



## Political lay of the land

- Chances of legislation in 2010 declining
- Voter discontent
- Economy
- Partisan divide
- Copenhagen sputtered and fizzled

## Climate Debate

- Issues vs. Emotion
- Science – is it sound?
- Climategate – what was the impact?
- Economic models – are they sound?
- Dueling economic studies

## It is really about the cost

- Action vs inaction on climate
- Some sectors win / some sectors loose
- All climate change legislative proposals use cost to cause action by the public.

## Agriculture costs under a climate change policy

- Fuel for crop production
- Electricity – livestock heating and cooling
- Natural gas and propane for irrigation and drying
- Fertilizer
- Transportation of products and impact on prices
- Competition and demand for alternative fuels
- Higher energy costs are in our future

## Controlling energy costs

- Advances in technology
- Renewable and alternatives
- Conservation/Energy audits
  - Farm
  - Processing
  - Handling
  - Transport

## Climate Policy Options

- Traditional environmental regulations
- Tax increases or decreases to incentivize changes in consumption, manufacturing, or investment
- Cap and Trade to transfer costs through the marketplace
- Voluntary, incentive based actions
- Some combination of the above

## Carbon Regulations

- Point source vs non point source
- Costly to implement
- Sufficient legislative direction is lacking
- Headed for lengthy litigation
- Unlikely to be effective

## Voluntary Actions

- How do you address bad actors?
- Cost
- Compliance verification
- Who bears the cost?

## Cap and trade

- Establishes baseline for early actors
- Uses the marketplace to determine price of carbon
- Allows the market to lower the cost of compliance
- Complicated
- Theory is more palatable than the legislation
- Current legislation exempts farmers
- Roles of farmers and environmentalists are reversed

## Carbon Tax

- Simplicity
- Reduced slippage
- Appeals to the economists due to its purity
- Who is in and who is out is an unknown at this time
- Affords an opportunity for transition payments to selected constituencies
- Tax status for agriculture and food production is unknown.

## Management vs Idling

- Forestry management vs afforestation
- Nutrient management vs reduced fertilizer use
- Feed management vs reduced livestock production
- Carbon management in soils vs idled land sequestration

## Carbon vs Calories

- Population growth and environmentalism are on a collision course
- Land idling strategies will ultimately collapse under the pressure
- We need to shift the discussion to one that considers efficiency in food production
- When it comes to emissions food is a special case

## Adaptation Strategies

- How will things change locally, regionally and globally?
- How can society, communities and farmers adapt?
- Weather variability – moisture, heat units, frost
- Disease
- Weed pressure
- Genetics
- Irrigation water management
- Cropping systems

## Sustainability

- No longer a philosophical movement – now a consumer response
- Pressure coming internationally in the marketplace
- Nearly every commodity checkoff is making an investment in sustainability (life cycle analysis)
- Wine and Dairy appear to be the furthest along (perhaps due to proximity to their consumers)

## Next Steps

- Break the debate into bite size segments
- Cost
- Carbon sequestration
- Adaptation
- Research

## Questions

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