

C-AGG Meeting Summary

Wednesday-Thursday, November 5-6, 2014

Loews Madison Hotel

Washington, DC – USA

Executive Summary

Opening remarks by Executive Director, Debbie Reed, set the stage for the meeting. The science behind global climate change has changed quite dramatically since the Kyoto Protocol was negotiated in 1997, yet global and domestic climate change mitigation policies still mirror the science of 1997. Scientists now have a better understanding of climate forcing and the relative impacts of specific greenhouse gases (GHG) and climate forcing agents, including some that were not understood to be significant nearly 20 years ago. Scientists now also report that the climate is changing at a much more rapid rate than anticipated, and whereas once it was believed that we had 100 years to prevent irreversible climate change impacts, the science now shows that we have just 20 years to prevent irreversible impacts. As the scientific landscape has changed, so too must our response, and with this new understanding, it is time for C-AGG to begin to reframe and re-strategize. A major goal for this November meeting includes evaluating C-AGG's focus on GHG mitigation policies, programs, tools and activities, and ensuring that we are appropriately responding to what the science shows. Our annual meeting in Washington, DC gives participants the opportunity to examine the new scientific reality through a policy lens and to challenge ourselves to assess how we have been approaching the goal of mitigating GHG from the agriculture sector at a scale that matters.

Tobias Schultz of SCS Global Services and Chandler Van Voorhis from C2I presented the findings from the latest United Nations Framework Convention on Climate Change (UNFCCC) Intergovernmental Panel on Climate Change (IPCC) report, giving the group an excellent primer on the current climate reality, approaches to updating GHG metrics to reflect the new science, as well as some relevant policy mechanisms to help respond. The most recent IPCC report indicates that the world no longer has 100 years to course correct on climate change, but realistically has only 20 years to take significant steps in a positive direction before we begin to exceed irreversible temperature thresholds. Additionally, the report includes a detailed discussion of important climate forcers that are contributing to climate change, but which are currently excluded from international negotiations because their role was not well understood in 1997. These findings set the tone for the rest of the meeting as participants constantly questioned how each session related back to these recent findings.

After the first day's opening panel, participants engaged in a strategic dialogue with the goal of brainstorming new critical paths for C-AGG in light of the most recent IPCC report and improved understanding of GHG metrics, and the relevance to land use and agricultural GHG emissions, in particular. The discussions included an assessment of how to leverage lessons learned from USDA's GHG Conservation Innovation Grants (CIG) to help incentivize agricultural GHG mitigation at scale. It was agreed that socializing the findings both

domestically and internationally would greatly benefit future market development at scale. Additionally, the group saw a need to reestablish C-AGG working groups focused on specific opportunity points for the sector to make progress on these issues between national meetings.

The morning sessions' high-level discussions were complemented by an afternoon focused on the very tangible actions required to verify carbon credit projects. The group heard four different perspectives on project verification, including from voluntary GHG registries, project verifiers, project developers, and buyers of GHG credits. To help address the confusion around the role of verification and the standards that govern it, Eric Ripley of Winrock International provided a basic overview of the ISO requirements to which all verifiers must adhere. Rori Cowan of SCS Global Services followed with some additional points on the variations in verification standards driven by different voluntary market registries. Alastair Handley of Carbon Credit Solutions spoke to the importance of the project developer in the verification process and argued that verification does not have to be a painful and laborious process if the project developer is well organized and process oriented. Based on experience, Peter Weisberg from the Climate Trust presented some ideas on how to streamline the verification process and make it even more economical for project developers in the future.

The first day concluded with an update from the three carbon registries in the United States. The registries expressed their excitement over the amount of progress that has been made over the past 5 years in the agriculture carbon credit development space. However, each registry acknowledged that the market is still lacking the level of demand necessary to see greater uptake of agriculture protocols, which typically require a higher upfront financial commitment when compared to carbon credit methodologies from other sectors.

