



The Honorable Barack Obama
President of the United States
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20050

January 20, 2009

Dear Mr. President,

The need has never been greater for this country to address the problems and opportunities facing agriculture. The new administration has made it clear that energy and environmental policies are a leading priority—indeed “a defining test of our time.” There are significant gains to be realized by engaging agriculture in these timely and critical issues. American Farmland Trust is ready to provide substantial leadership on issues related to agriculture and the environment.

Agricultural producers face new opportunities as they try to increase their viability. Consumers around the country have increasingly focused on local foods and while producers across the country are rising to the challenge even more needs to be done to develop these blossoming markets. American Farmland Trust stands ready to provide leadership on these issues.

American Farmland Trust’s core mission has been to help protect working farms and ranches and that mission continues unabated. Indeed, the new Administration can play a vital role in ensuring that the agricultural spaces, which provide clean air, clean water and wildlife habitat across the country, remain in place.

Protecting farmland, promoting sound stewardship and ensuring viable farms and ranches are important objectives in any strategy to improve agriculture’s capacity to be part of the solution to the issues that challenge our nation. Toward that end, we recommend the following:

Recommendation 1: Agriculture can play a critical role in reducing greenhouse gases.

U.S. agriculture can help reduce overall greenhouse gas (GHG) emissions by adopting new practices and technologies and by producing low-carbon renewable energy. Studies indicate that changes in agriculture practices, paired with the foresting of marginal agricultural lands, could offset up to one fifth of current U.S. greenhouse gas emissions. In the near term, carbon reduction projects on agricultural lands are the easiest and most readily available means of reducing greenhouse gases on a meaningful scale. In the process, farmers, ranchers, and rural communities can benefit from new jobs and new sources of income.

While there is much hope and promise, your administration should bring attention to this issue and turn hope and promise into reality. American Farmland Trust suggests five specific tasks for immediate attention:

- A) USDA should be given primary responsibility over administering the Domestic Offset Program. USDA has a track record of working with farmers as well as studying and modeling carbon sequestration on agricultural lands. In addition, USDA has developed resources on the ground in nearly every county in the nation; these resources provide a solid base that will allow USDA, in partnership with EPA, to effectively implement whatever climate change legislation is passed. Finally, thanks to years of implementing agriculture and technical assistance programs, USDA has earned the trust of farmers and ranchers. This reserve of trust and understanding of how and why farmers modify their farm management practices will be an essential factor in encouraging the maximum possible participation in any program.

- B) Early actors—innovative farmers and ranchers who've taken the lead voluntarily in reduction and sequestration activities—should be recognized and rewarded.
- C) Many of the practices undertaken to reduce greenhouse gas emissions will provide additional public benefits such as clean water, wildlife habitat, and reduced soil erosion. Projects participating in a greenhouse gas offset market should not be excluded from also participating in other markets for environmental services that currently exist or may arise in the future. Allowing producers to “stack” or “bundle” credits will maximize the economic attractiveness of carbon sequestration and manure management projects (among others), ensuring farmers undertake more of these beneficial projects that produce additional environmental priorities, such as improving water quality or expanding wildlife habitat. The 2008 Farm Bill contains a provision that grants USDA the authority to create a system of protocols and standards for ecosystem services, including, but not limited to, carbon. As a broader policy objective, USDA should develop a comprehensive vision of how to transform parts of the agency to assist producers in taking advantage of ecosystem markets. As public financing for conservation and stewardship comes under increasing pressure, private sources of capital that encourage and pay for stewardship will become increasingly critical. The new Secretary should tackle the strategic question of how USDA engages and assists producers to access these new private capital ecosystem markets.
- D) Engaging farmers and ranchers in developing policy solutions is essential to take advantage of agriculture's cost-effective solutions and maximize farmer and rancher participation in reducing GHG. Building support among mainstream agriculture is critical to securing the support of an important group of farm state members of Congress necessary to pass significant climate change legislation.

Recommendation 2: Agricultural producers can be engaged to improve water quality.

Improved agricultural practices are among the most cost-effective measures for reducing water quality degradation. But not enough is being done, with agriculture remaining an important contributor to water degradation. USDA's Economic Research Service estimates that 829 million acres (80 percent of our croplands, pasturelands and rangelands) need improved conservation practices to prevent nutrients and pesticides from reaching waterways. Two-thirds of coastal waterways are degraded by nutrient pollution, which in many areas is primarily caused by nitrogen runoff from agriculture. Farmers want to be good stewards of the land, but they need policies and programs that help them produce environmental benefits and reward them when they do.

