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Chairman Roberts, Ranking Member Stabenow and Distinguished Members of the Committee, I am Jason Weller, Vice President of Truterra, LLC, the sustainability business at Land O'Lakes, Inc., one of the nation's largest farmer-owned cooperatives, and former Chief of the Natural Resources Conservation Service (NRCS) at USDA. With a cooperative footprint in over 10,000 rural communities, I appreciate the invitation to speak about the work farmers and ranchers are doing to address the climate crisis and what the public and private sectors can do to further empower farmer-led solutions to climate change. Land O'Lakes applauds the leadership of Senator Braun, Senator Stabenow and others in developing and introducing the bipartisan Growing Climate Solutions Act. Land O'Lakes is pleased to support the bill.

The Growing Climate Solutions Act is an important step towards developing viable greenhouse gas (GHG) and ecosystem markets. The legislation provides core building blocks of transparency and information to advance both the promise and potential of agriculture and forestry sectors to help reduce and sequester GHGs while also providing for new sources of revenue for farmers, ranchers, and landowners. Markets work best when there is transparency in rules and prices. They are most efficient when sellers know the most cost-effective path to bring a product to market and when buyers trust in the quality of their purchase. Farmers and ranchers similarly benefit when they know to whom they can turn for quality agronomic and technical assistance, as well as to which marketplace or buyer to sell their product for an optimum price.

At its core, the bill recognizes that working with the nation's farmers and ranchers is one of the quickest, most scalable and most economically feasible solutions to lowering GHGs, and seeks to address some of the inherent challenges in working across nearly 900 million acres of agricultural land and over two million individual farm businesses across the United States.[1]

[1] https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnlo0419.pdf

This legislation clearly outlines an appropriate role for USDA, one that complements existing private market efforts to meet market-based demands, including efforts underway at Truterra. The integrity that USDA would bring to the marketplace by setting standards for providing farmers and ranchers technical assistance and for verifying GHG credits would offer confidence in the system for farmers who want to participate.

Furthermore, the legislation enhances both transparency and access to emerging environmental credit opportunities. Existing private sector markets are in their early stages, and the science supporting these markets is evolving. With this, it is complex and challenging for potential institutional buyers of environmental credits to access GHG offset opportunities, let alone confusing for individual farmers or ranchers to understand where to begin. Under this bill, USDA would provide a trusted source of information on the protocols and standards, as well as estimates of market size and activity, for both sellers and buyers of GHG credits. Creating a web-based resource for farmers and ranchers to identify service providers to help them create GHG credits, and ultimately find the best market opportunities for those new environmental commodities, would also be a valuable and mission-appropriate role for USDA. Without legislation of this kind, the United States and American farmers will fall behind our global competitors. This legislation demonstrates global leadership and is an important step towards establishing stewardship as a viable revenue stream for farmers.

Land O'Lakes and Truterra: A Farmer-Focused, Private Sector Approach

Land O'Lakes and Truterra are focused on helping farmers identify and adopt farm stewardship practices that improve their economic and environmental sustainability. Much of our work involves helping farmers identify climate friendly practices that both reduce GHG emissions and improve the health of soils by sequestering carbon. I want to briefly share examples of farm stewardship work already in motion at farmer cooperative networks and connect how it fits into the broader efforts underway across the food and agriculture supply chain to develop climate solutions and, ultimately, why we support this legislation.

Land O'Lakes is a farmer and ag retailer-owned cooperative with deep roots across rural America. We see the opportunity: When we invest in rural America, every American benefits.

These rural communities are key to our food security – the communities where our members work and where they call home. Farmers are the backbone of rural communities and when they aren't profitable, the communities ultimately struggle to invest in other vital services such as education, health care or their local economy.

Truterra offers the only farmer-owned, farmer-driven food and agriculture sustainability program in the United States. Since it was launched in 2016 by Land O'Lakes, Inc., over 1,600 farmers have put their trust in the Truterra network to help them advance and accelerate stewardship on over 26,000 individual fields. The Land O'Lakes network of member-owner ag retailers and local co-ops, which serve as farmers' trusted agronomy advisors, are especially critical to our delivery of new stewardship solutions, technology and innovation to the farm gate.

The Truterra business is built on the idea that farmer return-on-investment can generate environmental return-on-investment. With access to conservation expertise and the latest tools and technology, farmers can make decisions about managing their land, acre-by-acre, such as adopting minimum- or no-till practices, optimizing fertilizer management, or planting cover crops, that can both maximize yields and expand stewardship. Truterra focuses on closing critical knowledge gaps and the de-risking of trying new tools and practices that can keep farm businesses resilient and profitable for the long term.