The second day of the meeting opened with an update on ARB's Rice Cultivation Protocol from Leslie Durschinger of TerraGlobal Capital and Robert Parkhurst of Environmental Defense Fund (EDF). They discussed the continued struggle to address the issues of aggregation and risk-based and randomized verification, which have been recurrent themes of C-AGG discussions on this topic and that of other agricultural offset protocols. While the revised version of ARB's protocol does allow for project consolidation (akin to the concept of aggregation), it still requires each individual operation to register with ARB and have a full project verification performed on its operations. Requiring this level of effort to verify a consolidated project is still missing the mark. If ARB continues down this path the economics will never be favorable for the farmer or project developer and uptake of the protocol will suffer. The recent version of the protocol is open for comment until 5 pm US Pacific Time on 15 December 2014. C-AGG will circulate to participants and stakeholders a draft of C-AGG comments to ARB for consideration and comment.

C-AGG welcomed Chris Adamo, Majority Staff Director for the US Senate Committee on Agriculture, Nutrition, and Forestry, to the meeting. Adamo spoke to the history of the Farm Bill and the conservation program provisions included in the 2014 Farm Bill. Chris explained the logic behind the newest conservation program included in the farm bill, the Regional Conservation Partnership Program (RCPP). The RCPP, which is run by USDA's Natural Resource Conservation Service (NRCS), is a bottom-up program that relies on the skills,

expertise, and manpower of partner organizations to develop baselines and metrics for conservation challenges, such as water quality and carbon emissions. This is a new strategy for conservation that emphasizes a greater reliance on the role of partner organizations to implement and monitor on-the-ground conservation activities. A second round of RCPP funding will be available soon, and Adamo encouraged members of C-AGG to apply for these grants.

Rita Hite, from the Forest-Climate Working Group (FCWG), introduced C-AGG to FCWG's current priorities and policy platform. Given the many synergies between forestry and agriculture, C-AGG and FCWG are seeking to re-establish collaboration to promote progressive land use policies and incentive-based climate change mitigation programs and activities.

Finally, C-AGG and USDA co-hosted a session with top Administration officials to better understand the current state of international and domestic climate change activities and priorities and the current and future role of agricultural GHG mitigation. Panelists from USDA, the State Department, and the White House discussed the administration's broad climate change agenda both domestically and internationally. All participants recognized the importance of agriculture and land use to climate change, including an increased focus on land use mitigation during the upcoming climate negotiations. Currently, Climate Smart Agriculture is the leading international forum for exchanging ideas and discussing future goals and commitments around agriculture. While the officials did not speak to offsets or market development, when prompted by the group they expressed interest in continuing to look into opportunities for the government to support the development of a domestic offset market, in addition to pursuing other mitigation mechanisms.

Action Items/ Key Takeaways

- C-AGG participants should consider joining the United States Technical Advisory Group (TAG) Environmental Management Technical Committee to advocate for improving the science behind climate change policies. The primary purpose of the TAG is to develop and send to the International Organization for Standardization (ISO) the country's position on international standardization activities related to environmental management. The minimum commitment includes a few electronic votes, 3 hours of meetings twice per year and a subscription fee of \$275. For more information, refer [here](#).
- C-AGG would like to help promote the lessons learned from the GHG CIGs by updating the project descriptions on the C-AGG website, and better highlighting (via placement) C-AGG's synthesis document of lessons learned. C-AGG will be reaching out to each of the projects with a more specific request to update the GHG CIG project portal.
- C-AGG is forming working groups to continue collaboration between meetings! The following individuals have agreed to chair the initial groups. Please see below for additional information on the working groups and contact information for each chair. If you are interested in joining a working group please reach out to the chair and CC Monica McBride (monica@c-agg.org).
 - **Working Group:** Project Implementation and Credit Delivery

