiers are also required to manage risk by maintaining liability insurance, a standard practice in financial markets.

Under the CCX, 20% of carbon offsets are placed in a reserve pool to mitigate against factors that might result in accidental release of sequestered carbon such as flooding or other disasters. Upon completion of the contract period, producers can receive credit for offsets placed in reserve.

Conservation districts are well situated to perform verification functions. Landowners often have working relationships from previous conservation work with their local conservation district staff. This trusted relationship, combined with the conservation district's technical expertise and familiarity with NRCS practice standards makes conservation districts a logical local resource for carbon credit verification.

NACD believes that soil carbon sequestration offers one of the better near-term, readily-available, emissions reductions technologies available to society now and can offer income generation to farmers and land managers while providing cost-containment to cap-and-trade policies. We recognize that a carbon offset program must be correctly structured and managed to allow for agriculture producer and forest landowner participation.

USDA should have a primary, leadership role in establishing agriculture and forestry offsets technology and policy. USDA has the field expertise and research capabilities to determine proper sequestration methods and establish appropriate standards for carbon offsets. NRCS worked with CCX in setting up the pilot agricultural carbon offset program and provided the standards for BMP's that also sequester carbon. Today, verifiers under that system utilize



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NRCS practice standards in performing verification. We encourage continuation of this model under any climate legislation.

Many current Farm Bill conservation programs such as the Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program and the Conservation Reserve Program promote conservation practices that also provide carbon sequestration benefits. As climate change legislation is developed, it is important to consider the current benefits of these programs and that carbon credits they generate qualify under any cap and trade system.

Conservation districts have been working with landowners for the last 70 years to encourage the adoption of conservation practices. While we know that not all conservation practices would be considered an eligible project type for carbon offsets, it is very important that Congress not overlook the important for work that has already been undertaken and does not take actions to adversely impact ongoing conservation activities. Early actors that have undertaken soil carbon sequestration, methane capture, etc., must be recognized in any climate legislation. Those participating under voluntary carbon trading programs such as the CCX, must be included in any offset program developed under climate legislation.

Producers and forest landowners that might not be able to participate due to economies of scale should also have an opportunity for participate in a supplemental carbon sequestration program. A supplemental incentives program, funded through allowance awards and run by USDA, will reach beyond what can be accomplished through offset markets.

Climate legislation should include dedicated allowances to support supplemental incentives for U.S. agriculture and forest producers unable to participate in offset markets. This type of program would allow USDA to provide incentives, with payment according to the acreage upon which a given practice is employed and the estimated carbon value of each practice. These incentives should also be used to help fund agreements to avoid conversion of agricultural land and forests.

Continuing research into adaptation techniques and practices must be included in climate legislation. As climate patterns shift, new pests, diseases, cropping patterns, etc. will be altered in local areas. This impact is significant for agricultural producers but also other local landowners and community members. USDA should continue research in this area to inform local offices about expected changes which impact production. USDA should also engage in adaptation planning with states and local districts with the assistance of local conservation districts.

NACD believes that a carbon offset program can work successfully if USDA is provided a leadership role and producers undertake carbon sequestration efforts that result in real, verifiable carbon reductions. Conservation Districts are currently undertaking the role of verifiers under the voluntary markets that exist today. NACD wants to ensure that conservation districts can continue to provide this service under any climate legislation.

Thank you for the opportunity to testify today on behalf of conservation districts across the country.



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