



December 21, 2022

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Chief Cosby:

Farm Action appreciates the opportunity to provide information on how to best leverage funding from the Inflation Reduction Act (IRA) to support agricultural practices that will sequester carbon and reduce greenhouse gas emissions. We are a farmer-led advocacy organization focused on building a food and agriculture system in which everyone can share in the prosperity they help to build while respecting our land, natural resources, and community. We believe that a just food system must work for everyone, not just a few dominant corporations that exercise their power to influence policy and maximize their profits.

Our organization strongly supports the implementation of regenerative farming strategies to protect our environment and build resilient local and regional food systems. We have been encouraged by the Biden administration's efforts to incentivize independent farmers and ranchers to scale up practices that will both sequester carbon and reduce greenhouse gas emissions and concentration in our atmosphere.

However, we are concerned that multinational corporate agribusiness might see the implementation of this funding as an opportunity to further entrench their influence and market power, minimizing its potential effect by greenwashing their environmentally harmful practices, while simultaneously harming independent farmers and ranchers. As the Natural Resources Conservation Service (NRCS) determines where to invest funds from the IRA to most effectively sequester carbon and limit emissions, we encourage NRCS to proactively consider antitrust and competition concerns and focus awards on independent farmers and historically underserved producers.

## **1. Competition**

Farmers must be protected from any form of abusive business practices brought about by partnerships with corporate agribusinesses, both unforeseen and intentional. The private

agribusiness entities positioning themselves to implement climate-smart programs and who will likely seek funding from the pool designated by the IRA are those that already hold monopolistic control of global agricultural markets. Because of their market dominance, those same entities constrain farmers' and ranchers' choices and autonomy. If not thoughtful, any agribusiness-led carbon sequestration and emission reduction program could compound the challenges stemming from our hyper-consolidated food system.

The monopolistic abuses of Big Tech and Big Data have been demonstrated extensively (including in the 2020 U.S. House Judiciary Committee's Investigation of Competition in Digital Markets<sup>1</sup>); however, an antitrust lens should be expanded to include agricultural data, acquisitions, and regenerative farming in precision agriculture programs led by large agribusiness. The most powerful and consolidated agribusiness corporations in our economy are those also implementing "climate-smart" farming — all while limiting farmer choice and mining farm-level data. ETC Group's 2018 report "Plate Tech-Tonics: Mapping Corporate Power in Big Food" explains:

The world's largest farm equipment manufacturers have invested heavily in digital technology platforms and most have forged alliances with seed/pesticide and fertilizer companies to profit from data-driven farming.[ ] Precision agriculture — the application of computer-generated data and satellite- and Internet-based communications to industrial farm production — is also called "smart farming" or "farming 4.0." It can refer to a wide array of proprietary hardware and software products using artificial intelligence and Big Data, such as remote imaging and sensing (via drones, for example), robotics and automation, and it can encompass financial services, commodity trading, weather forecasting, etc.<sup>2</sup>

They ask:

Publicly available information on the digital trading alliance is scarce, but a digital tech partnership among top-tier "competitors" should trigger alarm bells for regulators, farmers and consumers. How will regulators oversee a digital technology initiative that spans the globe, especially if it is based on proprietary platforms that could exclude or marginalize smaller firms? Will antitrust regulators have the tools to determine if the initiative is spurring anticompetitive practices? What are the risks for global food security

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<sup>1</sup> House Committee on the Judiciary, *Investigation of Competition in Digital Markets: Majority Staff Report and Recommendations* (July 2022) <https://www.govinfo.gov/content/pkg/CPRT-117HPRT47832/pdf/CPRT-117HPRT47832.pdf>.

<sup>2</sup> Action Group on Erosion, Technology, and Concentration, *Plate Tech-Tonics: Mapping Corporate Power in Big Food* (Nov. 2019) [https://www.etcgroup.org/files/files/etc\\_platetechtonics\\_a4\\_nov2019\\_web.pdf](https://www.etcgroup.org/files/files/etc_platetechtonics_a4_nov2019_web.pdf) at 11.

if the world's largest handlers of agricultural goods and financial services establish a digital lock on the global food chain?<sup>3</sup>

Farm Action is supportive of carbon sequestration and emission mitigation proposals, but is also deeply concerned by the dangers of pairing these proposals with poor antitrust and competition protections and agribusiness-led solutions. As NRCS determines how to implement funding from the IRA, we recommend that the agency strongly consider an applicant's market power and the competitive impact of any potential award. Without this consideration, we are concerned agribusiness corporations will wield their concentrated economic and political power to extract additional profit by claiming awards that could and should be better deployed to incentivize regenerative farming techniques among independent producers.