- **Chair:** Alastair Handley (alastair@carboncreditsolutions.ca)
- **Focus:** Identify agricultural offset marketplace challenges, prioritize them, and work to collectively develop solutions to overcoming them in order to better enable agricultural offset project development and implementation at scale. For example, voluntary GHG registries in N. America have different contractual requirements for growers. Clarity regarding these requirements could help project developers create contractual templates to speed project implementation. Other suggested topical areas for working group consideration include risk mitigation; verification; producer outreach and education; overlap and coordination with sustainable supply chain and other industry initiatives.
- **Working Group:** New Financial Instruments
 - **Chair:** Karen Haugen-Kozyra (karenhk@prasinogroup.com)
 - **Focus:** There is a growing momentum in several circles (agriculture, water, and forestry sectors) to find alternative financial instruments to offset or credit trading mechanisms (carbon, water quality, etc.) that will incentivize best management practice uptake in agriculture. For compliance-based systems in particular, the offset systems are fraught with restrictive policy decisions that either (a) inhibit offsets occurring at scale, or (b) land on the other side of the coin for an ineffective offset mechanism – high transaction costs that prohibit entry into the marketplace. The focus will be on alternative financial instruments, within existing frameworks (i.e. not starting from scratch) to explore and develop options for consideration by Departments of Treasury, Agriculture, Energy and Environment to deliver the outcomes of reduced greenhouse gases, improved water quality and other desired environmental outcomes.
- C-AGG encourages members to apply for the next round of USDA RCPP funding. Additional information on the application process and timelines, to be announced by USDA, will be shared on the C-AGG list-serve.
- C-AGG will be drafting another round of comments on ARB's Rice Cultivation Offset Protocol. The comments will be circulated to C-AGG in time for responses to be incorporated into a final submission on December 15, 2014. C-AGG encourages all members to submit additional comments on behalf of their organizations.
- C-AGG will be finalizing and submitting comments to EPA on the Clean Power Plan, aka Clean Air Act Section 111d proposed regulations, by the December 1, 2014 deadline.
- Based on C-AGG's membership interest in the agenda for the upcoming Climate Smart Agriculture meeting in Rome on December 17-19, Marlen Eve agreed to arrange a meeting with USDA officials in advance of the Rome meeting to gather stakeholder input. Look for additional details.

Wednesday, November 5, 2014

Welcome and Introductions: C-AGG Overview and Background

Debbie Reed, C-AGG Executive Director, opened the meeting with an introduction to C-AGG, including C-AGG's Executive Team and Steering Committee, and a round robin of participant introductions. Introductions were followed by a brief overview of C-AGG as an organization including how it operates, its focus on advancing the development and adoption of science-based policies, methodologies, protocols, projects, tools and decision support systems for GHG emissions reductions and carbon sequestration within the agricultural sector, and its future goals and activities. Debbie concluded her opening remarks by highlighting the objectives for the Washington meeting, which included:

- The presentation of the shift in science that has recently emerged in the literature and what this means for C-AGG's work moving forward;
- How can the group work to improve climate change policies that are currently lagging behind the science;
- What do we do with the information included in the new United Nations report that shows the world's focus needs to be on a 20 year horizon and not 100 years; and
- A discussion around whether markets are still the right path forward to scale up GHG mitigation in the agriculture sector quickly, and if so, how to overcome existing barriers?

GHG Equivalence and Permanence: Science, Strategies, and Policies for GHG Mitigation Measures

Tobias Schultz, with SCS Global Services, opened the meeting with a presentation on the need for updating the climate metrics to help avoid irreversible climate change. The presentation provided an excellent primer on the science behind using radiative forcing as the basis for the climate metrics (CO₂, CH₄, and N₂O). Radiative forcing is measured in watts per m² and is defined as the climate forcer's effect on earth's heat balance. While inventories normally only measure and report on positive climate forcers, molecules that trap heat and prevent it from venting causing warming, Tobias reminded the group that negative forcers, molecules that reflect heat back into space causing cooling, are also important to measure and understand when thinking about greenhouse gas mitigation strategies.

