

# CROSS-SECTOR DIALOGUE: SEEKING COMMON GROUND ON CLIMATE ACTION

Discussion Summary & Key Findings  
September 12, 2019 | Washington, DC



Field to Market®



## INTRODUCTION

From the Paris Climate Accord, to the U.N. Sustainable Development Goals, to the Green New Deal, the topic of climate change evokes no shortage of public debate and urgent calls to action. Many global companies have established ambitious, science-based greenhouse gas reduction targets with looming deadlines. The agriculture community finds itself caught in the middle—as a source of greenhouse gas emissions, a solution for carbon sequestration, and the industry most at risk from increasingly volatile weather patterns.

On September 12, 2019, Field to Market convened more than 70 experts from across the agricultural value chain, including grower groups, agribusinesses, brands and retailers, civil society, academia and public sector partners to explore strategies for both building resilience in and reducing greenhouse gas emissions from agricultural production systems.

The agenda for the day was divided into four sections with thought starters providing introductory comments followed by time for facilitated dialogue in smaller groups with diverse, cross-sector representatives.

- **Global challenges and local solutions:** The emerging role of U.S. agriculture in climate change mitigation and adaptation strategies
- **Risky business:** How major ag companies and farmers are evaluating future financial impacts of a hotter, drier planet
- **Monetizing climate solutions:** The next generation of market-based approaches for greenhouse gas mitigation in agriculture
- **Partnering for progress:** How farmers and consumer-facing brands are working together to meet GHG reduction goals and build more resilient ag systems

The following is a summary of key remarks and observations from the event and do not necessarily represent the opinion of Field to Market.

## GLOBAL CHALLENGES, LOCAL SOLUTIONS

After welcome remarks from Field to Market's President Rod Snyder and Chair Stefani Grant, the first panel set the stage for the day's dialogue by offering an overview of the emerging role of U.S. agriculture in climate change mitigation and adaptation strategies.

**"Farmers are the heroes on the front lines of our future."**  
– *Agribusiness representative*

Ernie Shea, director of the North American Climate Smart Agriculture Alliance, highlighted the pillars of Climate Smart Agriculture and shared an overview of the Koronivia Joint Work on Agriculture, a landmark decision within the United Nations Framework Convention on Climate Change where countries have agreed to work together to ensure agricultural development increases food security in the face of climate change while reducing greenhouse gas emissions.

Erin Fitzgerald, CEO of the U.S. Farmers and Ranchers Alliance, [shared a video](#) about a farmer overwhelmed by the current risks and challenges of agricultural production but who ultimately decides to continue farming and embraces his role as a contributor to solving the climate crisis.

Melinda Cep from the House Ag Committee provided a brief overview of the various federal programs that help to support and advance climate smart agriculture.

**"Asking farmers what works for them is essential... the commodity system is not set up to drive change from the top down... What can farmers do? What should they do? How can we share the risk that makes that possible?"**  
– *Civil Society representative*





## Surfacing Solutions

The small group discussions surfaced a number of opportunities for increased collaboration across the agricultural value chain to address climate change:

- **Come together as one voice.** Rather than individual companies setting their own goals, create a unified message around shared climate goals across the value chain. Although some growers may be hesitant to make public statements about climate change, they may be more willing to support a consolidated goal statement representing multiple sectors.
- **Position farmers as the heroes of climate change solutions.** Bring farmers to the table and ask them what is possible before setting goals.
- **Agree upon a standard measurement framework** and make it as easy as possible for farmers to use it.
- **Leverage public and private funds in a more strategic way.** There is not enough public money to adequately address a challenge as complex as climate change. Climate should be elevated alongside soil and water in conservation programs. Public institutions, like the Soil and Water Conservation Districts and National Resource Conservation Service were created before climate change emerged as a significant concern for agriculture.
- **The U.S. should establish a carbon tax** to fund programs driving climate smart agriculture.
- **Businesses have surpassed the public sector in terms of level of commitment** to addressing climate change. Companies are setting their own scope 3 emissions reduction targets while the federal government lags far behind.

Participants pointed to the need for research in several areas to address knowledge gaps that pose current barriers to more decisive climate action within U.S. agriculture:

- More comprehensive analysis of the economic impacts of climate change is needed.
- More consumer behavior research is needed to improve messaging to the public to help them understand and bolster their support for climate smart agriculture.
- An increase in applied research identifying regionally appropriate, crop-specific agronomic practices that improve resilience to the effects of climate change on a local level is needed. This includes actual carbon storage capacities for different types of soil, which can vary widely.



## RISKY BUSINESS

Unpredictable and extreme weather combined with expanding pest ranges could lead to widespread crop failures worldwide with devastating financial and social impacts. The second panel explored how major agribusiness companies and farmers are evaluating future financial impacts of a more extreme weather.

Ryan Sirolli, Global Row Crop Sustainability Director at Cargill explained his company's approach to protecting their supply chain by investing in soil health practices that help producers adapt to climate change. Ryan was followed by Don Preusser, President of Precision Risk Management, who discussed the crop insurance industry's role in evaluating and managing climate risks.

