

Partnerships for Climate-Smart Commodities Learning Network (Partnerships Network)

Full Network Meeting | November 8 - 9, 2023

William F. Bolger Center | 9600 Newbridge Dr, Potomac, MD 20854

Discussion Summary

DAY 1

Welcome by USDA leadership

Katina Hanson (Acting Senior Advisor for Climate-Smart Commodities, USDA Farm Production and Conservation (FPAC)) opened the meeting, reflecting on the goals of Partnerships for Climate-Smart Commodities to build markets and help the climate. She observed that tackling climate change and expanding opportunities for producers to participate in climate-smart markets are among the Secretary of Agriculture's main priorities. She closed by reviewing the meeting agenda.

Bill Hohenstein (Director, Office of Energy and Environmental Policy, USDA Office of the Chief Economist) thanked Katina and her team, expressing the personal goal of meeting all the projects during the course of the meeting. He emphasized the importance of the effort and its dependence on data to get as many lessons-learned from the projects as possible.

Sean Babington (Senior Advisor for Climate, USDA Office of the Secretary) thanked the grant participants for being willing to take risks to develop new markets. He emphasized the Secretary's focus on climate-smart commodities. He noted that these projects are intended to be pilots and that therefore some things are expected to work better than others. Three components are needed to develop something that works for producers: 1) broad producer engagement, 2) MMRV (Measurement, Monitoring, Reporting, and Verification) to generate data to underpin the value of the practices and commodities produced using them, and 3) marketing approaches that provide producers with higher returns.

Kate Zook (Deputy Director, Office of Energy and Environmental Policy, USDA Office of the Chief Economist) thanked the team and emphasized that the definition of a climate-smart commodity could be informed by those in the room. She acknowledged that this topic is new territory for many and will be challenging. She emphasized that the agency's role should be as a learning partner alongside the projects.

Virginia Green (Acting Deputy Director, Climate-Smart Commodities, USDA Farm Production and Conservation) expressed her excitement at being part of the meeting. She thanked the National Program Officers for their work to help finalize agreements. She acknowledged Accenture, who are helping manage the data from projects, and emphasized the importance of quarterly reporting to the goal of learning. Lastly, she acknowledged the feedback received in previous meetings, in response to which a Microsoft Teams space is being set up to enable more communication between the projects and USDA.

Panel Discussion: Projects in Funding Pool 1

Partnerships for Climate-Smart Commodities

Moderator: Sean Babington, Senior Advisor for Climate, USDA Office of the Secretary

Panelists:

- Dave Fischer, Project Manager, Fischer Farms Natural Foods
- Kimberly Ogden, Professor, University of Arizona
- Paul Scheetz, Director of Climate-Smart Ag Origination, ADM
- Jennifer Nelligan, Chief Program Officer, National Association of Conservation Districts

Panelists reviewed the scope and goals of their projects, which include a wide range of commodities, including livestock, row crops, and specialty crops. They discussed where they were in the process of their projects, which shared the strategy of engaging first with a core network of producers. They reviewed their MMRV strategies and predicted what it would take to build markets for commodities produced using climate-smart practices.

Panel Discussion: Projects in Funding Pool 2

Moderator: Bidisha Bhattacharyya, Senior Advisor, Climate and Conservation, USDA Farm Production and Conservation

- Byeng Ryel Min, Associate Professor, Tuskegee University
- Shannon Cappellazzi, Director of Research, GO Seed
- Zach Gaines, Director of Raw Materials, Proximity Malt
- Mark F. Allan, Project Manager, Allan Genetic Solutions

Panelists introduced their scope, including projects targeting livestock, seed production, spirits, and mitigating methane emissions. They reviewed the status of engaging with producers and summarized some of the challenges they were facing in enrolling producers. They discussed their strategies for MMRV and their initial plans for marketing their commodities.

Presentation on other USDA Climate-Smart opportunities

Terry Cosby (Chief, USDA Natural Resources Conservation Service) observed the increased NRCS opportunities in light of the recent Inflation Reduction Act and other funding sources like those supporting Partnerships for Climate-Smart Commodities. He emphasized that Partnerships for Climate-Smart Commodities is a once-in-a-lifetime opportunity and the corresponding importance of delivering value through these projects. He closed reflecting on the importance of having the data to back up the practices.