Currently, science and policy are based on the global warming potential (GWP) of a gas compared to CO₂ at a 100 year time scale. The recent IPCC report indicates that we no longer have 100 years to address this problem. Projections indicate that by 2030 the earth will pass the 1.5 °C threshold with the 2 °C threshold being based 20 years later in 2050, and the 4 °C threshold in 2100, which has been described as a potentially catastrophic threshold by the World Bank. At each threshold, irreversible change will occur. At 1.5 °C, the arctic climate destabilizes and inundation of island states will start; at 2 °C, dangerous climate interference will happen accompanied by 2 feet of sea level rise; at 4 °C, unprecedented heat extremes will be seen, a decrease in food production will occur, and there will be an 80% reduction in surface water in the Mississippi River basin – the last time this occurred was 25 million years ago and the Antarctic sheet completely melted.

To prevent these catastrophic thresholds from being reached, there is a critical need to update the current climate metrics and the idea of GWP, developed in 1997 as part of the Kyoto Protocol, using more recent science around climate forcers and time horizons. Scientists now understand the importance of short lived climate forcers (black carbon, brown carbon, and tropospheric ozone), have a better understanding of projections of global temperature change, and better understand the pace and global ramifications of Arctic warming and ocean acidification. Continuing to use the current metrics only captures 40% of the contributors to radiative forcing, excluding short lived forcers and negative forcers, which are the most important forcer in terms of magnitude effecting the climate. Additionally, using the 100 year time horizon assumes impacts will change 100 years in the future which is no longer the situation. Using this long of a time horizon also introduces a potential uncertainty of 40% as GWP uncertainty increases with time, and it underestimates the impacts of methane by potentially 80% in a timeframe that matters.

An updated metrics proposal is currently being considered as part of a new draft American National Standards Institute (ANSI) standard. The standard would move away from GWP to global forcing potential (GFP) which would be based on the projected year when one of the three temperature thresholds is passed, thereby tying metrics and decision making to a specific target date. Updating these metrics to include the short lived forcers and a more accurate GWP for gases -- especially methane -- could increase the number of tons a carbon project generates making the economics of the project more favorable. Additionally, if the world continues to solely focus on the Kyoto Protocol gases, which exclude short lived forcers, positive effects on climate will not be seen before 2050. Meanwhile, focusing on black carbon and methane reductions would result in the more immediate reductions the world needs to stay below these temperature thresholds. Currently, ISO is deciding if and when to update their standards to include these new findings. Acceptance of these metrics by ISO will be the first step towards changing the IPCC GWPs in the US and abroad.

Chandler Van Voorhis, from C2Investing, followed Tobias's presentation with a discussion around permanence and its implications for market and project design. Right now the carbon markets and methodologies are based on the 100 year time horizon, which the recent IPCC report showed is irrelevant. Using a 20 year time horizon makes the most sense from both an impact standpoint and a project/market development perspective. Asking a land owner to produce a credit on a 20 year time scale is a much easier ask and would improve participation over the current 100 year standard. In addition to this change, Chandler presented additional strategies to help move the markets forward. These strategies included expanding the carbon sequestration tax credit to include agriculture and forestry, making the tax credit tradable and transferable to allow for tax equity investing, and creating a US federal carbon reserve where federal and state lands can provide a backstop for insurance products versus using self-insurance via a buffer reserve. This would demonstrate to other nations how to turn natural assets into a bank that builds capacity for a solution. Finally, the US needs to update policies to allow for a more democratic participation in the market that makes it economically possible for

smaller land owners to participate. Additionally, these markets must allow for aggregation to increase participation.

Participants were very interested in understanding the feasibility of broadening the tax credit. Chandler explained that the biggest hurdle for this policy is how much the states and the federal government can budget for these taxes from land use. From a process perspective, if the tax credit was broadened Chandler believes the calculations for sequestration would still funnel through the registries.

