



Field to Market®

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# USDA Climate-Smart Partnership Program

Field to Market Member Listening Session

*October 18, 2021*

## Welcome & Agenda

<b>12:00 – 12:05 pm</b>	Review Agenda and Guiding Rules
<b>12:05 – 12:15 pm</b>	Opening Remarks from USDA Office of Energy and Environmental Policy's Kathryn Zook
<b>12:15 – 12:20 pm</b>	Field to Market Member Input & Next Steps
<b>12:20 – 1:00 pm</b>	Listening Session - Open Discussion
<b>1:00 pm</b>	Adjourn

## Guidance

- Today's meeting is held under Field to Market's Anti-Trust Policy
- The session will be recorded to share with members unable to attend

## Housekeeping

- Please stay muted except when speaking
- Use the "Speaker View" to follow along with current presenters
- Questions? Use the chat box to reach Field to Market staff
- Visit the Member Portal for more detailed information

# USDA's Climate Smart Partnership Program



# USDA Announcement of a New Climate Smart Partnership Program

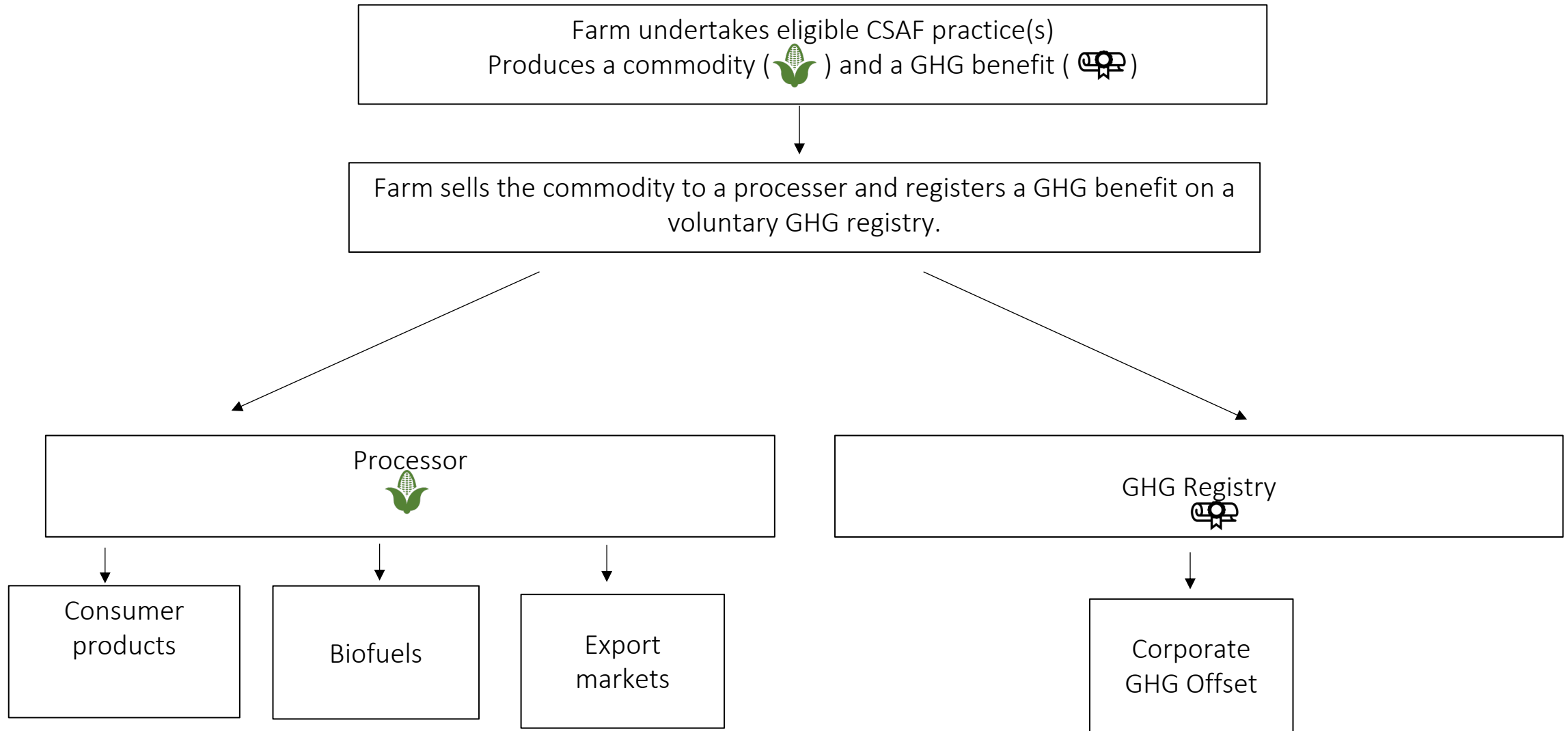
**Goal:** Leverage partnerships and private markets to expand climate-smart agriculture and forestry strategies.