**"Some of the climate shocks will be so extreme that we will not be able to manage our way through it with technology."**

*– Agribusiness representative*

**"If we are going to be talking about ag resilience, we need to generate understanding that resilience is different from and potentially more difficult than sustainability. The supply chain needs to understand the difference."**

*– Civil Society representative*



**“Three once in a lifetime events have happened in the past five years.”**

*– Grower representative*



## Surfacing Solutions

Participants recommended steps that the industry can take to ensure U.S. agriculture is more resilient to a changing climate:

- **Companies should share the costs and risks of climate adaptation with farmers.** Producers can't afford to do it alone. The supply chain can help create a financial bridge for farmers for the first few years of practice implementation to de-risk investment in changes to practices or production systems.
- **Develop infrastructure to support more diverse cropping systems** as a key strategy to build soil health and ensure growers have access to markets for new crops.
- **Growers should measure and share data to give an accurate account of what is actually happening on the farm.** Government and universities should conduct more actuarial research that could help determine future crop insurance rates.
- **Bring climate into the discussion when working with growers** and tie production practices to climate outcomes.
- **Offer crop insurance discounts to growers that practice climate smart agriculture.**
- **Consider insurance mechanisms related to future ecosystem service marks;** carbon or water credits could be insurable, which would lessen the need to discount the payments to farmers.

## MONETIZING CLIMATE SOLUTIONS

New initiatives using market-based approaches to greenhouse gas mitigation in agriculture are gaining traction in the U.S. Aldyen Donnelly, Director of Carbon Economics with the Nori Carbon Removal Marketplace, offered insights into past ecosystem service markets in agriculture and provided a roadmap that could help ensure current and future markets will be successful.



### Surfacing Solutions

Breakout groups discussed some of the most important lessons learned from prior carbon markets such as the Chicago Climate Exchange and considered how those lessons can inform the next generation of market-based approaches:

- **A reliable revenue stream has to be ready.** We can't ask farmers to wait indefinitely to get paid.
- **We should consider setting up carbon markets as a buyer-seller relationship, rather than an exchange.** Transaction costs and testing can erode the profit margin that would otherwise go to the producer.
- **We can't rely on federal policy to support this.** Previously, as the government became dependent on revenue from the market, they stopped caring about the goals of the market.
- **Growers are skeptical of these mechanisms** and they mistrust programs that potentially lead to more regulation.

Participants identified these drivers for operating voluntary carbon markets at scale in the absence of federal climate policy:

- Focus on economic incentives for farmers and secure funding from a more diverse and much larger pool of investors.
- Transparency, trust, verification and good accounting are critical. The price point for farmers also has to be right.
- Design markets that go beyond carbon, such as preserving biodiversity.

**"Washington, DC is completely irrelevant to this conversation."**

– *Grower representative*

**"How do we balance the costs of what's needed to monitor and evaluate with the need to ensure adequate margins that drives incentives for farmers? \$5/acre is not enough. \$20-\$40/acre becomes transformative."**

– *Agribusiness representative*



## PARTNERING FOR PROGRESS

No single agricultural sector can tackle the climate crisis alone. The final panel explored ways in which farmers and consumer-facing brands are working together to meet GHG reduction goals and build more resilient ag systems.

**"We have to accept responsibility for our entire value chain."**

*– Brands & Retail representative*

Ashley Allen, Climate and Land Senior Manager at Mars, shared her company's approach to partnering with growers to improve the climate impacts from their suppliers. Patty Edelburg, Vice President of the National Farmers Union and Wisconsin dairy farmer shared a personal perspective on the best way to engage producers in climate action. During these financially constrained times, many producers cannot afford to implement any agronomic changes that negatively affect their short-term cash flow.



### Surfacing Solutions

Breakout groups identified critical motivators for farmers to work with downstream companies on climate mitigation strategies:

- **Buyers with a strong presence in certain regions could make climate smart agricultural practices preferred within their procurement policies.**
- **Growers can't always afford to invest in technology** that can improve their operational efficiency while reducing greenhouse gas emissions from their farm. If supply chain programs can help make these solutions more accessible, growers will be more likely to continue use the technology long-term.
- **The industry needs clearer strategies for involving non-operating landowners** in climate smart agriculture. If a farmer is renting land on an annual basis, there's less of an incentive to focus on carbon sequestration and soil health.
- **Long-term contracts within supply chains** would offer greater certainty for farmers and more of a reason to invest in multi-year climate strategies within their operations.
- **The industry needs more documented cases where working together on climate strategies can deliver value for growers and downstream companies.**



In order for downstream companies to be successful meeting their Scope 3 emissions goals, participants point to these barriers that must be addressed:

- Companies are feeling pressure to reduce their carbon footprint but are not getting higher prices when they do so. Currently, there is no market differentiation and so far, consumers appear to be unwilling to pay more. However, some data also suggests a shift of consumer preference to more sustainability produced food.
- Goals have to be attainable. Growers must be consulted during goal setting to offer a realistic picture of what is actually possible.
- Data capture is still cumbersome and there are competing platforms which can be confusing.
- Growers are unwilling or unable to shoulder all of the risk that comes with new agronomic practices. The time horizon from implementation to realizing return on investment is too long. The risk must be shared with downstream buyers.

**"The need to measure everything is wearing some farmers out. Moving from measurement to implementation removes barriers."**

*– Agribusiness representative*



## CONCLUSION

On behalf of Field to Market's Board of Directors and staff, we would like to thank you for your participation in this informative and engaging event, which concludes the series of Cross-Sector Dialogues in 2019. The 2020 series will be announced at the November Plenary in Indianapolis, IN. We look forward to convening thought leaders and experts next year to explore more solutions for tackling barriers to scaling sustainable agriculture.



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