

**TESTIMONY OF DICK WITTMAN, FORMER PRESIDENT, PACIFIC  
NORTHWEST DIRECT SEED ASSOCIATION AND MEMBER OF  
AGRICULTURAL CARBON MARKET WORKING GROUP**

Before the  
**SENATE AGRICULTURE COMMITTEE**

May 21, 2008

Madam Chairman, Ranking Member Crapo and Members of the  
Committee:

Thank you for allowing me to speak about ways agriculture can help our  
nation mitigate greenhouse gas emissions in a timely, cost-effective  
manner.

My name is Dick Wittman. I manage a diversified family farm, ranch and  
timber operation in northern Idaho and also provide consulting services to  
agricultural family business. I am a member of many farm organizations,  
including the National Association of Wheat Growers, Farm Bureau, the  
Farm Financial Standards Council and am the past president of the Pacific  
Northwest Direct Seed Association. For the last three years I have been  
part of a national steering group of agricultural leaders studying  
agriculture's potential role in climate change. On behalf of this group—the  
Agricultural Carbon Market Working Group--I commend you for looking at  
cost-effective strategies to achieve greenhouse gas emission reductions.

Science has proven agricultural lands have great potential for sequestering  
carbon. Sequestration is a proven sink that offsets the impact of  
emissions. Analysis by the Pew Center for Global Climate Change and  
others indicates agriculture could provide up to 40% of the U.S. reductions  
needed to return 2010 greenhouse gas emissions to 1990 levels.

Consumers and resource providers both have concerns about potential  
negative impacts from a carbon constrained economy. These concerns  
include fuel, fertilizer, electricity and transportation costs. In my view, the  
real issue is: "Do we pay now...or pay later at a higher price?" Our  
Working Group has studied emissions mitigation strategies being  
implemented across the U.S. and abroad. We've learned that, given the  
right incentives and education, there is almost no limit to the technologies  
and practices businesses and consumers can tap to reduce negative  
impacts on our climate. The organizations I represent urge you to  
recognize the diverse mitigation options that agriculture can offer. These  
include conservation tillage, forestry and agroforestry, reducing methane

from manure and ricelands, precision ag, displacing fossil fuel with renewable energy and reducing nitrous oxide emissions from croplands.

Allowing market-based carbon offsets as part of a national cap-and-trade program provides a cost-containment measure for emitters and a shock absorber to our economy. A cap and trade system also helps make it “profitable” for farmers and foresters to invest in environmental stewardship. As an energy intensive industry, agriculture is sensitive to energy prices. It is in everyone’s best interest to create incentives for transitioning to alternative energy that is affordable and less damaging to our environment. Greenhouse gas offsets can play a huge role in creating those incentives.

The Environmental Protection Agency and others have modeled the value of offset credits in cap-and-trade bills such as the Lieberman-Warner bill. They conclude that domestic and international offset provisions in S2191, capped at 15%, could **reduce allowance prices by 93%** over what they would cost without these offsets. With unlimited agricultural offsets, allowance prices could fall even further. EPA has confirmed that unlimited domestic offsets in S2191 will not hamper technological innovation, but will reduce costs of the entire cap-and-trade system.

Many agricultural organizations are pursuing or already engaging in carbon aggregation services. Soil carbon credits can be generated and traded in greenhouse gas markets with confidence. My personal experience bears this out. In 2002, the Pacific Northwest Direct Seed Association penned one of the first contracts in the U.S. to engage in a voluntary carbon offset trade. We contracted with Entergy Corp, a Louisiana-based energy company, to direct-seed cropland for 10 years that would sequester 30,000 tons of CO<sub>2</sub>. Our experience with carbon trading has proven that education and incentives related to carbon offsets can result in significant changes in farming practices. These behavioral changes promote both economic viability and significant environmental improvement.

Emissions offsets that the agricultural sector can generate are high quality, real, measurable and verifiable. Federal laboratories, agencies and land grant universities have long studied this issue. Soil carbon sequestration has many benefits beyond greenhouse gas emissions reductions: it improves air and water quality, reduces soil erosion, enhances moisture retention, and improves soil productivity. Agriculture has lost over half the native organic carbon in our farming soils across the U. S. over the past three hundred years from tillage, wind, and water erosion. Practices such as direct seeding (no till) are reversing this trend by sequestering carbon;

they also reduce fossil fuel consumption on the farm. No other sector can offer such high-value offsets to society at such a low cost.

As we move to a mandatory Greenhouse gas reduction system, buyers will demand projects pass rigorous measurement and verification tests. The dairy industry is already poised to provide high quality offsets that can be measured, verified and sold today. Those who say U.S. agriculture cannot offer a real mitigation solution are simply wrong. U.S. agriculture and forestry are some of the only sectors with currently available, high-quality, low-cost, verifiable emissions reductions technologies.

Mitigating and solving our climate crisis will not be easy. Other world players were initially hesitant to include ag and forestry as part of the solution. In hindsight countries outside the U. S. are realizing that was a mistake. They are now incorporating ag and forestry offsets as vital components of their climate mitigation strategies. The U.S. has a unique opportunity to provide international leadership by crafting reasonable and innovative ways to include Ag and forestry offsets as part of the solution. Agriculture is ready and willing to meet this challenge.

Because of our conviction that we can mitigate emissions, the Agricultural Carbon Market Working Group has endorsed unlimited offset markets. So has a report just released by former Majority Leaders Daschle and Dole, on behalf of the Bipartisan Policy Center. I would respectfully ask that this report now be submitted for the record.

Stewardship has been a Wittman Family Farm tradition for four generations. We were selected as the national Millennium Farm Family in 2000 by the Ag Earth Partnership for our stewardship approach. Efforts to improve our conservation efforts didn't stop with this award. For decades we have measured stewardship by what we could see above the ground. That's not enough. Any realistic discussion about sustainability must address the quality of our "soil production factory". Natural resource providers must all become better "carbon managers." Carbon markets and potential for ag offsets revenue provide the dual benefit of helping our climate while also providing new incentives to improve soil quality.

Thank you once again for the chance to speak to you today. I will gladly answer any questions and assist you in crafting responsible policies as we move forward.