USDA's Climate-Smart Partnership Program will:

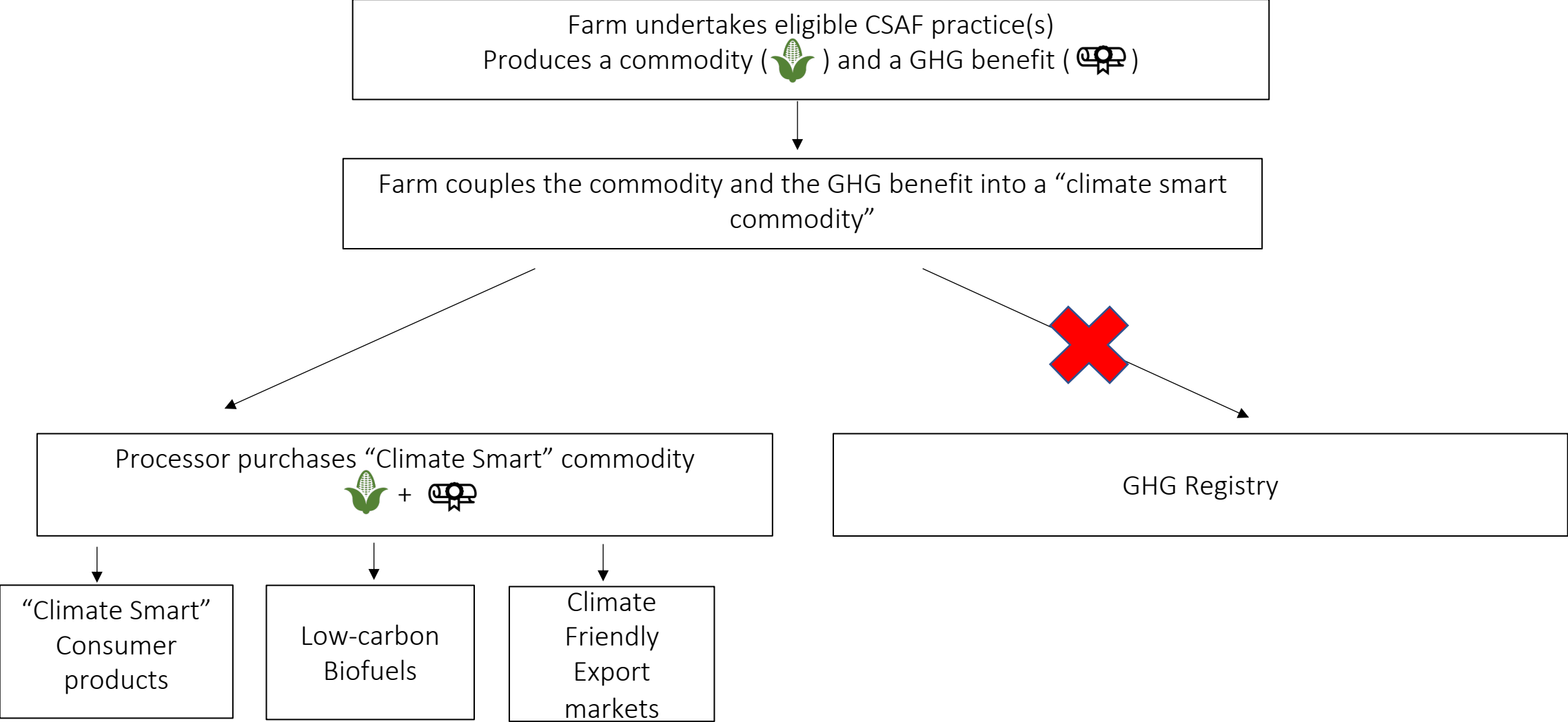
- Demonstrate systems to produce and market climate-smart commodities at scale, including the procedures to ensure consistency, reliability, effectiveness, efficiency, and transparency in certifying and tracing the commodities through their supply chains.
- Work with partners to develop, test, and evaluate approaches that define eligible climate-smart practices, quantification methodologies, and verification requirements.
- Work toward standard methods and protocols and a central tracking system to record GHG benefits generated through climate-smart projects.



