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Inside This Issue

NEWS

- 1 [USDA releases assessment on agriculture in carbon markets](#)
- 3 [FDA report indicates compliance with food pesticide tolerance levels](#)
- 3 [NGFA urges DOL to withdraw proposed overtime rule](#)

EVENTS

- 4 [Bushel CEO to discuss AI's impact on ag at CEC](#)
- 4 [Submit your entries to the 2023 Grain and Feed Photo Contest](#)

SUPPLEMENTS

- 5 [Extra Supplements](#)

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NEWS

USDA releases assessment on agriculture in carbon markets

By David Fairfield, Senior Vice President, Feed

The U.S Department of Agriculture (USDA) on Oct. 23 released a comprehensive review of current carbon market activity, barriers to participation, and opportunities to improve access to carbon markets for farmers and forest landowners titled “[A General Assessment of the Role of Agriculture and Forestry in the U.S. Carbon Markets.](#)”

USDA issued the report as directed by the NGFA-supported Growing Climate Solutions Act (GCSA), which was signed into law on December 29, 2022, as part of the Consolidated Appropriations Act of 2023. GCSA required the report to inform USDA’s future determination as to whether to establish the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program, which would facilitate better technical assistance to producers interested in participating in carbon markets, as well as a process to register market verifiers.

The 88-page report assesses the current state of carbon markets by providing information on the supply and demand for carbon credits; descriptions of protocols and registries and other systems used to generate carbon credits; a summary of quantification and accounting methods; an assessment of barriers to entry into carbon markets; and options to address barriers. Some key findings in the report include:

- As of mid-2023, 18 carbon credit protocols have been successfully used within agriculture, forestry, and land use projects in the United States to generate carbon credits. These protocols specify requirements for participant eligibility, what

sources of emissions must be included, and procedures for the measurement, monitoring, reporting, and verification (MMRV) of carbon credits.

- Carbon credits are sold on compliance and voluntary markets. Compliance carbon markets support regulatory programs that require greenhouse gas (GHG) emissions reductions, and include California's Cap-and-Trade program, the Regional Greenhouse Gas Initiative (RGGI) in the northeast, the International Civil Aviation Organization's Carbon Offset Reduction Scheme for International Aviation (CORSIA), and the Washington Cap-and-Invest Program. Voluntary carbon markets encompass the voluntary buying and selling of carbon credits outside of a regulatory framework to achieve a voluntary emissions reduction goal.
- Over the past 4 years, the volume of carbon credits issued in the compliance market has dramatically decreased. Meanwhile, the volume of voluntary carbon offsets increased from 2.3 million metric tons carbon dioxide equivalent (MMtCO₂e) in 2018 to 7.9 MMtCO₂e in 2022. The recent increase in voluntary carbon credits is expected to continue. Demand for voluntary carbon credits is high because companies have set ambitious GHG reduction and carbon neutrality goals, and many are purchasing credits in pursuit of these goals.
- The future of voluntary carbon markets will be influenced, in part, by the supply of credits which has varied significantly over time. In the last decade, there has been a large supply of carbon credits generated from forestry projects in the United States. Carbon credits generated from agricultural projects have been significantly fewer; most agricultural credits are generated by livestock projects.
- Significant variability in agriculture and forestry GHG quantification systems makes it challenging to quantify and standardize emission and carbon sequestration accounting. Accurate quantification is critical to the functioning of carbon markets and to achievement of the GHG reduction goals driving participation in the market.
- A recent survey by Trust in Foods indicated awareness of carbon markets among 93 percent of livestock and cropland managers, but only a 3-percent participation rate. Low participation stems from several barriers, including limited return on investment; conservative accounting of benefits generated; limited access to early adopters; stringent permanence requirements; small scale of agriculture projects; confusion over the options; and lack of demand.
- USDA can play a role in helping to reduce several of the identified barriers to entry that agricultural and forestry producers face in accessing voluntary credit markets. This includes reducing uncertainties and building confidence in quantification through investments in a soil carbon monitoring network; advancing GHG research; improving models and tools to estimate GHG sources and sinks; and advancing data products for use in MMRV of carbon credits.

Following the report, it is widely anticipated that USDA will choose to establish the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program.

FDA report indicates compliance with food pesticide tolerance levels

By David Fairfield, Senior Vice President, Feed

The U.S. Food and Drug Administration (FDA) today issued its annual [Pesticide Residue Monitoring Program Report for Fiscal Year \(FY\) 2021](#) that summarizes the testing of FDA-regulated foods for pesticide residues, with results showing the vast majority of samples being in compliance with [pesticide tolerances](#) established by the U.S. Environmental Protection Agency (EPA).

The report indicates FDA tested 1,367 human foods and 80 animal foods during the time period of Oct. 1, 2020 through Sept. 30, 2021 for approximately 750 different pesticides and selected industrial compounds. Approximately 68 percent fewer human food samples and 78 percent fewer animal food samples were collected in FY 2021 compared with FY 2019, the most recent year not impacted by the COVID-19 pandemic. FDA states that sample collection and analysis increased in FY 2022.