NRCS should ensure that agricultural corporations attempting to qualify for funding under the IRA are doing so in good faith to implement effective carbon sequestration and emission reduction practices, rather than further concentrating their already-disproportionate power in agriculture and diverting money that could go to independent farmers, who in many cases are unable to make the investments necessary to transition towards regenerative practices without government support.

The recent implementation of USDA's "Partnerships for Climate-Smart Commodities" offers an example of how well-intended initiatives can be dominated by powerful corporations. The program, which attests to reinforce USDA's commitment to "support a diverse range of farmers, ranchers, and private forest landowners," will see more than \$3.1 billion invested in 141 projects designed to incentivize responsible methods of production, positively impact the environment, and "meaningfully involve...small and underserved producers."<sup>4</sup>

However, of the \$3.1 billion to be invested, \$2.8 billion will go to massive projects with funding caps between \$5 and \$95 million dollars.<sup>5</sup> Some of the partners receiving these huge amounts of climate-smart funding include agribusiness giants like Tyson Foods, which was found to be the most harmful water polluter among agricultural companies in 2016;<sup>6</sup> JBS, which over the last five years has increased greenhouse gas emissions by 50% and currently produces more emissions than the nation of Italy;<sup>7</sup> and Coca-Cola, which produces more than 2.9 million tons of

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<sup>3</sup> *Id.* at 15.

<sup>4</sup> United States Department of Agriculture, "Partners for Climate-Smart Commodities" (Last Accessed Dec. 21, 2022) <https://www.usda.gov/climate-solutions/climate-smart-commodities>.

<sup>5</sup> United States Department of Agriculture, "Partners for Climate-Smart Commodities Project Summaries" (Last Accessed Dec. 21, 2022) <https://www.usda.gov/climate-solutions/climate-smart-commodities/projects>.

<sup>6</sup> John Rumpler, Environment America, Research and Policy Center, *Corporate America and the Fouling of America's Waterways* (June 2016) <https://publicinterestnetwork.org/wp-content/uploads/2022/08/CorpAgFoulingWaterways2016-web.pdf>.

<sup>7</sup> Michaela Hermann, *Brazilian Meat Giant JBS a Bigger Emitter Than Italy, Study Estimates*, DeSmog (Apr. 21, 2022)

plastic waste every year and was recently sued by the Earth Island Institute for deceptive marketing around their overstated sustainability efforts.<sup>8</sup> Powerful corporations successfully dominated climate-smart grant allocation, leaving only \$375 million for smaller programs focused on farmer-led solutions.<sup>9</sup>

These powerful agribusinesses and their polluting production schemes should not be eligible for incentives to address pollution issues they continually and disproportionately cause. Farm Action believes that no awards should be granted to an applicant that currently controls 25% or more of any agricultural market. Additionally, we recommend that NRCS consider requiring all potential participants to submit an annual greenhouse gas emissions inventory of their entire supply chain (including those currently exempt, like dairies, poultry, hog, and other confined animal production systems).

## 2. Focus on Underserved Producers

First and foremost, Farm Action recognizes the historic discrimination against, disregard for, and eventual cooptation of indigenous, agroecological, and whole-systems agricultural practices — now branded as “climate-smart” agriculture by USDA and agrifood corporations.<sup>10</sup>

Environmental justice must be explicitly prioritized and addressed in all regenerative agriculture programs. As a member of the Rural Coalition, we align with and elevate their comments regarding racial equity, environmental justice, and calls to support all farmers and ranchers.