- A) The new administration and Congress will increase federal policy efforts on improving water quality by focusing on non-point sources, of which agriculture is a significant contributor and one of the most cost-effective solutions. This will likely lead to increased regulation by EPA through regulation or statute. But to be most successful on the ground, there needs to be a close, cooperative working relationship between EPA and USDA. A basic analysis of how EPA and USDA interact is in order. First, USDA must be given a much more prominent role on water quality issues, as they are in a position to provide the technical expertise to assist producers in pollution reduction activities. Second, EPA needs to rethink how it regulates water quality issues if the focus is to shift from point sources to non-point sources such as agriculture. With a much larger universe of actors, and with liability and responsibility less clear, existing regulatory models do not appear sufficient with the more incentive-based approaches that have proven effective.
- B) Each year billions of dollars are spent by the federal government on water quality improvements. Clean Water State Revolving Funds have spent around \$4 to 5 billion annually during the last decade, with the vast majority of the funding spent on point source pollution projects. Even within the money allocated to non-point source pollution projects, a large portion of that money goes for planning efforts. While certainly planning is needed, it is even more critical to increase outlays for actual non-point source projects that reduce pollution. As the focus shifts to addressing non-point source pollution, funding also should shift to help non-point sources improve water quality. Funding agriculture to improve water quality is also a tremendously cost-effective tool.

- C) The new administration also must encourage private market mechanisms that generate funding for water quality improvements. Water quality trading systems have the potential to improve water quality faster and at a lower cost by allowing point sources and non-point sources to trade credits. They could generate billions of dollars of additional, private funding for non-point conservation projects. While EPA and various state governments have been doing some work to create private water quality trading, the President's staff working on environment, agriculture and green economy should devote significant time and resources to developing this promising area. In times of budget crises, creating systems that incentivize behavior through private financing creates a win-win situation. To be successful, USDA must help craft these new systems as well as provide technical assistance to producers during implementation.

Recommendation 3: Any new transportation-related legislation must mitigate against the loss of strategic agricultural resources and stimulate the development of green infrastructure to support the local agricultural economy.

Demands on American farmland are increasing rapidly while more than one million acres of agricultural land are developed each year. Yet this land is at the heart of solutions to our nation's most pressing needs for food and energy security, economic stability and sustained environmental quality.

Many producers face the challenge of profitability due to distant markets, rising fuel costs and other factors in the 21st century agricultural economy. One solution that American Farmland Trust has focused on is how agricultural producers could strengthen ties to local consumers, and, by doing so, how they may be able to increase their profitability, keep agricultural land in production and strengthen national security. Yet, in order to access local market opportunities, many producers—or groups of producers—need to develop or revive regional food system infrastructure. Processing, storage, distribution and transportation all are vital links—links that the next administration must foster and strengthen. Closing the gap between local production and consumption of food and agricultural products will increase profitability for producers and improve health for communities and consumers, support farm families and create new “green job” opportunities, improve environmental quality and stimulate local economic development. Within the transportation bill or any economic stimulus package there should be a program that creates a green agricultural infrastructure program: sustainable infrastructure projects that stimulate job growth within local agriculture as well as other sectors of the economy.

Recommendation 4: Proper implementation of the Farmland Protection Program and its full funding.

The 2008 Farm Bill advanced a number of improvements for, and increased the aggregate funding level of, the Farm and Ranch Land Protection Program (FRPP). The FRPP plays an important role in keeping our nation's valuable agricultural land in production. Each day, close to 3,000 acres of farm and ranch land are permanently lost to development. With every acre that is lost, we weaken our ability to produce agricultural goods and environmental benefits that are essential to national security. These include healthy food, clean air and water and the ability to offset climate change, wildlife habitat and green space. Farms and ranches provide valuable habitat for approximately 70 percent of the nation's wildlife. As land is subdivided and transformed into houses, commercial areas and “ranchettes,” it loses its ability to provide habitat for many species. Protecting farm and ranch land using the FRPP not only conserves valuable wildlife habitat but also ensures a permanent supply of domestically produced agricultural goods. The new Administration must preserve the reforms put in place in the 2008 Farm Bill for this program as well as ensure that funding levels do not decline.

Recommendation 5: Protect and promote farm bill regional food system programs.

The 2008 Farm Bill (The Food, Conservation, and Energy Act of 2008) has a number of important programs that encourage farmer's markets and access to those markets by low income consumers, as well as local food enterprise development, farm-to-school programs and local food consumption by other public institutions and other mechanisms to promote local and regional markets for food and agricultural products. Programs that promote the creation of green infrastructure and close the gap between local production and local consumption are critical to fostering community food security and reduce dependency on foreign oil. The President must take seriously his



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campaign commitment to promote regional food systems by ensuring that these local food programs are not lost in a budgetary scuffle or made ineffective by overly burdensome regulation.

