



# Climate Change

## *Agriculture: The solution, not the problem*

### What is the Cap and Trade Bill?

- Congress is working to pass cap-and-trade legislation that would set a strict cap on allowable greenhouse gas (GHG) emissions from certain facilities, and enable regulated entities to purchase "offsets" from agriculture and other entities to ease compliance.
- NCBA worked to ensure the legislation passed by the House had 3 big wins:
  - Ag is exempted from regulation under the cap,
  - USDA will regulate ag offsets instead of EPA,
  - The bill contains a specific list of agriculture project types that are eligible for creating offsets.



### The Truth about Ag Emissions

According to the EPA, in 2007 GHG emissions from all of agriculture are less than 6% of total U.S. emissions



Methane and Nitrous Oxide are the primary GHG emissions from cattle production.



Methane emissions from all livestock production accounted for only 2.6% of all U.S. emissions.



Nitrous Oxide emissions from total manure management were only .2% (two-tenths) of all greenhouse gas emissions.



Meanwhile, land use, land use changes, and forestry activities helped sequester 12.5% of U.S. GHG emissions.



*All above figures come from the U.S. Environmental Protection Agency (EPA)*

### The Cost of Cap and Trade

- The Cap and Trade bill—as passed in the House—could significantly increase energy prices.
- Increased energy prices would mean increased fuel, electricity, feed, fertilizer, equipment, and other input prices for cattle operations.
- Some economists estimate that the Cap and Trade bill could decrease farm income by \$8 billion in the short term and over \$50 billion long term
- NCBA opposed the House bill because of concerns about increased operating costs and potential regulation, and is working with the Senate to improve the legislation.

### Other Policies on Greenhouse Gas Emissions

- NCBA is tracking a number of EPA proposals to regulate greenhouse gas (GHG) emissions.
- In 2008, EPA put out an Advanced Notice of Proposed Rulemaking that expressed concerns about the large negative economic consequences of regulating GHGs under the Clean Air Act. NCBA opposes regulation of GHGs under that Act.
- In April, the Obama Administration issued a proposed rule that found that there are adverse health effects from GHG emissions. If this proposal becomes final it could result in regulation of GHGs under the Clean Air Act. NCBA worked with experts to submit comments in opposition to this finding.
- EPA proposed to require certain facilities to report GHG emissions to the EPA. NCBA filed comments in opposition to this proposal since it would require reporting by some cattle operations.
- NCBA will continue to fight the regulation of GHG emissions from cattle operations.