We request that environmental justice and racial equity be prioritized as NRCS determines which projects will receive funding under the IRA. Specifically, we ask that impacts on historically underserved and marginalized communities be a prominent factor in determining whether to fund a proposal. At a minimum, NRCS should implement the Clyburn 10/20/30 Formula throughout all NRCS funding and outreach allocations, which would direct at least 10% of investments toward persistent poverty communities (counties where 20% or more of the population has lived below the poverty line for the last 30 years).<sup>11</sup> However, the 10/20/30 Formula should be seen as a baseline level of investment in these communities of persistent poverty; Farm Action encourages NRCS to direct substantial resources towards farmers in these communities both to incentivize regenerative agriculture and lift historically underserved farmers and ranchers out of poverty.

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<https://www.desmog.com/2022/04/21/brazilian-meat-giant-jbs-a-bigger-emitter-than-italy-study-estimates/#:~:text=Greenhouse%20gas%20emissions%20produced%20by,according%20to%20a%20new%20study>.

<sup>8</sup> Megan Baroni, *Coca-Cola Sued for Deceptive Sustainability Claims*, The National Law Review (June 10, 2021) (<https://www.natlawreview.com/article/coca-cola-sued-deceptive-sustainability-claims>).

<sup>9</sup> United States Department of Agriculture, “Partners for Climate-Smart Commodities” (Last Accessed Dec. 21, 2022) <https://www.usda.gov/climate-solutions/climate-smart-commodities>.

<sup>10</sup> Lisa Held, *Is Agroecology Being Co-Opted by Big Ag?* Civil Eats (April 20, 2021) <https://civileats.com/2021/04/20/is-agroecology-being-co-opted-by-big-ag/>.

<sup>11</sup> Congressman James. E Clyburn, “10/20/30 Formula to Fight Persistent Poverty,” (Last Accessed Dec. 21, 2022) <https://clyburn.house.gov/10-20-30-amendment>.

NRCS should undertake an environmental justice impact review on all proposals for IRA funding it receives. This environmental justice impact assessment should include at least three areas of consideration:

1. Is the program culturally appropriate? If so, do Black, Indigenous, and People of Color (BIPOC) farmers have access to the programs themselves, finance and capital requirements, outreach entities, technical assistance, etc.
2. Could the proposal disproportionately harm BIPOC communities? If the proposal would have a negative impact on BIPOC communities, the program should be altered or abandoned. For example, a carbon offset program that inadvertently incentivizes the building of more Confined Animal Feeding Operations (CAFOs) in a community of color while offsetting carbon emissions elsewhere would disproportionately harm BIPOC communities.
3. Does the program provide a path for new and aspiring BIPOC farmers to enter farming, while also ensuring existing independent farmers and ranchers can thrive?

NRCS should recognize that a proposal that fails to meet the above criteria would exacerbate existing racial and economic inequities in our farming communities and deny those proposals funding.

To help address decades of systemic racism across the USDA, and to incentivize the entry of new and beginning farmers into agriculture, we believe that NRCS should give preferential status to both beginning farmers, as well as BIPOC farmers and BIPOC-led cooperatives, when those farmers or cooperatives present qualifying applications. USDA has begun the welcome but overdue process of addressing systemic racism in its conduct and programs that have disproportionately harmed BIPOC farmers. We hope to see this recognition and pattern of anti-racist action continue. Historically, federal farm programs have disproportionately benefited white farmers.<sup>12</sup> This administration's commitment to equity commands that an increased proportion of USDA funding — including this funding through the IRA — and enhanced outreach and technical assistance reach BIPOC- and women-owned farms first.

To that end, it is critical that technical assistance be well-funded and directed towards those most in need. In the event that on-farm data must be collected for climate-smart baselines or program participation, USDA should provide personnel to collect data. If this is unfeasible, USDA should provide assistance for farmers to invest in data collection tools, making sure the farmer owns the data. Failure to do so could inhibit small-scale or limited resource farms from reasonably competing for funding against larger, better-resourced operations.

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<sup>12</sup> Alyssa R. Casey, *Racial Equity in U.S. Farming: Background in Beef*, Congressional Research Service (Nov. 19, 2021) <https://crsreports.congress.gov/product/pdf/R/R46969>.