Assessing the Landscape: A C-AGG Discussion of Critical Issues and Trends in Agriculture and Ecosystem Services

Chris Chopyak and Debbie Reed led the group in a discussion around how the group can take the work C-AGG is doing and move it forward in a way that incorporates the latest science. Participants suggested it is time for an updated C-AGG report to help further enable market development, as they are seeing some old ideas being recycled and feel the report could help move the dialogue and markets forward. GHG CIG recipients also sought advice and clarification on how the results of their projects could be used to help scale ideas. Many agreed that highlighting these accomplishments to both domestic and international policy makers would be a productive path forward. When presenting the GHG CIG results, it is very important to highlight both the negative and positive lessons learned, so that others understand the challenges that still exist.

Finally, the group briefly discussed the demand side of the markets and how companies or the government can make a statement in this arena. One solution proposed was to have the government create demand in the markets by establishing a commercial fund that is underwritten by the NGOs, who can then commercialize the credits. The group agreed that we need to move the market forward, however, there are still challenges around the appropriate level of rigor required to generate economical offsets or certifications.

Understanding Project Verification: Scope, Scale and Lessons Learned

Eric Ripley, with Winrock International, opened the panel discussion with an introduction to the concept of verification. A verification is a risk-based independent assessment of a GHG assertion performed by a third party auditor, to confirm that the GHG program principles are met. The ISO14065 standard lays out the management approach that companies involved in verification must follow to perform accreditation work. The verification process begins with the “pre-engagement phase” in which an impartiality assessment is performed to determine independence. This is followed by the “approach phase,” which includes the development of a verification and sampling plan. These plans inform the “verification assessment,” which is the heart of the verification process, as this is the stage in which all data is reviewed and site visits are performed to ensure compliance. If errors are found during the verification assessment the verifier and the project developer have the opportunity to perform corrective actions before the final report is submitted. The final “reporting” stage includes the submission of the verification

report and verification statement to the registry where they perform their own review and finally issue the credits.

Rori Cowan, SCS Global Greenhouse Gas Services, provided additional clarification between validation and verification and some of the common obstacles projects face during verification. Validation of a project is less rigorous than verification and results in the production of a validation statement, whereas verification results in the generation of credits. Both ACR and VCS require both validation and verification to be performed, while CAR and CARB only require verification. Rori stressed that verification does not need to be a laborious process if the project developer stays organized and provides all of the necessary documentation in a timely fashion; however, she acknowledged that the first time is always the most difficult and can be a hurdle for some projects.

Alastair Handley with Carbon Credit Solutions provided the project developer's perspective of verification. He discussed the challenges with prescriptive and descriptive methodologies arguing that both have their issues since descriptive methodologies require the project developer to justify their measurement techniques, while prescriptive methodologies do not allow the project developer to use new technologies that have emerged since the methodology was published. He asserted that a verifier's role is to ensure the proper project development and not to understand the project developer's interpretation of ambiguous methodologies. He reiterated Rori's point that the key to a successful verification is an easy to follow project structure and well developed process control documents, training manuals, and procedural documentation. This is the best way to keep the verification timeline short and the costs down.

Peter Weisberg with the Climate Trust provided the buyer's perspective on verification, stating that verification acts as a check to prove the project is credible. He also shared ideas for how to minimize costs and streamline the verification process. At the protocol level, he sees a need to allow for more flexibility while still maintaining consistency. At the process level, the market could accept various levels of assurance. For example, an aggregated project could be required to go through a reasonable level of assurance, while individual sites go through a limited level of assurance. Additionally, the concept of batch verification may be an option for reducing costs by buying verification in bulk. The Gold Standard has a similar process for small projects to reduce the financial burden, while still performing full verification on a percentage of the small projects to ensure performance.

The room agreed that the industry needs to keep the costs down and improve the usability of protocols to increase uptake and allow for market development. Since the farmer's job is to produce food, feed and/or fiber, it should fall on the project developer to interpret the protocol and work with the farmers' advisors to develop management plans that will satisfy the protocol's requirements.

