



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Testimony on Assembly Bill 419

Relating to: creating an online interactive carbon calculator for farmers

Assembly Committee on Agriculture

October 11th, 2023

Good morning, Chairman Tranel and committee members. Thank you for holding a public hearing on Assembly Bill 419 today.

Wisconsin farmers are at the forefront of the clean water and renewable energy discussions as they interact the closest to our land and water resources. Businesses across the country are adopting new environmental sustainability goals, many of which include net zero emissions. Offsetting emissions through many industries business operations isn't easy. Carbon credits have become a tool many businesses are attempting or are currently using to offset their emissions.

These credits may be purchased from a private marketplace. Assembly Bill 419 would create a free carbon calculator, to be used as a tool for farmers interested in participating in such marketplaces. The Department of Agriculture, Trade and Consumer Protection (DATCP) would create this free webpage that farmers can use to calculate carbon emissions produced directly or indirectly from their agricultural activities. Establishing this uniform credit calculation method makes it easier for farmers and increases reliability and value of these credits in the free market.

Currently, the marketplace for these credits is all private and proprietary. Anyone in the agriculture industry interested in participating in these markets can't compare or know what their sustainability work is really worth compared to other competitors offering credits. DATCP

operating this calculator would give farmers a trusted and reliable source to know how their credits are calculated and their value.

It is important to note; no farmer will be compelled to participate in using this carbon calculator, nor is any business compelled to purchase calculated emission credits. Assembly Bill 419 offers another tool for Wisconsin's farmers looking to capitalize on environmentally conscious practices and create a place in the industry where everyone can see a uniform value on their sustainability efforts.

This proposal is a step towards rethinking the way Wisconsin businesses may voluntarily approach reducing their carbon footprint while simultaneously turning conservation practices into new revenue streams for our agricultural community. This legislation is supported by the Wisconsin Biomass Energy Coalition, Wisconsin Corn Growers Association, Wisconsin BioFuels Association, and the Wisconsin Potato & Vegetables Growers Association. Thank you again for holding a hearing on Assembly Bill 419. I'll be happy to take any questions.

ROBERT L. COWLES

Wisconsin State Senator, 2nd Senate District

STANDING COMMITTEES:

Natural Resources & Energy, Chair
Transportation & Local Government, Vice-Chair
Economic Development & Technical Colleges

Testimony on 2023 Assembly Bill 419

Senator Robert Cowles

Assembly Committee on Agriculture

October 11, 2023

Thank you, Chairman Tranel and Committee Members, for allowing me to testify on 2023 Assembly Bill 419. This bill creates an online interactive carbon calculator on DATCP's website for voluntary use by farmers.

There's no question that Wisconsin's agricultural community has been through some tough times in recent years. Whether it's the constant market shifts, uncertain regulatory environments, or the rapidly rising costs of necessary goods such as fuel, feed and seeds, too many farmers are one bad season away from going under. Wisconsin's smaller family farms are some of the hardest hit, with an estimated 40,000 dairy farms going out of business in the last four decades. Nearly one farm a day is still going out of business in our state.

In the 2019-20 Legislative Session, I worked on an initiative to have a third-party administer a water quality credit trading clearinghouse which allows farmers to have an expert analyze their non-regulatory water quality improvements, such as buffer strips and no-till farming, to quantify the credits and sell them on a marketplace to a point source in the same watershed. This clearinghouse, which is finally up and running, is meant to help solve a number of issues in the state. But one benefit is that it provides an opportunity for some farmers to gain a steady source of income outside of their normal farming operations, helping to keep more farms in business.

Assembly Bill 419 is a similar initiative, as Representative Oldenburg and I have proposed this bill to help farmers find another steady stream of income from private parties without government funding or regulation. Many large corporations have environmental sustainability goals, which include net zero emission targets. But to meet these air quality targets, they often need to find a way to offset the emissions that they cannot reduce from their business operations. That's where third-party credits come in. These credits may be purchased from a private marketplace to help them offset the business's remaining emissions to meet their net zero goal.

An impediment that Wisconsin farmers attempting to sell emission offset credits through private marketplaces have dealt with is either finding a reputable calculation method for the amount of credits generated, or having the purchasing businesses trust the validity of calculated credits. By requiring the Department of Agriculture, Trade and Consumer Protection (DATCP) to create an online calculator for this purpose, we can make it easier for farmers to calculate the number of generated credits, and make it more reliable for purchasing businesses to trust that the credits being sold are calculated through a fair and impartial method from a trusted source.

No farmer will be compelled to participate in the carbon calculator, nor is any business compelled to purchase calculated emission credits. Simply put, Assembly Bill 419 just helps to put another tool in the toolbox for Wisconsin's farmers looking to capitalize on environmentally conscious practices and create another stable stream of revenue to help weather the hard times that many Wisconsin farms are currently facing.