It is also critical that organizations trusted by BIPOC farmers and active in communities of color be empowered to provide technical assistance, both in securing funding and conducting research related to projects funded by NRCS. Decades of well-documented systemic discrimination from USDA has fostered pronounced and reasonable distrust between farmers of color and government agencies. Black farmers have come to expect that USDA programs will prioritize the needs of their white competitors.<sup>13</sup> Many Black farmers report that they have had negative experiences when dealing with USDA, that they have never applied for a USDA program, or even that they are unaware of programs for which they might qualify.<sup>14</sup> Additionally, large agribusiness companies are able to hire or contract experts to write and design grants, experts that family and independent farmers often cannot afford. This further increases the likelihood that corporations will receive funding that could make a more substantial impact for smaller producers. Technical assistance should be distributed to provide independent farmers — particularly Black and Indigenous farmers — the expertise they need to effectively compete with large corporations for IRA funding.

In particular, Farm Action believes that a significant portion of direct program funding and outreach for public climate adaptation and mitigation should be directed through 1890 and 1994 land grant institutions. These institutions operate under mandates to serve smaller, independent, and socially disadvantaged farmers and ranchers.<sup>15</sup> However, they serve these populations with a fraction of the funding allocated to their 1862 counterparts. Unless some degree of technical assistance, outreach, and other assistance is led by the 1890 and 1994 institutions, not all farmers, landowners, and communities will be served equitably.

### **3. Farm Action’s Preferred Approach to Directing Funding**

To adequately incentivize practices that will have a positive effect on both our environment and our food producers, farmers must be proactively involved in determining which techniques should be encouraged through IRA funding. To that end, Farm Action encourages NRCS to prioritize proposals based on participatory research, meaning that research should reflect farmer involvement. While USDA frequently receives proposals worthy of awards that are based on or involve participatory research, they regularly go unfunded.<sup>16</sup> Farm Action believes that IRA funding should be concentrated around conservation practices developed by and in collaboration with our nation’s farmers and ranchers.

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<sup>13</sup> Aallyah Wright, *Mistrust of USDA Could Cause Black Farmers to Lose Out on Funding*, Capital B News (July 13, 2022) <https://capitalbnews.org/black-farmer-agriculture-census/>.

<sup>14</sup> Leah Penniman, “Testimony Before Senate Committee on Agriculture, Nutrition, and Forestry Subcommittee on Food and Nutrition, Specialty Crops, Organics, and Research” (Dec. 13, 2022) [https://www.agriculture.senate.gov/imo/media/doc/Testimony\\_Penniman\\_6.13.2022.pdf](https://www.agriculture.senate.gov/imo/media/doc/Testimony_Penniman_6.13.2022.pdf).

<sup>15</sup> United States Department of Agriculture, “1890 Land-Grant Institutions National Program,” (Last Accessed Dec. 21, 2022) <https://www.usda.gov/partnerships/1890s-program>.

<sup>16</sup> Jason Rowntree “Testimony Before Senate Committee on Agriculture, Nutrition, and Forestry” (Dec. 6, 2022) [https://www.agriculture.senate.gov/imo/media/doc/Testimony\\_Rowntree\\_12.6.2022.pdf](https://www.agriculture.senate.gov/imo/media/doc/Testimony_Rowntree_12.6.2022.pdf).

Many farmers have already implemented regenerative farming practices into their business models, and have seen material success in reducing their carbon footprint. Some have successfully leveraged regenerative practices to bring their farming operations to, or close to, carbon neutrality.<sup>17</sup> Additionally, multiple recent studies featuring significant farmer involvement have highlighted the impact intensely managed grazed livestock can have on carbon sequestration. Despite its ability to sequester carbon across a variety of temperate environments, USDA has not incentivized managed grazed livestock.<sup>18</sup> Research indicates that adaptive multi-paddock grazing sequestered 13% more soil carbon and nine percent more soil nitrogen than continuously grazed systems in “across-the-fence” comparisons.<sup>19</sup>

Another study found similarly encouraging results, indicating practices like regenerative grazing and diverse husbandry can lead to substantial carbon sequestration and emission reduction. White Oak Pastures, a family farm in Bluffton, Georgia, transitioned away from conventional industrial cattle farming and towards regenerative techniques in the late 1990’s.<sup>20</sup> Their integrated system is six times more carbon efficient than typical American production systems, sequestering 85% of the farm’s total emissions.<sup>21</sup> This study found that “rotationally grazed beef may be a very unusual case of having a net negative carbon impact from its production.”<sup>22</sup> Farm Action believes that NRCS should incentivize these practices among independent and family farmers through their implementation of IRA funding.