Voluntary Carbon Registry Panel Discussion: The State of Agricultural Offsets in Voluntary Carbon Markets

Max DuBuisson with the Climate Action Reserve (CAR) provided the first registry update to give the group an idea of how agricultural protocols are being received by the market. CAR currently has 4 agricultural protocols in their registry – livestock manure management, rice cultivation, nitrogen management, and avoided grassland conversion. To date, the livestock manure management protocol has been used by 80 projects to produce 1.7M credits while the other three protocols are still waiting for their first project. Interest in credits still exists from large corporations looking to offset their emissions, events such as the Olympics, LEED project developers, and for CEQA mitigation (in the state of CA). Specifically, CAR sees interest from buyers in the livestock protocol given its good story telling appeal. CAR is currently finalizing a new avoided conversion of grassland to cropland protocol, which is set for adoption in June 2015. As the market currently stands, supply is not the problem, the market needs additional demand to drive prices up and make agricultural offsets more attractive.

Carolyn Ching from the Verified Carbon Standard (VCS) provided VCS's update on their 5 agriculture methodologies – sustainable agriculture land management, sustainable grassland management, nitrogen management, organic bedding material, and avoided conversion of grassland. VCS has one agriculture project in Kenya that has been validated and has generated 21,000 tons. Carolyn reminded the group that VCS has a bottom-up approach to methodology development to ensure interest, however, in practice this has not always worked.

Methodologies are often created too narrowly and can only be applied to the projects that initially developed them. Currently, VCS is seeing a soft demand signal from the market making it very hard to develop agriculture projects that often have higher costs than non-agricultural projects.

Jessica Orrego from the American Carbon Registry (ACR) provided an update on ACR's 8 agricultural methodologies. They currently have 1 rice project listed, 1 N₂O project that has generated credits and one additional agricultural project that has produced credits. ACR recently approved the compost additions to grazed grassland methodology that they hope will be very successful. Five years ago there were very few agriculture protocols developed, so even though market demand is soft and projects have high implementation costs, Jessica feels that we are in a very good position for the future of agriculture offsets.

The question of where we will be in 2-5 years was raised and the room felt that registries need to start including other forcers in their methodologies and increasing the importance of methane as a GHG to make projects more financially attractive. Everyone also agreed on the importance of the demand signal for market success, which could be enhanced through the upcoming international negotiations and state level plans such as California and RGGI.

Thursday, November 6, 2014

Rice Cultivation Offset Protocol: Update, Next Steps

Robert Parkhurst with Environmental Defense Fund opened the discussion with a history of the rice protocol and where it currently stands. ARB began the development of the rice protocol in March 2013 and the most recent version was released on October 28th for a 45 day comment

period, with comments due by 5 PM on December 15th. Robert provided an update on 5 key areas of concern with past versions including wildlife habitat protection, reporting, monitoring and measuring, verification, and early drainage. Leslie added to Robert's highlights focusing on her key issues, which included the economics of the protocol, aggregation, early action, and data requirements.

On the topic of wildlife habitat protection, the staff notes indicate that the proposed practices in the protocol will not impact bird populations. Also, the Butte Sink Wildlife Management Area has been excluded from the protocol to protect one of the most important habitats for migratory fowl.

The latest version of the protocol allows for consolidated projects, granting an authorized project designee (APD) the ability to operate with multiple farmers while only submitting one Offset Project Data Report (OPDR). Furthermore, the project designee can include 2 crediting periods or growing seasons within a single report, or 3 if one is not a crediting period. While the APD can submit a report under one cover, the report still requires individual information for each project including an ARB project identification number for each farmer and full project data disclosure. Additionally, each project will need to be independently verified and an offset verification statement issued for each project under the consolidated OPDR. While consolidated reporting is a step forward, these latter requirements still require too much data to be publically displayed, and verification costs will be too high to make the economics favorable.

The new version has made significant steps forward with regards to monitoring and measuring by allowing for the use of remote sensing, video conferencing, digital photographs and digital escrow services. Also, the inclusion of the ambiguous clause, "other information not identified here can be used to document project activities," has left the door open for various types of evidence to prove the practice has occurred. Additionally, clarity on the forms of data required for each practice have been highly improved in this new version. ARB has also incorporated some of C-AGG's recommendations related to verification by including the provision for a three year pilot program that will fund both protocol requirements and "alternative verification procedures to identify practices that are more cost-effective."