State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

RE: Assembly Bill 419 Relating to: creating an online, interactive carbon calculator for farmers

October 11, 2023

Chairman Tranel and members of the Assembly Committee on Agriculture:

Thank you for the opportunity to provide information about Assembly Bill 419 related to creating an online, interactive carbon calculator for farmers. My name is Tim Anderson, and I am the Director of the Land and Water Resources Bureau at the Department of Agriculture, Trade and Consumer Protection (DATCP). I will describe the potential process and resources required for DATCP to implement AB 419.

If enacted, this bill would require the DATCP to develop and maintain an online, interactive carbon calculator that may be used by farmers in Wisconsin to determine the carbon emissions produced both directly and indirectly from their agricultural activities. The calculator must allow users to input at a minimum: soil type, soil history, tillage systems, crops planted, fertilizer and pesticide use, harvest and storage systems, types of livestock, use and distribution of manure, product delivery systems, conservation measures in place, and types of vehicles used. All information provided by users and users' calculated emissions would be confidential and not subject to public inspection or copying under state open records law.

The bill permits DATCP to contract with a third party to develop and maintain the calculator and we would anticipate doing that through the state's sealed bid process. DATCP does not have experience or technical expertise required to calculate carbon emissions from agricultural operators, or perform associated auditing, reporting, and statistical analyses. Currently, there are a number of private platforms that operate calculators that may be models for Wisconsin's calculator. In addition, the USDA operates COMET-Farm. This is a tool that allows agriculture producers to voluntarily assess their greenhouse gas emissions. This tool can be used to set a baseline and to examine ways to reduce producer emissions. This would require funding and a position for a Research Analyst and continued annual funding to contract with a third party. Overall, we estimate \$509,200 would be required to develop and maintain an online, interactive carbon calculator that can be used by Wisconsin farmers to measure their direct and indirect carbon emissions.

Thank you for the opportunity to provide information on AB 419. I would be happy to answer any questions committee members may have.

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Wisconsin Corn Program
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October 11, 2023

My name is Nicole Wagner, I am the Executive Director of the Wisconsin Corn Growers Association, and I am testifying on behalf of our members from across the state. The Wisconsin Corn Growers Association is a grassroots organization committed to increasing the profitability of corn production through sound policies, continued market development and strong involvement in the political process. In 2022, Wisconsin's 15,000 corn growers harvested over 545 million bushels on over 3 million acres. Most growers are currently in the field harvesting a projected 512 million bushel crop.

The Wisconsin Corn Growers Association is here today in support of AB 419, which calls for the state to create an online, interactive carbon calculator available to Wisconsin farmers to track on-farm emissions and participate in voluntary carbon markets.

Nationally, agriculture is the source of roughly 10 percent of greenhouse gas emissions. Through carbon credit offset programs, farmers can engage in practices like planting cover crops or reducing tillage to help store carbon in the soil. Capturing carbon in the soil through prescribed conservation practices allows growers the opportunity to be compensated for helping other entities offset their carbon gas emissions. The new carbon market presents yet another opportunity for corn growers to contribute to the health of the planet—and potentially improve their bottom line. Companies are able buy that extra stored carbon to offset their pollution, or to be net-zero in their emissions.

To be able to manage carbon on a farm you need to first be able to measure it. Most of the current programs utilize proprietary systems to measure carbon and have not given farmers verifiable results so they are never sure of they are getting the best available price for their carbon sequestration. The creation of an online carbon calculator would provide the results available to farmers and those results would provide growers with a benchmark to begin discussions with the carbon companies.

Having your own carbon footprint knowledge can help a grower see where they might want to engage with supply chain initiatives, continuous improvement programs, or carbon markets. Understanding your footprint is the first step to see if engaging with any of these markets will be beneficial to a operation.

We ask the Committee to move AB 419 forward and not only support Wisconsin Corn growers but all those within agriculture.



October 11, 2023

Assembly Committee on Agriculture
417 N Main St.
Madison, WI 53713

Chairman Tranel and members on the Assembly Committee on Agriculture,

Thank you, Chairman Tranel, for having this hearing on AB 419 and Representative (Vice-Chair) Oldenburg, for authoring the bill and for the rest of the Assembly Committee on Agriculture for moving AB 419 forward quickly.

I am here representing the Wisconsin Corn Growers, the Wisconsin Biomass Energy Coalition and the Wisconsin BioFuels Association; all of whom registered and are in support of this bill.

AB 419 is the result of years of work between our groups and interested legislators, particularly former Rep. Gary Tauchen who has been like the Godfather of this bill. Our goal is to provide additional revenue streams for Wisconsin farmers based on renewable energy and the ability to sell their carbon credits. AB 419 relates specifically with creating a tool to measure carbon intensity on the farm.

