

Advisory Committee on Biotechnology and 21st Century Agriculture (AC21)

Models and Incentives subgroup meeting

Conference Call Summary

January 25, 2016

A two-hour telephone meeting of the Models and Incentives ad hoc subgroup was held on January 25, 2016. The official members of the subgroup are Marty Matlock, David Johnson, Jerry Slocum, Douglas Goehring, Isaura Andaluz, Laura Batcha, and Keith Kisling. All members participated in the conference call except for Mr. Goehring. Michael Schechtman, AC21 Executive Secretary and Designated Federal Official, convened the call.

Subgroup members first discussed the proposed charge for the subgroup, namely:

- Please identify and describe existing models that have been employed at the State or local levels for discussion and resolution of complex land or farm issues and that require multi-party cooperation.
- Please suggest how these models might provide relevant lessons for the development of joint coexistence plans (JCPs) or for the resolution of local coexistence issues.
- Please outline potential incentives that might be offered at the State or local level to growers who participate in efforts to develop JCPs or who work to resolve local coexistence issues.

There was no disagreement about what was contained in the charge, but one subgroup member offered the view that there was no subgroup tasked with considering what role USDA should play in facilitation. Michael Schechtman offered the view that the topic might be something that the full committee would be better suited to address, but that it could be tacked on as a final topic for this subgroup after completion of the other elements of the charge. There was a question raised about whether the subgroup's role would be primarily to gather information about existing models or to digest it and provide feedback on the different models. Dr. Schechtman offered the view that the primary task was gathering information, but that additional work if there was time could be useful.

A member raised a question about what the Secretary had intended by the term "incentives", and was told that it was up to the AC21 to decide what this would mean, but it could potentially include monetary and/or non-monetary incentives.

One member offered an example of State measures enacted to address poultry waste, which included mandatory steps to be taken. Dr. Schechtman indicated that what is envisioned here is voluntary.

Another member noted the example of grower opportunity zones (GOZs) for alfalfa seed production. These zones are developed by local grower demand and can only be established

when at least 80 percent of growers in a given region wish to establish one. They are then recognized by the National Alfalfa and Forage Alliance, and in the region there are required procedures that must be followed in order to be eligible for certain seed contracts. There are no opt-out procedures at present. Mr. Johnson indicated that he had provided some information on these zones to Dr. Schechtman earlier, and Dr. Schechtman noted that he would distribute the information to subgroup members.

Another member noted that similar types of GOZs exist for canola/rapeseed cultivation. These were initially established by growers, but are now administered at the State level in the Northwest. The system provides some flexibility to change which crop a zone grows. Mr. Slocum and Dr. Schechtman agreed to track down information about these processes.

Another subgroup member noted that Mr. Goehring had, at the December 2015 AC21 plenary session, mentioned pollinator protection plans as another model, and that they had been working successfully in Oklahoma for several years. Ms. Batcha offered to track down information from Mr. Goehring at the Winter Policy meeting of the National Association of State Departments of Agriculture (NASDA) the following week.

Dr. Schechtman noted that watershed protection models had also been alluded to at that plenary session and Mr. Kisling offered to try and track down relevant information on those models.

Dr. Schechtman noted that two different types of models seemed to be under discussion, one involving neighbors working with their neighbors, and the other creating in effect regional segregation. A member noted that GOZs can work in small areas, but would be unlikely to work for large acreage crops like corn or soy. Two members expressed worry about the possible unintended effect of GOZs in limiting farmer choice in some areas.

Mr. Johnson noted that he had identified information about a watershed protection plan for Plum Creek, TX, including a diverse set of stakeholders, and would Email it to Dr. Schechtman for distribution.

One member noted that there is a need to figure out how to incentivize lower-value (i.e., commodity) crop farmers to participate in neighbor dialogues. He wondered whether USDA's Natural Resources Conservation Service (NRCS) could contribute to the solution even if they can't directly offer farmer incentives. He noted Secretary Vilsack's priority of enabling farmers to grow what they want. It was noted that it may take Congressional action to redefine NRCS authorities.