These include programs with both the USDA's Rural Development division (which provides oversight over a number of economic viability and community food projects) and the Agricultural Marketing Service (which provides oversight over farmer's market programs), such as Financing for Local Food Enterprises; Community Food Projects; Farmers' Market Promotion Program; Farmers' Market Nutrition Program and Senior Farmers' Market Nutrition Program; Value-added Agricultural Market Development Program Grants; Rural Micro-enterprise Assistance Program; National Organic Certification Cost Share Assistance; Organic Agriculture Research and Extension Initiative.

Finally, the new administration must strongly support local healthy foods in school cafeterias through Child Nutrition and WIC Reauthorization Act. Child nutrition programs and the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) provide cash, commodity, and other assistance (including nutrition services and food packages in the WIC program). This provides an opportunity to impact local farms and ranches by helping to direct federal purchasing authority for food.

Recommendation 6: Reduce, even mitigate, the federal government's role in farmland conversion.

Currently the federal government has a significant impact on the conversion of farmland into non-agricultural uses. As highways or other federal projects are built through farmland, our nation loses irreplaceable agricultural resources across the length and breadth of the country. We seek to ensure that federal projects do not convert farmland unnecessarily, and when conversion is necessary, they mitigate against the loss of this critical national resource. At present, there is no statutory or administrative authority to compel federal agencies and departments to consider alternative actions or remedies to lessen the impact of projects on the conversion of farmland.

- A) Require a specific requirement to meet a "no feasible alternatives" test for permanently and legally protected farm and ranch land within the transportation bill under section 4f. This would prevent the federal government from converting our nation's best farm and ranchland and would ensure that the federal government isn't spending money to first protect and then later convert a farm or ranch.
- B) Add farm and ranchland preservation as an authorized project within the Transportation Bill's "transportation enhancements." Such an addition would help preserve farm and ranchland in and around federal transportation projects as a way to ensure that these projects remain as green as possible.
- C) Require that federal infrastructure projects purchase adjacent farm and ranchland easements as part of projects when such projects convert farm and ranchland. Creating such mitigation would help ensure that these projects do not lead to subsequent foreseeable impacts such as sprawl and the further destruction of critical land resources after the project is completed.

Recommendation 7: Provide timely research to policymakers about impacts of current and projected land use trends on national food and energy security.

Commission a two-year analysis of U.S. agricultural land base needs for the future and institute an annual reporting regiment, managed by USDA, to document the status of the nation's agricultural land base down to the county level. In 1978, the Secretary of Agriculture and the Chair of the Council on Environmental Quality commissioned a two-year study to examine farmland loss. Released in 1981, the National Agriculture Land Study served as a basis for enacting a number of conservation, environmental and land use statutes at the federal and state level.

Duplicating such a study, with a focus on not only identifying current agricultural land resources and projected loss but also determining the strategic impact on our national agricultural health of losses, is vital to understanding American agriculture. It also should document the state of the state of farmland protection: how much land has been protected or stabilized by the various tools, and where and how does this affect national food and energy security as well as environmental quality. Such a study can serve to inform long-term strategic thinking about our national agricultural resources.



Recommendation 8: Create a Farmer Corps to stimulate green jobs in the agricultural economy and encourage a new generation to enter agriculture.

The average age of the American farmer or rancher is well above 55. The new administration should add working at a farm or ranch as part of an expanded AmeriCorps or create a separate FarmCorps as part of an effort to stimulate a new generation of American farmers and ranchers through an apprenticeship experience. AmeriCorps work often leads to teacher development in inner city schools; here an experience could lead to a greater appreciation of agriculture and a new generation of producers.

Recommendation 9: Support local food in school cafeterias and provide access to it for low income consumers through Child Nutrition and WIC Reauthorization Acts.

Child nutrition programs and the Special Supplemental Nutrition Program for Women, Infants, and Children (the WIC program) provide cash, commodity, and other assistance (including nutrition services and food packages in the WIC program) under three major federal laws: the National School Lunch Act (originally enacted in 1946 and renamed the Richard B. Russell National School Lunch in 1999); the Child Nutrition Act (originally enacted in 1966); and Section 32 of the act of August 24, 1935 (7 U.S.C. 612c). This act was last reauthorized in 2004 and is scheduled for reauthorization in 2009. The reauthorization of this act is an important opportunity to support local farms and ranches by helping to direct federal purchasing authority for food.

We look forward to working with you and the new administration to help agriculture move forward and increase its role as part of the solution to the issues that challenge our nation.

Sincerely,

Jon Scholl
President