If our Wisconsin farmers want to assess their carbon emissions to play in the carbon market – right now, they have two options, and both are bad.

There are free and online portals farmers can access, but these portals do not allow farmers to input specific measures they are doing to reduce emissions. In other words, one cannot go in and input that he uses biodiesel for his tractor to improve his score. The portals basically only track what crops the farmer is planting and outputs a basic score.

The other option farmers have is buying into a vendor's proprietary black box. Once they buy their way into the black box, all they get access to is their final score. The farmer does not know if the score is any good because they cannot look inside the box to see what was used to calculate the score.

In worse cases the vendor may just give them a price. For example, if the farmer gets a price of \$3 an acre, they have no way to know if the vendor is keeping 5% or 50% or what that carbon may be worth to other buyers.

Also, if a buyer out there, like Walmart, wants to buy out of that black box calculation, they are not going to give the full price for that carbon. Corporations cannot see inside the black box when they get audited or report to their stakeholders what they are doing to reduce carbon.

Our proposal would ask DATCP to create a free website for our Wisconsin farmers to calculate their carbon score in a completely transparent way. Farmers could then take the score and sell it into a market in which buyers will also be able to see how the score was calculated. This allows for transparency for the seller and transparency for the buyer.

We also want the site to be transparent to those black box vendors, academics, and anyone else out there computing carbon scores in detail. We expect the site to be constantly accessing any new data.

This site would create a benchmark which is important for the corn growers and others in the ag industry. The benchmark score would show which farming practices produce the smallest carbon scores. Then all the practices a farmer does, whether new or something they have already been doing for years, would receive a score and a benefit based on exceeding those benchmarks.

As far as we can determine, no other state or entity has established a carbon calculator that is transparent, granular, and contains a benchmark. There is a lot of work going on across the country on this topic, but none have gotten to this point.

Wisconsin would be the first state to do this. AB 419 would give our farmers a big leg up and a big advantage in this quickly evolving marketplace.

We are supporting 3 small changes to the bill. One would put the necessary funding in the bill. We have seen the fiscal note from DATCP and think it is a reasonable one.

The second would ensure that DATCP does not award the contract to create the calculator to just one for-profit company that might be motivated to keep others out. We do not think DATCP would do that, but to be sure we would suggest adding that the contractor selected would have to be an educational or non-profit entity. For profits companies would be most welcome to still participate, just not as the primary administrator of the project.

Lastly, we would support adding language that not only keeps the farmer's data from being considered an open record, but also prevents DATCP from accessing the data for state or regulatory purposes.

Thank you for listening to our testimony and please support AB 419.

For more information feel free to contact our representative: Bob Welch, 608.819.0150



September 26, 2023

Senate and Assembly Agriculture Committees
2 E. Main St.
Madison, WI 53702

RE: SB 409 / AB 419- Creating an Online Interactive Carbon Calculator- SUPPORT

Dear Chair Ballweg, Chair Tranel, and the esteemed members of the Senate and Assembly Agriculture Committees,

The American Biogas Council (ABC) writes today in support of SB 409 and AB 419, which call for the state to produce an online carbon calculator available to Wisconsin farmers to track on-farm emissions and participate in voluntary carbon markets. This legislation will support a farmer's right to monetize sustainable farming practices, resulting in the potential for an additional revenue stream while benefiting soil health and reducing emissions. Farmers cannot verify whether carbon intensity (CI) scores attributed to them by third parties are accurate; therefore, it is unclear whether they are getting the best price for their efforts. These bills will solve that problem.

The ABC is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent nearly 400 companies in all parts of the biogas supply chain, leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products.

This legislation creates a transparent way for farms to calculate the financial benefit of adopting sustainable practices based on CI scoring. By housing this calculator within DATCP (or a DATCP vendor), these bills offer a place to track and calculate direct and indirect CI scores based on a farm's agricultural activities. It will also create an additional revenue stream for farms while providing financial context to adopting practices that capture methane from the air and sequester carbon in the soil. This opportunity to turn conservation practices into revenue allows farms to participate in the continuously growing carbon market.

The ABC and its members have a long history of working with farms to reduce emissions and raise revenues. This legislation would enable farms of all sizes to reduce carbon emissions and reward their practices. We ask the Committee to move this legislation forward, reinforcing Wisconsin's long history of supporting the state's farming community.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Serfass".

Patrick Serfass
Executive Director

About the American Biogas Council

The American Biogas Council is the voice of the US biogas industry dedicated to maximizing carbon reduction and economic growth using biogas systems. We represent 400 companies in all parts of the biogas supply chain who are leading the way to a better future by maximizing all the positive environmental and economic impacts biogas systems offer when they recycle organic material into renewable energy and soil products. Learn more online at www.AmericanBiogasCouncil.org, Twitter [@ambioqascouncil](https://twitter.com/ambioqascouncil), and [LinkedIn](https://www.linkedin.com/company/americanbiogas/).

