

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 Senate Bill 409

Senator Robert Cowles

Senate Committee on Agriculture and Tourism

September 27th, 2023

Thank you, Chair Ballweg and Committee Members, for allowing me to testify on 2023 Senate Bill 409. 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.

Senate Bill 409 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, Senate Bill 409 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.



LOREN OLDENBURG

STATE REPRESENTATIVE • 96th ASSEMBLY DISTRICT

Testimony on Senate Bill 409

Relating to: creating an online interactive carbon calculator for farmers

Senate Committee on Agriculture and Tourism

September 27th, 2023

Good Morning, Chair Ballweg and committee members. Thank you for holding a public hearing on Senate bill 409 today. I am unfortunately unable to attend today's public hearing to testify with Senator Cowles. However, please accept this submission of my written testimony in support of Senate Bill 409.

By January 2023, the total number of dairy farms in Wisconsin decreased to 6,116. This is a 58% decrease in the past decade. However, the number of Wisconsin's dairy cows, over the last ten years, has remained about the same. Wisconsin dairy farms (often smaller farms) are selling their cows to bigger operations because of limited economic opportunities. Additionally, regulatory hurdles and lack of good information can prevent farmers from voluntarily participating in programs that can provide alternative income sources, including the green energy and carbon marketplace.

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. Senate Bill 409 would create a free carbon calculator. 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.

This proposal is a step towards rethinking the way Wisconsin businesses may voluntarily approach reducing their carbon footprint while simultaneously supporting farmers by finding a new market for them to choose to participate in. 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 Senate Bill 409.



State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

RE: Senate Bill 409 Relating to: creating an online, interactive carbon calculator for farmers

September 27, 2023

Chairwoman Ballweg and members of the Senate Committee on Agriculture and Tourism:

Thank you for the opportunity to provide information about Senate Bill 409 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 SB 409.

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 SB 409. I would be happy to answer any questions committee members may have.

Wisconsin - America's Dairyland

2811 Agriculture Drive • PO Box 8911 • Madison, WI 53708-8911 • Wisconsin.gov

An equal opportunity employer



Dear Members of the Wisconsin Legislature,

We ask for your support of SB 409: Creating an online interactive carbon calculator.

Currently, farmers looking to benefit from participation in voluntary carbon markets are at a disadvantage. Entities providing carbon scoring services are often using proprietary formulas that are not transparent. Farmers have no way to analyze whether their scores are accurate or whether they are getting the best price for their sequestration of carbon.

This bill would solve this problem by creating a 100% transparent service for Wisconsin farmers. Farmers would be able to access this webpage and not only obtain a carbon score but also learn how to improve that score. Potential buyers of carbon credits would also be able to defend their purchases by pointing to this service.

Scientists would be encouraged to add input to make the webpage a source of the most up-to-date carbon scoring methodology. This would give farmers the chance to always get the best deal.

This legislation aims to work alongside farmers from both big and small farms by acknowledging the efforts made everyday on farms to reduce carbon emissions and reward their practices.

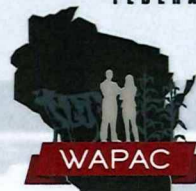
This new opportunity to turn conservation practices into a revenue stream, offers farmers the ability to participate in the continuously growing carbon marketplace. LRB-2661 gives farmers a well-deserved seat at the table as Wisconsin and the rest of the country work to implement new ideas and practices to reduce carbon emissions and care for the environment.

Please join us in support of SB 409 which works to put Wisconsin on the map the way we know best- by supporting our farmers.

Sincerely,

Wisconsin BioMass Energy Coalition
Wisconsin Corn Growers Association
Wisconsin Farm Bureau

Wisconsin BioFuels Association
Wisconsin Potato and Vegetable Growers



For more information on WBEC's policy initiatives please scan here or visit:
<https://www.wibiomass.org/acew>



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 [@ambiogascouncil](https://twitter.com/ambiogascouncil), and [LinkedIn](https://www.linkedin.com/company/ambiogascouncil).



Wisconsin Corn Program
N77W24707 Century Court
Lisbon, WI 53089
262-372-3289

September 27, 2023

Senate Committee on Agriculture and Tourism
2 E. Main St. 330 SW
Madison, WI 53703

Dear Chairwoman Ballweg and members of the Senate Committee on Agriculture and Tourism,

The Wisconsin Corn Growers Association is here today in support of SB 409, which calls for the state to produce an online 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. By capturing carbon in the soil through prescribed conservation practices, farmers may be compensated for helping other entities offset their carbon gas emissions. The new carbon markets present yet another opportunity for corn farmers to contribute to the health of the planet—and potentially improve their bottom line. Companies can buy that extra stored carbon to offset their pollution, or to be net-zero in their emissions.

The first part of being able to manage carbon on farm comes by being able to measure it. Current programs by outside companies have not given farmers verifiable results so we are never sure we are getting the best rates. With the creation of an online carbon calculator, the results available to farmers would be more accurate and usable information.

Having carbon footprint knowledge can help farmers 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 will be beneficial to our farm's production.

We ask the Committee to move this legislation forward to support not only Wisconsin Corn farmers but all those in agriculture.

Sincerely,

A handwritten signature in black ink that reads "Mark Hoffmann". The signature is written in a cursive style.

Mark Hoffmann
President

Testimony on 2023 Senate Bill 409
September 27, 2023
Gary Tauchen

I would like to thank Senator Ballweg and the members of the Senate Agriculture and Tourism Committee for having a hearing today on SB 409.

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, SB409, 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 SB 409. Thank you for your consideration.

Respectfully,

A handwritten signature in cursive script, appearing to read "Gary Tauchen". The signature is written in black ink and is positioned above the printed name and address.

Gary Tauchen
N3397 S. Broadway Rd.
Bonduel, WI 54107
C 715-853-8430