# Voluntary Carbon Offset Valuation Pathway



# Climate-Smart Market Valuation Pathways



# There is market demand for climate-smart commodities

## **Carbon-friendly supply chains**

- *Example:* Mars, Inc. has a goal of reducing GHG emissions from their supply chain by 27% by 2025 and 67% by 2050, relative to 2015

## **Internal corporate commitments (“insetting”)**

- *Example:* Bayer works with its contract growers to adopt climate-smart practices and counts the associated GHG reductions toward its reduced footprint

## **International commodity markets**

- *Example:* European Union has established sustainability criteria for imported biofuels that are based, in large part, on GHG emissions

## **Biofuel markets**

- *Example:* California is reviewing a pathway that would allow ethanol refineries to include climate-smart benefits in its Low Carbon Fuels Standard programs

## **OFFSET Markets**

### **Regulated carbon offset markets**

- *Example:* California caps GHG emissions in the transportation and energy sectors. Regulated companies in those sectors may purchase offsets from other sectors, including agriculture and forestry, to meet a portion of their GHG reduction commitment.

### **Voluntary carbon offset markets**

- *Example:* Over 20% of Fortune Global 500 companies have made public commitments to become carbon neutral or meet GHG reduction targets by 2030. Voluntary offset registries offer pathways for agriculture to provide offsets to meet those commitments.



## Producers face barriers to meeting this market demand

Despite these opportunities for new markets related to climate-smart agricultural production, there are barriers that have prevented these markets from reaching scale:

- **No standard definition of a climate-smart commodity**
- **There is a potential for double-counting benefits**
- **High transaction costs**
- **Limited ability for small producer participation**
- **Lack of supply chain traceability**
- **High risk of market entry**
- **International competition**

# Addressing Barriers: New Climate Smart Partnership Program

## **Expected Outcomes:**

- Demonstrate systems to produce and market climate-smart commodities at scale, including the procedures to ensure consistency, reliability, effectiveness, efficiency, and transparency in certifying and tracing the commodities through their supply chains.
- Inform the development of USDA policies toward standardization of methodologies to verify the production and certification of climate-smart commodities.
- Work toward standard methods and protocols and a central tracking system to record GHG benefits generated through climate-smart projects.

## **Timeline:**

- Issue a NOFA this fall to begin funding projects in 2022

# Request for Information Questions to inform program design

1. How would existing private sector and state compliance markets for carbon offsets be impacted from this potential federal program?
2. What should the scope of the Climate-Smart Agriculture and Forestry Partnership Program be, including in terms of geography, scale, project focus, and project activities supported?
3. What types of CSAF project activities should be eligible for funding through the Climate-Smart Agriculture and Forestry Partnership Program? Projects should promote the production of climate-smart commodities and support adoption of CSAF practices.
4. What entities should be eligible to apply for funding through the Climate-Smart Agriculture and Forestry Partnership Program?
5. What criteria should be used to evaluate project proposals?
6. Which CSAF practices should be eligible for inclusion?
7. How should ownership of potential GHG benefits that may be generated be managed?
8. How can USDA ensure that partnership projects are equitable and strive to include a wide range of landowners and producers?

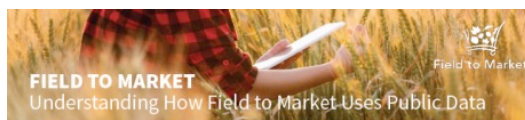
# Resources for Member Input

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Resources, Timeline and Next Steps

# A History of Collaboration

Field to Market relies on data from the U.S. Department of Agriculture and other agencies for the science behind our metrics, benchmarks and National Indicators Report.



Field to Market: The Alliance for Sustainable Agriculture enables farmers and the supply chain to pursue continuous environmental improvement through a science-based and pre-competitive measurement framework. Through a multi-stakeholder approach, we have developed eight sustainability metrics which ground our programs in science and help farmers and the value chain assess the sustainability performance of commodity crops and identify areas for improvement.