Another member noted that there could be a recommendation that Congress examine whether conservation of germplasm should not be within NRCS' bailiwick. She added that in the meantime, USDA should identify approved practices within NRCS that can offer coexistence benefits and develop a guide to let farmers know what is possible. She also noted that the National Organic Standards Board passed a recommendation in fall, 2015, for the National

Organic Program to release a guidance document on mitigating exposure to GMOs as an excluded method.

A member noted that to him, potential incentives include monetary compensation. Farmers want to be able to plant up to their fence lines. He wondered whether other benefits might be monetized and noted that in the past, there had been direct payments to farmers. He also referred to earlier AC21 conversations about using conservation benefits as an incentive. Another member noted that while the Secretary had referred to incentives that might be offered at the State/local level State funds were likely to be unavailable for this purpose as well. Other members noted that: it is a matter of priority, and money is always if an action is thought important enough; and that State and local officials could still have a role to encourage and implement.

Dr. Schechtman raised the suggestion that had been made at the December 2105 plenary of broadening the range of mitigation topics potentially under discussion by farmers as a means of broadening the interest in participating by farmers. One member offered the view that such an approach might work to some extent. He noted that in North Dakota, they have some experience with that approach. It was also noted that North Dakota was a trailblazer in holding discussions around the topic of coexistence.

Another member noted the work of State Agricultural Mediation Boards, which typically work on issues between farmers and banks. He added that other venues such as extension services and Land Grant Institutions might have a role before such a board might get involved.

There was discussion about which states would likely experience the greatest coexistence concerns—those that grow many different types of crops, or those that grow only a few. Different views were expressed. It was noted that fundamental to the success of coexistence efforts is the relative purity of the starting seed.

A member noted that different models for incentives for high purity seed production might also be considered. She wondered whether USDA underwrites labs and commercial testing in any way. Dr. Schechtman indicated that USDA does not, except for pesticide residue testing for EPA, as authorized under pesticide law. Another member noted that seed companies do provide some information about the purity of the seed they sell, but more information could be provided on seed tags. The previous member noted that without greater transparency and visibility farmers entering into joint coexistence plans (JCPs) will not have all the information they need. She wondered whether there might not be some sort of incentive created for parties entering into JCPs to get seed testing. Members agreed that information about seed purity will be useful to all farmers.

A member noted that the seed industry can and does talk in some contexts, especially for seed exports, about the tests they have performed and the limits of detection. But it was acknowledge that there is often a general reluctance to disclose this information.

A member noted that there is a Wolf Coexistence Council in Arizona and New Mexico which provides ranchers with compensation for wolf-related losses. The funding for this effort comes from the Federal Livestock Demonstration Program, the Mexican Wolf fund, and Defenders of Wildlife.

Dr. Schechtman asked the subgroup their views on the possibility of industry-supported incentives. The general view expressed was that for such a program to be successful, all of industry, including different seed and crop production sectors, the crop protection industry, the identity-preserved and organic production sectors, food processors/wholesalers/retailers, and commodity groups and checkoff organizations, would need to be involved. But members acknowledged that getting commitments from one sector without commitments from other sectors would be difficult. One member noted the public relations value that might be gained for those who participate, and thought this topic might be raised before the full committee.

Dr. Schechtman indicated that he would send an Email to Commissioner Goehring to see if he can forward relevant information about the development and implementation of pollinator protection plans. (Ms. Batchas was also going to check with Mr. Goehring if possible at the upcoming NASDA meeting.) Mr. Kisling offered to check on their use in his State as well.

Tasks:

- Dr. Schechtman to distribute various information provided by Mr. Johnson
- Dr. Schechtman, Ms. Batcha, and Mr. Kisling to investigate about relevant information on State Pollinator Plans.
- Dr. Schechtman and Mr. Slocum to gather information about grower opportunity zones for canola production.