On the topic of early drainage, the latest version will not allow for drainage if more than 10% of a participating field's perimeter is shared with a public road, a field that is also employing early drainage in preparation for harvest, or land zoned for commercial, industrial, residential, planning, special, or mixed use development. This is potentially a major issue as it could disqualify a significant portion of rice-growing lands in CA.

Finally, while ARB's acceptance of early action credits was a big win in this latest release, Leslie noted that nothing significant has changed in the protocol to improve the grower economics, which will be one of the biggest challenges for uptake of the protocol moving forward.

During the discussion, the importance of the economics for the farmers was further stressed, including the high cost of verification and relative demands of the protocol compared to the potential income generation opportunities. These will continue to be major barriers to uptake.

The best path forward for C-AGG to ensure success of this protocol is to determine what the biggest issues are for success and to propose simple solutions to ARB.

US Farm Bill Programs and Implementation: Opportunities to Incentivize Agricultural GHG Mitigation

Chris Adamo, Majority Staff Director for the US Senate Committee on Agriculture, Nutrition, and Forestry, presented a history of conservation programs in the farm bill and provided the group with an update on funding opportunities in the current farm bill that could be utilized to advance projects. In the 1986 farm bill, the CRP land retirement program was the program that really started conservation in the agriculture sector. The US was facing soil degradation concerns, low prices, and over production, which made it more profitable for farmers to take land out of production. In the '90s, the focus shifted to paying for wildlife habitat conservation and water quality improvements. At the turn of the century, billions of dollars started to be put towards USDA conservation programs.

The 2008 farm bill included over 20 conservation programs with no real understanding of how to measure results from this infusion of money. Various pots of money were placed into different silos for "targeting," but this resulted in certain farmers being unable to access dollars, creating a fair amount of skepticism and frustration. For example, the Conservation Stewardship Program (CSP), started in 2002, was only available to specific watersheds.

The period between 2008 and 2014 was characterized by budget cutting and condensing and streamlining of programs. Even though the conservation budget was cut by \$6B over 10 years in the 2014 bill, it is still seen as a great conservation bill. The most recent bill includes 13 programs down from 23, including the Regional Conservation Partnership Program (RCPP), which accounts for 8-9% of the overall conservation budget.

The RCPP is a step toward trying to focus dollars to specific practices that will establish baselines and measure results for water, carbon and other metrics. The funding will flow to bottom-up solutions driven by partners (conservation groups, growers, etc.) who will be expected to bring the baseline data and metrics to USDA. The committee felt this was a better approach than putting more NRCS staff in the field. NRCS still has authority over who receives the funds and is currently reviewing proposals for the first round of funds, which will be awarded to the partners next month. This funding is designed for implementing proven concepts, whereas CIG funding will still be available for research and development of new opportunities. Conservation is entering a new period where there are opportunities for everyone at the table to make money, conserve, and participate in the markets.

Some of the issues and challenges with the RCPP process were raised in the room during the discussion. Challenges will include interpreting and reconciling the methods behind the different metrics proposed and determining the impact of this funding. Chris encouraged C-AGG members to apply for funding with projects that have been proven and require additional funding to scale.

The Forest-Climate Working Group: Policy Platform, And Opportunities for Collaboration with C-AGG

Rita Hite of the American Forest Foundation and the Forest-Climate Working Group (FCWG), presented on the current agenda for the Forest-Climate Working Group. In 2007, the group connected with the trust for public land, who work on land protection, and agreed that convening a group would be an opportunity to bring together the forest sector. The group developed a policy platform that encompassed their position on climate policy, which they released in 2009. After the failure of climate change legislation, the group changed directions and started promoting the beneficial uses of forest products. This has included working with USDA on green building initiatives, the use of wood in buildings and more recently developing a platform to support the President's Climate Action Plan. The platform includes 6 key pieces that can enhance forest carbon benefits without legislation or new money.