We rely on public data from the U.S. Department of Agriculture (USDA), the Environmental Protection Agency (EPA) and other agencies for the science behind these metrics and resources. Use this guide to learn more about each of these data sources and how they shape our tools.

## HOW FIELD TO MARKET USES DATA

### Sustainability Metrics

Grounded in science and focused on outcomes, the cornerstone of Field to Market's program lies in the eight sustainability metrics embedded within the Fieldprint® Platform. Designed to measure environmental outcomes from individual farm fields, these metrics are science-based tools that have been developed or adopted by Field to Market through the multi-stakeholder governance process over the past decade.

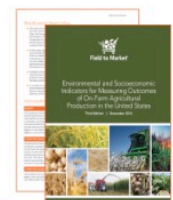
### Benchmarks

For five of our eight metrics, we provide benchmarks at the national and state level for each crop in the program. These benchmarks are derived entirely from publicly available data as described in this guide.

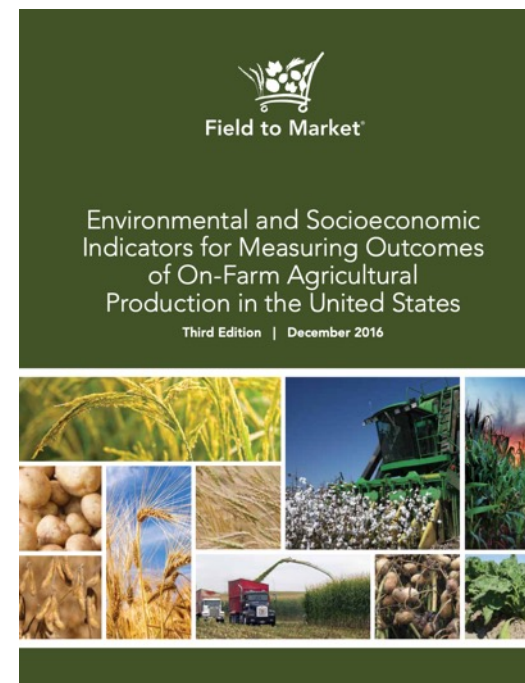
### National Indicators Report

To inform continuous improvements in agricultural production and guide the efforts of our members, Field to Market analyzes national-scale trends in environmental and socioeconomic progress for commodity crops over time.

This trends analysis, compiled every five years in the National Indicators Report, provides important context, enables informed discussions of priorities for more localized efforts, and creates a baseline against which to monitor and measure future change.



Data Source	Benchmarks	National Indicators Report	Sustainability Metrics
NASS Surveys	✓	✓	
Census of Agriculture	✓	✓	
Irrigation and Water Management Survey	✓	✓	
Agricultural Resource Management Survey	✓	✓	
USDA NRCS Tillage Energy Estimator	✓	✓	
GREET model	✓	✓	✓
EGRID	✓	✓	✓
Emission Factors for GHG Inventories	✓	✓	✓
Inventory of U.S. GHG Emissions and Sinks	✓	✓	✓
Intergovernmental Panel on Climate Change Guidelines for National Greenhouse Gas Inventories	✓	✓	✓
USDA SSURGO			✓
PRISM Climate Data			✓





*IDENTIFIED BARRIER: Lack of clear standards for measurement of climate benefits of CSAF practices.*

## Field to Market Solution

- Field to Market has developed a **pre-competitive, science-based and outcomes-driven suite of sustainability metrics** for commodity crop production
- In many instances, these metrics build from USDA NRCS tools which we have adapted and further tested and developed in collaboration with USDA
- Field to Market has integrated these metrics into existing farm management software solutions



DOWLOAD RESOURCE



Field to Market®  
The Alliance for Sustainable Agriculture

### FIELD TO MARKET BACKGROUNDER ON USDA CLIMATE-SMART PARTNERSHIP PROGRAM

Since November 2006, Field to Market: The Alliance for Sustainable Agriculture has championed a pre-competitive, multi-stakeholder approach to standardizing a science-driven and outcomes-based framework for evaluating the environmental impacts of commodity crop production. With fifteen years of lessons learned, Field to Market is eager to offer solutions and insights to inform the potential development of USDA's Climate-Smart Partnership Program.