Lastly, Farm Action would like to highlight specific practices of corporate agribusiness that we believe are either ineffective — or worse, actively harmful — in efforts to sequester carbon and mitigate emissions from food production. Specifically, NRCS should exclude CAFO manure waste management eligibility from funding through EQIP under the IRA and reaffirm programmatic support of practices found in CSP programs. By formally disincentivizing CAFO eligibility from conservation program funding, USDA will demonstrate its understanding that

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<sup>17</sup> Steve Ela, “Testimony Before Senate Committee on Agriculture, Nutrition, and Forestry” (Dec. 6, 2022) [https://www.agriculture.senate.gov/imo/media/doc/Testimony\\_Ela\\_12.6.2022.pdf](https://www.agriculture.senate.gov/imo/media/doc/Testimony_Ela_12.6.2022.pdf)

<sup>18</sup> Oklahoma State University Division of Agricultural Sciences and Natural Resources, “Carbon Sequestration a Positive Aspect of Beef Cattle Grazing Grasslands.” (Last Accessed Dec. 21, 2022) <http://www.dasnr.okstate.edu/Members/donaldstotts-40okstate.edu/carbon-sequestration-a-positive-aspect-of-beef-cattle-grazing-grasslands>; David Whitehead, “Management of Grazed Landscapes to Increase Soil Carbon Stocks in Temperate, Dryland Grasslands.” *Frontiers in Sustainable Food Systems*, Vol 4 (Oct. 28, 2020) <https://www.frontiersin.org/articles/10.3389/fsufs.2020.585913/full>.

<sup>19</sup> Samantha Mosier, Steven Apfelbaum, Peter Byck, Francisco Calderon, Richard Teague, Ry Thompson, and M. Francesca Cotrufo, “Adaptive multi-paddock grazing enhances soil carbon and nitrogen stocks and stabilization through mineral association in southeastern U.S. grazing lands.” *Journal of Environmental Management*, Vol 288 (June 15, 2021) <https://doi.org/10.1016/j.jenvman.2021.112409>.

<sup>20</sup> Mariko Thorbecke and Jon Dettling, *Carbon Footprint Evaluation of Regenerative Grazing at White Oak Pastures: Results Presentation*, Quantis (Feb. 25, 2019) [https://blog.whiteoakpastures.com/hubfs/WOP-LCA-Quantis-2019.pdf?\\_hstc=&\\_hssc=&hsCtaTracking=6d515b16-e2ed-4bea-a286-a7433c983b81%7C7a0781f6-8e32-4e28-89e9-563565ab2eea](https://blog.whiteoakpastures.com/hubfs/WOP-LCA-Quantis-2019.pdf?_hstc=&_hssc=&hsCtaTracking=6d515b16-e2ed-4bea-a286-a7433c983b81%7C7a0781f6-8e32-4e28-89e9-563565ab2eea).

<sup>21</sup> *Id.* at 16.

<sup>22</sup> *Id.* at 18.

CAFOs produce liquid manure, which emits more methane (25 times more potent than carbon dioxide) than solid manure in a dry-lot or on pasture.<sup>23</sup>

NRCS should also bar projects involving “natural gas from livestock” from being eligible for any funding through the IRA. Methane digesters are not a renewable energy source, and encourage the expansion of industrial livestock operations. Methane digesters collect manure from CAFOs in large pits or lagoons, capture methane produced by anaerobic digestion of the manure, and process the methane to be used as “natural” gas. From the buildings themselves to the taxpayer subsidies that keep CAFOs economically viable, calling this artificial management scheme “renewable” is unequivocally false.<sup>24</sup> Small CAFOs lack the volume of waste needed to produce excess methane, necessitating larger CAFOs be built if entities are to collect the enticing carbon offset profits. A solution that requires constant subsidization, increased industrialization, and enhanced concentration is far from “renewable,” especially when compared to the return on investment for wind and solar energy.<sup>25</sup> These digesters represent a serious challenge to our efforts to improve our climate, health, and environmental justice. Directing funds to incentivize the establishment of more digesters instead of towards projects that actually protect our ecosystems would only exacerbate these existing problems.<sup>26</sup>

