



# BUILDING THE CLEAN ENERGY ECONOMY

## Breakthrough Reached on Provisions for America's Farmers

The Agricultural Offsets section of the American Clean Energy and Security Act empowers farmers, ranchers and forestland owners to fully participate in a market-based carbon offset program, earning income for activities they undertake to address global climate change.

### Helps Producers' Bottom Lines While Helping the Environment

- Allows farmers, ranchers and forestland owners to work with USDA and its conservation partners to design and implement plans that reduce or avoid greenhouse gas emissions and sequester carbon on their operations.
- Directs the U.S. Department of Agriculture to use its extensive network of specialists and field offices to establish and carry out the agricultural offsets program.
- Fully exempts agriculture from being covered by the cap-and-trade system.
- Provides flexibility to allow producers to undertake activities to help address global climate change while recognizing the realities of modern farming practices.

### Ensuring Environmental Integrity

- After producers have implemented their practices, independent third party verifiers will ensure that plans have been followed and the intended amount of carbon has been removed from the atmosphere.
- A specific list of practice types is included to assist the Secretary of USDA in implementing the program and to help producers determine which types of activities will work best on their operations.

### Protects Early Actors

- Allows farmers and ranchers who participate in USDA conservation programs or who have already undertaken carbon sequestration activities to receive offset credits.
- Fairly compensates early actors who have participated in voluntary offset registries for carbon sequestration, such as the Chicago Climate Exchange, if their offsets from 2001-2009 have not been used.
- Allows producers who undertook carbon sequestration activities before 2009 to get credit for those activities and reductions that continue on their farms.

### Renewable Fuels Standard

- The definition of renewable biomass has been harmonized with the definition negotiated under the 2008 Farm Bill for private lands while preserving environmental safeguards for those materials currently found on public lands.
- In addition, the bill addresses a provision in the 2007 Energy Bill that unfairly penalized American biofuels producers and requires any future regulations on international Indirect Land Use Changes to be based on sound science.

### Rural Utilities

- The legislation ensures that no utility receives a "windfall" of allowances above what it needs to cover its costs of complying with the cap-and-trade program. The bill also provides additional assistance to small utilities for efficiency, renewable electricity, or low-income assistance programs.

### Supporters

- The National Farmers Union, Renewable Fuels Association, American Corn Growers Association, National Association of Wheat Growers, Growth Energy, and American Farmland Trust support the bill, with passage of the Manager's/Peterson amendment.

*The House Agriculture Committee  
Chairman Collin Peterson*