Truterra works with farmers and their trusted agronomy advisors—through the ag retailer—to establish an environmental sustainability baseline for each field, identify improvement opportunities, and model the impact of various conservation practices, products, and tools on field stewardship and profitability. Instead of focusing on one activity, we develop holistic insights for each agricultural field and support farmers' business decisions, putting them in the driver's seat of advancing stewardship economically and sustainably.

For example, our best-in-class technology—the Truterra™ Insights Engine—generates customized stewardship and profitability insights for every field. This includes establishing a stewardship baseline by generating a Truterra™ Insights Score, and helping farmers identify areas of improvement and analyze the impact of implementing specific practices, products or

tools on profitability. The platform provides farmers with deep understanding of the performance of their crop fields by giving them soil health indicators such as wind and water erosion rates, soil carbon and quality trends, and estimates of net GHG emissions. It is a live and interactive tool that allows the farmer and his or her advisor to "plug and play" different combinations of stewardship practices to identify the system that maximizes the ROI performance and protects the quality of their natural resources.

Our alliances with ag retailers and organizations such as the National Fish and Wildlife Foundation, the National Association of Conservation Districts, and Pheasants Forever, support an unmatched "boots on the ground" capacity to drive change on every acre with every farmer. We are also helping farmers test on-farm innovation to adopt climate friendly nutrient stewardship and soil health practices with groups such as the Soil and Water Conservation Society, leveraging the leadership and work of this Committee under the Agriculture Improvement Act of 2018 to include the On-Farm Conservation Innovation Trials.

An acre-by-acre, field-by-field farmer-centric, innovation- and tech-forward approach is critical to addressing the most pressing stewardship and profitability challenges. For instance, an analysis by NRCS of conservation adoption in the Western Lake Erie Basin estimated that a relatively small number of the acres in this large watershed have an outsized impact on water quality. In this case, just 25 percent of the cropland acres in this watershed are the source of 80 percent of sediment, 66 percent of the phosphorus, and 59 percent of the nitrogen losses, respectively. Of note, these losses are not occurring on 25 percent of the farms in the watershed or even 25 percent of the fields. These sediment and nutrient losses are occurring across the entire watershed on a micro scale, based on the diversity of soil types, topography, and management systems used by farmers. Thanks to precision conservation technology, farmers in the Western Lake Erie Basin and across the country now have a better look than ever at where opportunities exist in their fields to maximize production and minimize environmental losses.

Ultimately, sustainability can and should be a regular part of the calculation when ag retailers are working with farmers to make decisions about managing their land. At Truterra, we are partnering with our ag retailer members to create a network of partners to provide one-on-one

support for farmers. Most farmers' conservation journeys are built on relationships and collaboration, one that combines the knowledge of the NRCS programs and expertise, the on-the-ground knowledge of Soil and Water Conservation Districts, and the agronomic expertise of co-ops and ag retailers. The availability of robust data, analytics and insights, such as those offered by Truterra, allows farmers to work with agricultural retailers to employ practices in a far more targeted and impactful way than ever before.

Truterra's approach is greatly benefiting farmers, whose profitability is increasingly being impacted by climate change factors – whether through weather events that affect yields or the ability to take advantage of federal conservation program funding that could tip the scale towards adopting certain conservation practices. Again, we believe the Growing Climate Solutions Act is an important step towards farmers seeing stewardship as a viable revenue stream, which in turn bolsters private sector approaches like Truterra's that can drive the widespread adoption of precision conservation practices and, ultimately, solutions to climate change.

Voluntary Carbon Markets: The Opportunity

In addition to the inherent benefits of cutting sediment and nutrient losses from farms that ultimately impact their productivity and profitability, agricultural sustainability is also a growing market opportunity. For instance, voluntary GHG credit markets offer exciting potential for farmers, ranchers, and private forest owners to produce a new class of environmental commodities from working lands, if done correctly. Interest from companies and U.S. consumers is growing.