Laura Gallagher (Environmental Policy Analyst, Office of Energy and Environmental Policy, USDA Office of the Chief Economist) introduced her role on the team that in charge of implementing the Inflation Reduction Act MMRV effort that was recently funded with \$300 million. The goal of this effort is to quantify greenhouse gas emissions and soil carbon to improve the ability to estimate climate outcomes. It involves collecting data to create models to generate estimates, complete with an understanding of uncertainty. The program has seven different action areas and will provide the infrastructure for quantifying greenhouse gas benefits at the farm, program, and national scales.

Bill Hohenstein (Director, Office of Energy and Environmental Policy, USDA Office of the Chief Economist) started by characterizing the goal of the effort as making climate-smart practices an essential part of

normal agricultural operations. He reviewed different market approaches, including the climate-smart commodities being developed by this effort as well as upcoming guidance on carbon offsets that was authorized to be produced by the [Growing Climate Solutions Act](#). The lessons learned in this Network will inform the offset work.

Small group discussion: MMRV implementation by commodity

In small groups organized broadly by commodity, network participants discussed challenges related to Measurement, Monitoring, Reporting, and Verification (MMRV). Topics included whether existing models were adequate for different commodities and geographies. They discussed specifically in which ways the COMET model could be improved. They covered challenges related to capacity for fulfilling their projects' MMRV plans and anticipated how the data they would generate would inform their marketing strategy.

Small group discussion: Producer engagement

In small groups roughly organized by commodity, network participants discussed how producer enrollment was coming along in their projects, including the demand they were seeing/anticipating and the communications strategies they had been employing. They discussed the kind of language they felt resonated with producers, including those in underserved communities, and the related challenges they were encountering.

Meeting with National Program Officers

Network participants met with the National Program Officers assigned to their projects to discuss operational issues.

Initial report-outs about key questions and learnings

Moderator: Gloria Montaño-Greene, Deputy Under Secretary, USDA Farm Production and Conservation

- Allison Costa, Acting National Program Officer, USDA Farm Production and Conservation
- Jade Nield, National Program Officer, USDA Farm Production and Conservation
- Matthew Denton, National Program Officer, USDA Farm Production and Conservation
- Echo Dominguez, Acting National Program Officer, USDA Farm Production and Conservation

National Program Officers summarized what they heard in the small group discussions they had attended. Moderator Gloria Montaño-Greene offered closing remarks, emphasizing the importance of using communication to build trust and the centrality of trial-and-error in innovative work. She closed by underscoring the importance of collaboration in this effort.

DAY 2

Welcome back by USDA leadership, Day 2 agenda review

Robert Bonnie (Under Secretary, USDA Farm Production and Conservation) opened Day 2 of the meeting and noted that elements of the Growing Climate Solutions Act would be rolled out in the near future.

Jenny Lester Moffitt (Under Secretary, USDA Marketing and Regulatory Programs) reviewed the role of the Agricultural Marketing Service in developing labels, adding that she would be listening for opportunities for USDA to play a role in marketing.

Small group discussion: on market approaches (2 rounds)

Participants had the opportunity to select two of four groups to attend on topics related to marketing. The topics included:

1. Labeling and branding of climate-smart commodities, including the relative importance of on-package labeling versus storytelling
2. Inset programs for carbon measurement and reporting, including producer premiums for carbon, approaches to eliminate double-counting, and the role of renewable energy
3. Direct-to-consumer marketing including how to gauge market extent and interest
4. Co-benefits related to greenhouse gas emissions and carbon, such as other ecosystem services, and the extent to which they should be incorporated into a climate-smart definition.

Small group discussion: Climate-Smart Commodities Definitions

Participants discussed in commodity groups the relative usefulness of “climate-smart” as a marketing term. They shared their different approaches to marketing, including which language is used with which value chain entities, from producer to processor to retailer to consumer. They considered what role USDA may play in developing an official definition of “climate-smart”.

Report out and wrap-up

Katina Hanson (USDA FPAC) conducted a live survey of participants to close the meeting, asking what participants would like to see in future meetings and trainings, and requesting participant thoughts relative to labels and a climate-smart definition.

Adjourn