As EPA's 111d rules began to take shape, the FCWG saw this as another opportunity to promote the beneficial uses of forest products. The group is still finalizing their comments, but their goal is to advance the concept of forest carbon benefits by allowing states to use these benefits to meet their targets. They are not specifically advocating for offsets in their comments based on guidance they have received from outside counsel. C-AGG has been collaborating with them on comments and is looking for additional opportunities in the future.

Updates on US Climate Change Commitments and Activities: Implications for Agricultural GHG Mitigation Opportunities

The afternoon session of the C-AGG meeting brought together top officials from the Administration to discuss with the group their thoughts on the importance of agricultural GHG mitigation opportunities domestically and internationally, and to review the status of international climate change negotiations and future realities. Robert Bonnie, USDA Under Secretary for Natural Resources and Environment, started off the session by acknowledging the importance of land use in the climate change discussion and the important international implications of the work we perform domestically. He touched on the important information we have learned through the previous round of GHG CIG funding and how C-AGG was able to bring participants together to share knowledge. He also alluded to additional CIG funding being made available in the coming months.

When thinking about USDA's role moving forward, Under Secretary Bonnie sees a focus on both mitigation and resilience since more resilient systems are vital to moving forward and trying to feed a growing global population. USDA will also focus on continuing to build out the capacities of USDA's 7 regional climate hubs, working to improve the national inventory for land use, researching investments in adaptation and mitigation, and creating tools that land owners can use to measure and manage their operations. The Climate Smart Agriculture program will also be a new focus. The program will look at increasing productivity, improving resiliency of ecosystems, and GHG mitigation opportunities domestically and abroad.

Participants asked Under Secretary Bonnie what's next for the voluntary and compliance markets and whether or not the government could act as a first buyer for credits. While he did not provide specific answers, he did express interest in continuing these conversations. He expressed an interest in finding ways to move ecosystem service and GHG markets forward.

Christine Dragisic, who works in the State Department's Office of Global Change, provided a background on the international climate change negotiations. In 2013, the parties of the UNFCCC agreed to submit national commitments by March 2015 to start the groundwork for the Paris COP at the end of 2015. The goal of the negotiations in Paris will be to get a central agreement that is durable and binding. The focus will be on transparency and accountability and she expects the parties to move away from differentiation. Parties will determine how they want to include the land sector in their goals, which means there could be an opportunity for countries to take action in the agricultural sector.

Bill Hohenstein, Director of USDA's Climate Change Program Office, gave an update on what USDA is doing to help support the international negotiations. First, they are working to strengthen the GHG inventory to increase accuracy and ensure that when practices are changed on the farm they are being reflected in the inventory. Right now, USDA is also evaluating what the agency needs to do by 2030 and 2050 to meet the nation's goals and what technologies could be employed in the coming years to help with this. Chris added that the State Department is working with the White House and other agencies to understand what the US is capable of doing and how to communicate this to the other countries in advance of the March release. She is looking to groups like C-AGG to better understand what can be done in the agriculture sector.

Dan Utech, Director of Energy and Climate Change with the White House Domestic Policy Council, provided the White House's climate change priorities. The president is determined to move forward on climate change with the tools he has at his disposal. The Climate Action Plan is the current roadmap everyone is following to reduce GHG emissions. The White House realizes that they have a responsibility to reduce emissions, but they cannot solve this on their own. Currently, the White House is working very hard with China, India and others to ensure every nation is doing their part as they look toward Paris in 2015. He does not see offsets as a great option right now, but thinks there are many other mitigation opportunities worth pursuing, including the promotion of biogas energy.

After the panelists initial remarks, the floor was opened to participant questions. The issue of updating the global forcing potentials was raised, and USDA was not ready to discuss the issue, but agreed that when the UNFCCC mandates an update they will update the inventories.