



March 7, 2003

Mr. William Hohenstein  
Global Change Program Office  
U.S. Department of Agriculture  
Room 112-A, J.L. Whitten Building  
1400 Independence Avenue, N.W.  
Washington, D.C. 20250-3814

Dear Mr. Hohenstein:

The American Soybean Association (ASA) would like to respond to the request for public comment with respect to improving the agriculture accounting rules and guidelines under the Department of Energy's Voluntary Greenhouse Gas Reporting Program (VGGRP). ASA is a national trade association representing 26,000 farmer members on issues important to all U.S. soybean producers. We commend the Administration for recognizing the positive role that U.S. production agriculture can play in addressing climate change issues, and appreciate the opportunity to provide comment on developing a crediting component to the VGGRP.

We would like to begin by stressing the importance of confidentiality. Data collected from participants under a crediting program should be available for government and public review on an aggregate basis only. The data should maintain a level of anonymity similar to that of USDA's agriculture census to protect the privacy of growers who choose to participate in a crediting program.

ASA supports the development of a voluntary, private sector, process-based emissions crediting program that awards credits to individuals who engage in activities that reduce greenhouse gas (GHG) emissions and/or store atmospheric quantities of carbon and nitrogen in soils. Offset credits should be leased, rather than purchased, so as not to grant a permanent easement on the management of a given area of land. The program should include limited government oversight with independent verification of registry reports.

Aggregators should define entity boundaries and the scope of reporting emissions, as only they can identify the quantity of offsets they can realistically commit to providing. Entities should be allowed to report emissions regardless of size, so as not to discourage participation in the program. Measuring amounts of carbon sequestered and nitrogen fixed can be project-based, with credit values partially determined as a function of acreage and estimated amounts of gases reduced or stored by known management practices. The project-based portion of the program should be flexible and thus encompass the entire entity or just part of it.

The costs of independent verification should be negotiated and assumed by aggregators and leaseholders of GHG emissions credits. Verification should include random spot-checks of management practices by certified crop consultants or representatives from NRCS or local Conservation Districts. Spot-checks should also be triggered by changes in management practices or land-ownership, as suggested by developers of the Kyoto Protocol's international crediting framework.

Credits should be awarded for past efforts to reduce emissions, such as through biodiesel use. A 1998 joint USDA/U.S. DOE study found that biodiesel cuts net CO<sub>2</sub> emissions by 78% compared to petroleum diesel fuel, and virtually eliminates sulfur emissions. Past biodiesel use can be easily verified by requiring program participants to submit purchase receipts.

Credits should also be provided for past activities- such as no-till- that trapped and stored quantities of atmospheric greenhouse gases in soils. This can be accomplished through a producer self-certification process. Producers would certify that they had engaged in certain management practices for  $x$  number of years; through spot-checks, independent verifiers would in part confirm previous efforts by measuring levels of carbon and organic matter in the soil.

Only scientifically, peer-reviewed activities that have specific accounting rules and guidelines associated with them should be permissible for reporting. Estimates on the amount of greenhouse gases mitigated by certain management activities should take into consideration crop rotations and estimated degree of permanence under average weather and pest conditions.

Finally, it is important that the accounting rules and guidelines established by any U.S. crediting program are verifiable under the international framework being established under the Clean Development Mechanism of the Kyoto Protocol. Some U.S.-based multinational companies will be subject to provisions of the Kyoto Protocol. If the U.S. crediting program is transparent and parallel to the international one being developed, this will perhaps increase the chances that U.S. companies subject to the foreign regulatory framework would be permitted to obtain offset credits from American entities, rather than exclusively from entities located in countries party to the protocol. If this were to become the case, ASA would support incentives for U.S. multilateral companies to obtain offset credits from American agricultural entities.

Again, ASA thanks you for the opportunity to comment on the possible addition of a crediting component to the VGGRP.

Sincerely,

Dwain Ford  
President