November 22, 2019

The Honorable Kathy Castor, Chair
House Select Committee on the Climate Crisis
United States House of Representatives
H2-359 Ford Building
Washington, D.C. 20515
ClimateCrisisRFI@mail.house.gov

Via Electronic Mail

Re: Request for Information, Questions 6 and 7

The Campaign for Family Farms and the Environment (CFFE) thanks the Committee for seeking input on policy reforms needed to address the climate crisis. CFFE is composed of four Midwest state-based organizations with farmer and rural members on the front lines of the climate crisis (Missouri Rural Crisis Center, Iowa Citizens for Community Improvement, Dakota Rural Action (SD), Land Stewardship Project (MN)), and two national organizations, Food & Water Watch and the Institute for Agriculture and Trade Policy.

We urge the committee to endorse the reform of two programs that are promoting highly polluting industrialized concentrated animal feeding operations (CAFOs) at the expense of independent U.S. family farms, rural communities, and the climate: the Environmental Quality Incentives Program and Farm Service Agency Guaranteed Loans.

When it comes to agriculture, the climate crisis must be placed within the current farm crisis. Independent family farmers are fighting for their survival – facing five years of sinking prices (often below the cost of production), mounting debt, rising bankruptcies and a series of extreme weather events. The farm economy has long been plagued with over-production, whether of corn or milk, that drives prices down and farmers off the land. Net farm income has dropped nearly 50 percent since 2013. The multi-year drop in dairy prices has been devastating – the country lost over 2,700 mid and small-sized dairy farms in 2018 alone.

The EPA's Inventory of Greenhouse Gas tracks emissions from all sectors.[i] Within the agriculture sector, methane emissions rose by 14.4 percent and nitrous oxide emissions by 7.3 percent since 1990. Methane is 28 times as potent as carbon dioxide and nitrous oxide is nearly 300 times as potent.

The increase in methane and nitrous oxide emissions mirrors the rapid expansion of CAFOs over the last two decades, where thousands of animals are raised in confined spaces with massive manure lagoons. Methane emissions related to manure management rose 66 percent since 1990. The EPA reported, "The majority of this increase is due to swine and dairy cow manure, where emissions increased 29 and 134 percent, respectively." The EPA pointed out that "the shift toward larger dairy cattle and swine facilities since 1990 has translated into an increasing use of liquid manure management systems, which have higher potential CH4 (methane) emissions than dry systems."

Manure management is also a source of nitrous oxide (N2O) emissions, both directly and through the over-application of manure on fields as fertilizer. The EPA estimated that N2O

emissions related to manure increased 34 percent from 1990 to 2017—once again closely linked to the rise of large-scale animal feeding operations. Therefore, any focus on the role of agriculture in mitigating or adapting to climate change must include a specific focus on industrialized food animal production in CAFO systems.

Reform EQIP to Stop Subsizing CAFOs

The Environmental Quality Incentives Program (EQIP) was designed to provide cost-share and incentive payments to agricultural producers to address natural resource concerns on their farms and it has been used by hundreds of thousands of farmers nationwide to make environmental improvements that support the land, family farm operations and their communities, and benefit the climate. Unfortunately, the 2002 Farm Bill revised EQIP to allow access for CAFOs, this not only limits the funding available for smaller and independent family farm operations, it also subsidizes climate-damaging corporate CAFOs, including foreign owned operations.

From the limited information available, it is clear that EQIP cost-shares for factory farm manure management practices account for a large proportion of EQIP spending. For example, in Iowa EQIP spending on manure management practices used by CAFOs accounted for nearly 30 percent of total EQIP funding in the state from 2002 through 2015. The size of EQIP contracts for factory farm manure management practices were many times larger than other EQIP contracts. Two out of three EQIP applications submitted in 2015 went unfunded. In other words, if the EQIP funding were not going to CAFOs for their manure management, the program could have supported more meaningful conservation practices on more farms that build climate resilience and sequester carbon.

Congress should restore EQIP funding to the original intention of the program: supporting small and mid-sized independent family farm livestock operations as they make improvements to their conservation practices. EQIP should not subsidize the construction or expansion of industrial livestock operations. USDA must be more transparent about how EQIP funding is being spent by reporting annually to Congress on spending by practice category, state and operation size.

In addition, we urge the following reforms: EQIP should remove the 50 percent set-aside for livestock that has allowed large livestock operations to capture EQIP funding at the expense of other types of farms. Additionally, the amount of EQIP funding available to an individual operation should be capped at $150,000 in order to ensure that EQIP funds reach a greater number of applicants.

Reform USDA loans to stop backing new and expanding CAFOs

Many CAFOs around the country would not exist without public funding through USDA's Farm Service Agency guaranteed loan support. The majority of loans for new CAFO livestock and poultry operations are federally guaranteed. These taxpayer-guaranteed loans have led to over-supply and low prices for independent family farm livestock producers, contributing to further consolidation of the marketplace, and putting independent family farmers out of business.

Guaranteeing loans to CAFOs is risky business and puts the U.S taxpayers in the position of assuming that risk. That risk is increased with extreme weather events associated with climate change. Federally guaranteed loans for specialized hog production facilities have put hundreds of thousands of independent U.S. producers out of business, and make it very difficult for producers to respond to market signals such as cutting back production during periods of

prolonged low prices. An expansion in factory farm dairy production has led to a glut in the marketplace, with excess milk dumped in the Midwest and Northeast the last two years. During times of low prices, USDA uses taxpayer dollars for bonus pork, poultry and dairy product buys, to stabilize prices resulting from the very overproduction that USDA is facilitating through direct and guaranteed loans. This cycle of promoting the expansion of high emission, corporate livestock and dairy production with taxpayer money, then bailing out the industry because of overproduction with taxpayer money must end as we respond to the climate crisis.

Loans supporting CAFOs have come at the expense of support for independent farmers and ranchers who are protecting rural waterways and the climate. Congress should prohibit issuance of any direct or guaranteed farm ownership or operating loans for the construction or expansion of CAFOs, as well as the issuance of direct or guaranteed loans to foreign-owned or corporate-owned operations. Congress should also require transparency on what types of operations are using USDA loans by requiring USDA to release detailed information on the size and types of operations receiving direct and guaranteed loans. This information should be available to the public.

Too often and for too long, EQIP and FSA loans have supported corporate interests, including corporate-controlled industrial livestock operations, at the expense of independent farm families, our rural land and water, and the climate. We urge you to reform the programs used extensively by industrialized concentrated animal feeding operations.

Please feel free to reach out to any of the below organizations that make up the Campaign for Family Farms and the Environment with questions or if you need additional information.

Dakota Rural Action, Frank James, fejames@dakotarural.org, (605) 697-5204 ext 240

Food & Water Watch, Patty Lovera, plovera@fwwatch.org, (202) 683-2465

Institute for Agriculture and Trade Policy, Ben Lilliston, blilliston@iatp.org, (612) 870-0453

Iowa CCI, Adam Mason, adam@iowacci.org, (515) 282-0484

Land Stewardship Project, Bobby King, bking@landstewardshipproject.org, (612) 722-6377

Missouri Rural Crisis Center, Tim Gibbons, timgibbons@morural.org, (573) 449-133

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[i] https://www.epa.gov/ghgemissions/inventory-us-greenhouse-gas-emissions-and-sinks