Testimony on 2023 Assembly Bill 419

October 11, 2023

Gary Tauchen

I would like to thank Chairman Tranel and members of the Assembly Agriculture Committee for having a hearing today on AB 419.

Energy is something we will always need. Agriculture can be part of the solution. Rural America's new cash crop is energy. The goal is to bring benefits back to rural America.

Three years ago, I and many other legislative and industry partners started working on a vast, multi-faceted project. We began working to develop a public-private voluntary and market-driven partnership and called it the Wisconsin Agriculture- Carbon/ Energy/ Water Initiative.

We had an executive committee, along with several working groups of 5-10 people who collaborated on issues dealing with onsite and distributed energy; biogas and pipelines; carbon offset, labeling and accounting; nutrient management and reuse; and water quality. We also put out a "request for comments" to solicit responses from stakeholders regarding the scope and scale of this initiative.

The Wisconsin Biomass Energy Coalition website recorded many of these sessions and has links to presentations made to agricultural, environmental and governmental groups. The A-CEW Initiative aims to improve farm profitability by developing a new income stream for the farm population (carbon), develop standardized contracts of agreements for distributed energy and biogas, and improve water quality.

Today's bill, AB 419, relates to creating an online, interactive carbon calculator for farmers. This bill is precisely what we need as a first step. The bill requires DATCP to develop and maintain, an online, interactive carbon calculator or contract with a third party to develop and maintain, an online, interactive carbon calculator that can be used by Wisconsin's farmers to determine the direct and indirect carbon emissions produced on their farm. This voluntary program will help educate

farmers about practices that will reduce carbon emissions. It will allow farmers to consider many factors that affect carbon emissions including soil type, tillage systems, cropping systems, fertilizer use, harvest and storage systems and other tools. It is important that this information not be subject to open records request in order to ensure participation and protections for farmers, who only want to improve. The carbon calculator will give farmers information that will be a helpful tool for them to make informed decisions that will benefit them economically.

With this effort we have the opportunity to cut Wisconsin's carbon footprint. We are talking about the entire system- cows, our community, climate, air, water and what we eat.

I fully support and encourage committee support of AB 419. Thank you for your consideration.

Respectfully,

Gary Tauchen
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GROWMARK is a farmer owned agricultural cooperative serving more than 400,000 customers across North America, providing agronomy, energy, facility engineering and construction, and logistics products and services, as well as grain marketing and risk management services. GROWMARK owns the FS trademark, which is used by member cooperatives.

Insight FS is a retail division of GROWMARK, headquartered in Jefferson, Wisconsin, serving patrons in Wisconsin and Michigan's Upper Peninsula with annual sales of \$300 million.

With sustainability being a critical factor in our customer's long-term plans, GROWMARK Carbon Solutions was developed over the last several years to assist our farmer owners in making decisions in navigating carbon sequestration markets.

We partnered with Indigo Agriculture to expand farmers' access to and maximize participation in the growing market for agricultural carbon. The collaboration equips GROWMARK retailers with information and training to help farmers navigate increasingly complex carbon markets and start on their carbon farming journey with confidence.

The carbon credit and sequestration market is developing chaotically. There are many programs providing incentives to capture and sequester carbon based on different practices and operating procedures. As the development becomes more concrete, a state-run carbon calculator, if implemented, needs to be flexible and consistently updated to ensure it can maintain pace with the world markets and innovation.

A state-run calculator needs to reflect the diversity in landscapes and in farms. Farms in Wisconsin grow a variety of crops and have a diverse soil profile. It is a must for farmers to have choice. The decision to what program works best for their farm belongs in the hands of the farmer.

A state-run calculator must not pick winners and losers. As companies like GROWMARK invest in programs to help farmers achieve their goals, a limiting factor cannot be a system where one enterprise is the direction of the entire state. As the language reads "a third party", this can be interpreted to include private entities. A state-run calculator reflecting the contract of one entity over another does not provide farmer choice but rather steers involvement towards the model that was chosen.

Rather, the state should partner with public and educational entities such as universities and national laboratories. Labs like Argonne National Laboratory and its GREET model are globally recognized as leaders in the carbon space for feedstocks and are used by the private sector as a foundation in the complex carbon marketplace.

If the language is amended to reflect open public institutions and laboratories Growmark could support this legislation.

I appreciate the considerations made in these initiatives and that the intent is to better agriculture in the state if Wisconsin. I look forward to working with those interested in making decisions that positively impact farmers and the agriculture community.

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