

[BRIEFING: 25X'25 CARBON WORK GROUP
“Agriculture and Forestry in a Reduced Carbon Economy”]
April 2009

report available at http://www.25x25.org/storage/25x25/documents/Carbon_Subcommittee/carbon_primer_exec_summ_03-23-09_final_rev.pdf

CONCLUSION *“The 25x'25 Carbon Work Group has concluded that the agriculture and forestry sectors are well positioned to offer solutions to counter climate change and that farm, ranch and forestland owners have much to gain.”*

“National policymakers have made clear their intention to address global warming and a national climate change policy is expected soon.”

“In the absence of a national climate change policy, there is every indication that EPA would move forward with a system to regulate GHGs under the Clean Air Act.”

Agriculture, including forestry, is responsible for **7%** of total annual U.S. greenhouse gas (GHG) emissions – but these sectors have the potential to reduce **10-25%** of total annual U.S. GHG emissions, “regardless of the policy mixes adopted.”

“Agriculture and forestry are the only sectors on the production side of the economy that are expected to experience a positive output as a result of mitigation.”

Potential opportunities for agriculture include **biological sequestration, renewable fuels** used to avoid fossil fuel emissions, and methane and nitrous oxide emission reductions (including through biogas opportunities, such as **anaerobic digesters**).

“The expected impacts of climate change on U.S. ecosystems include **significant consequences for farming and forestry**, including the extended range and lifetime of pests and stress; higher temperatures and/or decreased precipitation; increased drought stress; decreased water availability; reduced yields of meat and dairy products in the summer; and increased fire hazards, among others.”

“Offsets could provide a significant revenue stream for the agriculture and forestry sectors... Using EPA’s high-end estimate for the average price of carbon (\$50 MT CO₂e), the agriculture and forestry sectors could realize **over \$100 billion** in additional annual gross revenue. To put this into perspective, the total value of U.S. agriculture in 2002 was \$200 billion.”

“With this unprecedented opportunity to generate new revenues, the **net gains will depend on associated costs**, including those required to change operating practices, such as sequestration with a vegetative buffer; track and sell offsets; and from the increased costs for inputs such as fuel and fertilizer. Although studies have estimated some of these costs, the net gains for the sectors are still unknown.”

“To gain the full participation of agriculture and forestry, any new climate change regulatory system adopted by Congress must create **a market that can sustain robust prices.**”

Overarching Principles for formulating climate change policy • “The environmental impacts (e.g. increasing frequency of wildfires, insect outbreaks and rising sea levels) and economic cost of inaction warrant action. • Sufficient science and political momentum exist to warrant action now. • Adaptation and mitigation must be pursued simultaneously. • Sustainability must be considered in all policy decisions. • The requirements of the global as well as national communities must be considered.”