In FY 2021, FDA found that 96.7 percent of domestic and 89.3 percent of import human foods were compliant with pesticide tolerances set by EPA. No pesticide residues were found in 35 percent of the domestic samples and 44.5 percent of the import samples. For animal food, the agency found that 100 percent of domestic and 98.4 percent of import animal food samples were compliant with pesticide tolerances. No pesticide residues were found in 37.5 percent of the domestic and 40.6 percent of the import animal food samples.

FDA states that due to the low sample numbers, only limited conclusions can be drawn from the results. However, the violation rates for both human and animal food samples in FY 2021 were similar to recent years.

FDA considers food samples to be violative if:

- They contain a pesticide chemical residue above an existing EPA tolerance; or
- They contain a pesticide chemical residue for which the EPA has not established a tolerance or a tolerance exemption for the specific pesticide/commodity combination.

FDA's monitoring program selectively evaluates a broad range of domestic and import commodities for residues of different pesticides and selected industrial compounds. The agency also conducts focused sampling surveys for specific commodities or selected pesticides of special interest. For example, FDA monitors the levels of pesticide chemical residues in foods prepared for consumption in its [Total Diet Study](#) (TDS), an ongoing program that monitors contaminants and nutrients in the average U.S. diet.

More information about FDA's pesticide monitoring program and previous years' reports are available on the [agency's website](#).

NGFA urges DOL to withdraw proposed overtime rule

NGFA joined 86 other organizations representing private, public, nonprofit, and educational entities in a letter to [House](#) and [Senate](#) lawmakers requesting that they urge the U.S. Department of Labor's (DOL) Wage and Hour Division to withdraw its proposed overtime pay regulations.

DOL has proposed to increase the minimum salary level that an employee must receive to be exempt from federal overtime pay by 70 percent and has additionally proposed to automatically increase the salary level every three years.

“The costs and organizational changes required to comply with the proposal could immediately destabilize an economy that is already facing the dual threats of inflation and recession,” the groups said, noting that despite concerns from stakeholders, the changes could be effective as early as May 1, 2024.

Overtime pay regulations were last updated in 2019. DOL has not provided any evidence that the current rules are failing to protect employees, the groups said in the letter.

“DOL’s proposed increase is simply too much for employers to absorb and will result in large numbers of employees being reclassified from exempt to hourly,” the letter states. “As a result of these tremendous costs and burdens, private employers may be forced to reduce staff and offerings and find themselves less competitive globally.”

EVENTS

Bushel CEO to discuss AI’s impact on ag at CEC

During the NGFA’s 52nd annual Country Elevator Conference and Trade Show (CEC), Jake Joraanstad, the CEO and co-founder of agricultural software company Bushel, will lead a general session on generative AI and how it could impact agriculture and agribusiness.

Joraanstad is considered a thought leader in technology and agriculture, speaking at events like the U.S. Grains Council's Annual Meeting, World Agri-Tech, and Money 20/20 USA. He also serves on the Ninth District Advisory Council of the Federal Reserve Bank of Minneapolis, advising on regional economic conditions.

CEC takes place Dec. 3-5 at the Omni Louisville in Louisville, Ky. NGFA’s flagship conference for grain merchants, elevator operators, feed manufacturers, processors, and grain industry suppliers will also include sessions on agricultural policy, insurance and labor issues affecting grain handling companies, the state of U.S. transportation, and the agricultural economy. Review the full agenda and speaker list at ngfa.org/cec.

Room Rate: NGFA’s discounted hotel room block expires on Nov. 8.

Registration: NGFA members receive a 20 percent discount on registration. [Register now.](#)

Submit your entries to the 2023 Grain and Feed Photo Contest

NGFA is accepting entries for its [annual photo contest](#). Winners of \$500, \$300 and \$200 are announced during the Country Elevator Conference and Trade Show in December. Deadline for entries is **Nov. 21, 2023**.



The contest theme is “**A Day in the Life.**” (What's happening day-to-day at your NGFA member location?) One photo per participant will be accepted. Email photos as an attachment to sgonzalez@ngfa.org. The body of the email must include the photographer’s name and contact information. Full rules are available [here](#).

Pictured right: First place photo in the 2022 Grain and Feed Photo Contest with theme: "In Action." By Alyssa Barrett, Michigan Agricultural Commodities.



SUPPLEMENTS

Extra Supplements

Associated Press: [Food insecurity shot up last year with inflation and the end of pandemic-era aid, a new report says](#)

Agri-Pulse: [Stabenow eyes new funding for farm bill, crop insurance expansion](#) (log in)

The Hill: [Most Americans oppose GOP plan to raid climate funds for farm bill](#)

Bloomberg: [Biofuel Boom to Push US Soy Meal Exports to Record High](#)

East Oregonian: [Ag reps: Dam breaching unlikely after salmon announcement](#)

DTN: [USDA Rolling Out \\$2.3 Billion to Boost Trade Promotion, Food Aid](#)

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