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<sup>23</sup> Environmental Protection Agency, “Importance of Methane.” <https://www.epa.gov/gmi/importance-methane>; “When livestock manure is stored or treated in systems that promote anaerobic conditions (e.g., as a liquid/slurry in lagoons, ponds, tanks, or pits), the decomposition of the volatile solids component in the manure tends to produce CH<sub>4</sub> [(methane)]. When manure is handled as a solid (e.g., in stacks or drylots) or deposited on pasture, range, or paddock lands, it tends to decompose aerobically and produce CO<sub>2</sub> [(carbon dioxide)] and little or no CH<sub>4</sub>. Ambient temperature, moisture, and manure storage or residency time affect the amount of CH<sub>4</sub> produced because they influence the growth of the bacteria responsible for CH<sub>4</sub> formation. For non-liquid-based manure systems, moist conditions (which are a function of rainfall and humidity) can promote CH<sub>4</sub> production. Manure composition, which varies by animal diet, growth rate, and animal type (particularly the different animal digestive systems), also affects the amount of CH<sub>4</sub> produced. In general, the greater the energy content of the feed, the greater the potential for CH<sub>4</sub> emissions.” Environmental Protection Agency, “Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019” (Apr. 14, 2021)

<https://www.epa.gov/sites/default/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf>.

<sup>24</sup> Harwood D. Schaffer, Pracha Koonathamdee, and Daryll E. Ray “Economics of Industrial Farm Animal Production,” Pew Commission on Industrial Farm Animal Production (2008)

[http://www.pcifapia.org/\\_images/212-6\\_PCIFAP\\_Ecnmics\\_v5\\_tc.pdf](http://www.pcifapia.org/_images/212-6_PCIFAP_Ecnmics_v5_tc.pdf).

<sup>25</sup> “\$4 million could fund the startup costs for a 710- kilowatt factory farm gas project that would last 10 years, a 925- kilowatt solar project that would last 25–30 years, or a 2,000- kilowatt wind project that would last 20–25 years. At the end of those lifespans, the wind and solar projects would be able to fund the costs of new infrastructure, but factory farm gas would still rely on government grants.” Stray Dog Institute. March 21, 2021. “Factory Farm Gas: A Threat to Our Climate, Communities, and Clean Energy Future.”

<sup>26</sup> Riva C. H. Denny, *Contributions to Global Climate Change: A Cross-National Analysis of Greenhouse Gas Emissions from Meat Production*, Pp. 145-165 in *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*, edited by Bill Winders and Elizabeth Ransom, Cambridge, MA: MIT Press (2019); Amy A. Schultz, Paul Peppard, Ron E. Gangnon, and Kristen M. C. Malecki, *Residential proximity to concentrated animal feeding operations and allergic and respiratory disease*, *Environment International*, Vol 130 (June 22, 2019) <https://pubmed.ncbi.nlm.nih.gov/31238264/>; Nicole Wendee, *CAFOs and environmental justice: the case of North Carolina*. *Environmental Health Perspectives*, Vol 121, No 6 (June 1, 2013) <https://doi.org/10.1289/ehp.121-a182>; S. M. Rafael Harun & Yelena Ogneva-Himmelberger, *Distribution of Industrial Farms in the United States and Socioeconomic, Health, and Environmental Characteristics of Counties*, *Geography Journal*, (Aug. 13, 2013) <https://www.hindawi.com/journals/geography/2013/385893/>.



#### 4. Conclusion

Farm Action has been encouraged by the Biden administration's efforts to support regenerative and climate-smart agricultural practices and reduce concentration across our economy. Nothing short of the whole-of-government approach espoused by this administration will even begin to reverse corporate concentration and improve our environment — two of the most critical threats to our national security and general welfare. That is why we encourage NRCS to seriously consider competition concerns, prioritize environmental justice, and avoid incentivizing harmful industrial agricultural practices when awarding funds through the IRA. Thank you for the opportunity to provide our comment on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Van Wye', with a long, sweeping horizontal stroke extending to the right.

Joseph Van Wye  
Policy and Outreach Director  
Farm Action