While the Alliance acknowledges the need for a standardized approach across all of U.S. agriculture in defining climate-smart agriculture, inclusive of livestock, dairy, specialty crop and commodity crop production, Field to Market's diverse membership of nearly 250 organizations across the value chain encourages USDA to consider opportunities to leverage Field to Market's collective investment and fifteen years of learnings to inform how to scale climate-smart practices in commodity crop production. As members in the Alliance, we advocate for solutions that harness our pre-competitive metrics, supply chain accounting methodologies and impact allocation framework enabled for supply chain sustainability initiatives for any program design related to commodity crop production, inclusive of downstream use in food, beverage, feed, fiber and biofuel feedstocks.

**USDA IDENTIFIED BARRIER:** Lack of clear standards for measurement of climate benefits of CSAF practices.

**FIELD TO MARKET SOLUTION:** Field to Market has developed a pre-competitive, science-based and outcomes-driven suite of [sustainability metrics](#) for commodity crop production embedded within the [Fieldprint Platform](#). In many instances, these metrics build from USDA NRCS tools which we have adapted and further tested and developed in collaboration with USDA. These metrics include translating the benefits of climate-smart agriculture practices directly to:

- **Energy Use:** Evaluates all energy required to produce a crop, from pre-plant to first point of sale or delivery at the processing facility. This includes direct energy used for operating equipment, pumping irrigation water, grain drying and transport as well as embedded energy, which is required to produce crop inputs like seeds, fertilizers and crop protectants. Measured as British thermal units (BTU) per unit of crop production (i.e., bushel, pound or hundred weight). (Developed by Field to Market)
- **GHG Emissions:** Evaluates all sources of GHG emissions required to produce a crop, including energy use, soil management, flooded rice fields and residue burning in a common unit for all emissions. The metric is influenced by all the actions a farmer takes including increased efficiency of energy, water, fertilizer and chemical usage and adoption of renewable energy to

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Backgrounder available  
to inform individual  
member comments



*IDENTIFIED BARRIER: Potential for double counting benefits and lack of efficient supply chain traceability.*

## Field to Market Solution

- Field to Market's **Process-Based Standard** outlines clear requirements for supply chain accounting methodologies to **allocate impact** and **prevent double-counting**
- Enable projects to make sustainability claims related to the volume of ingredients or raw materials procured utilizing two potential supply chain accounting methodologies to track and allocate impact:
  - **Mass Balance**
  - **Volume Proxy**



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# Field to Market Member Input & Next Steps

- Field to Market has formed a Board subgroup to gather member input and oversee submission of aligned feedback. Members include:
  - Keira Franz, National Association of Wheat Growers
  - Margaret Henry, PepsiCo
  - Mark Isbell, USA Rice Federation
  - Megan Weidner, Bunge
- We have opened a 2-week member comment period from **Oct 6-Oct 20**. Feedback can be submitted to [comments@fieldtomarket.org](mailto:comments@fieldtomarket.org) or directly via dedicated Member Portal page
- Field to Market will submit comments to USDA by **November 1** with key principles and feedback as established by members
- Upon release of Notice of Funding Availability, Field to Market intends to collaborate with interested members to submit a proposal



# Listening Session

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Open Discussion



# Open Discussion

1. What role would you like to see the U.S. government play in supporting private sector efforts to scale climate-smart agriculture?
2. What role do you envision for Field to Market in partnering with members and USDA to leverage private-sector demand and reward farmers for climate-smart outcomes?
3. Is government action and investment needed more to support farmers' transition to climate-smart agriculture practices or pay farmers for performance on demonstrated emissions reductions/removals? Or both?



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# Open Discussion

4. What concerns or challenges must be addressed to ensure successful and fruitful public-private partnership to scale climate smart agriculture in commodity crops?
5. How does Field to Market's past work in this space position the Alliance to address questions in the RFI?
6. Who is best suited to lead on developing a standard definition or set of principles and criteria to define climate-smart agriculture for commodity crop production—USDA, Field to Market, or another entity?



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# Open Discussion

7. How could Field to Market's outcomes-based approach to assessing GHG reductions, soil conservation, and soil carbon be leveraged to create a framework for commodity crop farmers to access public sector funds from the Partnership Program?
8. How can USDA ensure commodity crop farmers maintain a freedom to innovate and select the climate-smart practices that work best for their operations and growing conditions?
9. What considerations must USDA better understand in order to leverage supply chain sustainability initiatives to scale climate-smart commodities?



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