According to Nielsen[2], the majority (73 percent) of U.S. consumers say they would definitely or probably change their consumption habits to reduce their impact on the environment. And consumers are voting with their wallets: In 2018, consumers spent almost $129 billion on sustainable consumer goods, up 20 percent from only 2014[3]. An even more

[2] https://www.nielsen.com/us/en/insights/report/2018/unpacking-the-sustainability-landscape/
[3] https://www.nielsen.com/us/en/insights/article/2018/was-2018-the-year-of-the-influential-sustainable-consumer/

recent survey by global management and consulting firm Kearney found that nearly half of surveyed consumers say that the COVID-19 pandemic has made them more concerned about the environment, with 11 percent saying they have shifted their purchases based on environmental claims within the past year.[4]

As a result of this expanding consumer interest, the food system is gearing up to meet new marketplace demand. From global restaurant chains to grocery retailers, from consumer-packaged goods companies to food ingredient processors, both iconic brands and new startups are exploring ways to better connect with consumers on how their products support environmental quality. At Truterra, in addition to our farmer-focused offerings, we are also working to create the market conditions to drive demand for stewardship by connecting the dots between what is happening on the farm to consumers. We have partnered with world-class companies in the food value chain who are interested in supporting voluntary approaches to helping farmers advance their sustainability, including the Campbell Soup Company, Tate & Lyle, and Nestlé Purina. With the leadership and support of our ag retailer network, agronomists and precision ag advisors are using the Truterra™ Insights Engine to work with farmers to benchmark their current stewardship and identify additional practices that would benefit their farm. In turn, our food value chain company partners are able to track progress against science-based sustainability targets for their supply chains. This new marketplace also offers a channel to connect consumers and farmers through the food value chain, ultimately helping incentivize management and conservation practices that could address the climate crisis.

Rural Connectivity Gaps Undermine the Fight Against Climate Change

Critical to the expansion and success of improving on-farm sustainability is the accessibility and utilization of next-generation technology, supported by strong broadband connectivity. This connectivity is essential, and currently lagging far behind. According to Federal Communications Commission estimates, more than 18 million Americans lack internet connectivity. By some estimates, the number of Americans without access to high-speed internet

[4] https://www.kearney.com/consumer-retail/article/?/a/consumer-support-still-strong-as-earth-day-celebrates-its-50th-birthday

is even higher than FCC projections – experts believe the number could be twice as high.[5] The COVID-19 pandemic brought the digital divide to the forefront, as we now heavily rely on high-speed internet for critical facets of everyday life from healthcare to education, to working and to this very hearing.

To address the connectivity gap in the near-term, Land O'Lakes, our agriculture retail-owner network and other organizations, have come together to provide free Wi-Fi access points at over 150 locations in 19 states to help our neighbors connect to telehealth, remote learning and other critical services during this pandemic. However, this is a short-term solution for a long-term problem.

Through our American Connection Project, Land O'Lakes has advocated for full internet accessibility. The success of America's rural communities is inextricably linked to the security and prosperity of our country as a whole, and a robust federal investment is imperative to help close the divide. We know the need is in the neighborhood of $100 billion to connect everyone across the country. Congressional action on this issue is critical.

Land O'Lakes is building and executing a strategy based in precision agriculture and conservation. We know that the only way to protect water quality, sequester carbon, reduce GHG emissions and maximize farmer profitability, will be through precision conservation solutions, fueled by technology. None of these advancements are possible without broadband. Connectivity at the farm gate allows farmers to connect equipment to GPS and ensure machinery is using the most efficient routes. Connectivity enables usage of drones to reduce fuel costs, variable rate application to reduce input use, and more. A 2019 USDA report found that 40 percent less fuel is used due to variable rate technologies, 20 to 50 percent less water is used due to precision agriculture and an 80 percent reduction in chemical application.[6] When it comes to environmental improvements in agriculture and connectivity, they must go hand-in-hand.

Dairy's Role in Supporting Environmental Stewardship

[5] https://broadbandnow.com/research/fcc-underestimates-unserved-by-50-percent
[6] https://www.usda.gov/sites/default/files/documents/case-for-rural-broadband.pdf

While Truterra's focus is broad, as a dairy co-operative, I do want to take a moment to speak to efforts underway in the U.S. dairy community to address climate change. The Innovation Center for U.S. Dairy is working with farms, co-ops, processors and other stakeholders to establish a new set of voluntary environmental stewardship goals for the U.S. dairy community, which aim to achieve neutral or better carbon emissions, optimized water usage and improved water quality by 2050. Having USDA support in science and transparency for reporting, and verification of voluntary GHG credit markets, is imperative to the success of this initiative and the economic viability for farmers.

Conclusion

Chairman Roberts, Ranking Member Stabenow and Members of the Subcommittee, I commend you for your leadership in convening this hearing. I believe that this is an important moment for farmers, rural communities, and for the food and agriculture system as a whole. The conversation about the intersection between climate change, food and agriculture is not, by any means, new. But, as a professional who has spent decades working on these issues, I am invigorated by the new momentum this conversation has recently taken on as well as the growing enthusiasm for, and embrace of, the major role that farmers and ranchers can play in mitigating and offsetting the impacts of climate change.

Thank you for the opportunity to provide input in this process; we stand ready to help in any way requested.