

Purdue Farm Policy Study Group Meeting Summary

July 13, 2021

The following members were in attendance: Pete Clark, Tim Foltz, Ken Foster, Aaron Howell, David Howell, David Hardin, John Hardin, Levi Huffman, Lisa Koester, Mark Legan, Jayson Lusk, Marshall Martin, Tom McKinney, Doug Mills, Doug Moorehouse, John Nidlinger, Steve Pithoud, Om Sharma, Mark Townsend, Don Vilwock, Rick Ward, Christy Welch, and Mike Yoder.

Virtual Attendees: Otto Doering, David Miers, Morris Mills, and Ken Rulon

Excused Absentees: Sonny Beck, Brent Bible, JoAnn Brouillette, Ty Brown, Isabella Chism, Natasha Cox, Sarah Delbecq, Tim Galema, Bill Gelfius, Joe Kelsay, Randy Kron, Danita Rodibaugh, and Jon Sparks

Zoom Recording: <https://purdue-edu.zoom.us/rec/share/blldqmZYFQY-GSzriAK4rDhmabeSW7IYcW8kEkc5yPUfKcX3T9M0XOMQ6YJafzm.T3CAUWGYm9cdfTWv>

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Agenda Items

1. Purdue Farm Policy Study Group Review

Ken Foster briefly discussed the efforts of a sub-committee to examine needs and opportunities of the Purdue Farm Policy Study Group. That committee consists of Sarah Delbecq, Natasha Cox, Jayson Lusk, Ken Rulon, Don Vilwock, Rick Ward, and Mike Yoder.

The sub-committee has discussed two items over email. First, is the need to diversify the membership of the group across age, ethnicity, gender, and types of farming enterprises. Marshall Martin has been working on this for several years, and we hope to continue those efforts. Please forward names and contact information to Ken Foster (kfoster@purdue.edu) if you would like nominate an individual for membership. The committee recommended student membership as a means of attracting youth. We will gauge student interest this fall. We also may need to better define the membership process.

Second, the sub-committee highlighted that many of presentation to the PFPSG are relevant for local and community leaders. Membership in the PFPSG is limited to Indiana farmers. Targeting some new membership toward those who are both farmers and local decision makers is a marginal way to expand influence to this other audience. Jayson Lusk, Ag Econ Department Head, is on the sub-committee and thus aware of the opportunity to potentially recycle content to other audiences.

The sub-committee will continue to explore mechanisms to improve the function and impact of the group.

A few moments were taken to thank Dr. Marshall Martin for his service as Executive Director and to remind everyone that a retirement celebration would follow immediately after the meeting.

2. Carbon Markets for US Row Crop Producers: Opportunities and Challenges

Drs. Carson Reeling and Nathan Thompson both Associate Professors in the Department of Agricultural Economics presented their perspective concerning the opportunities and challenges of carbon offset markets and payments to farmer and farmland owners.

Dr. Reeling began by defining the different scopes of carbon emissions (direct, indirect from purchased energy, and indirect from upstream suppliers, etc.) and various market structures that might be used to either voluntarily limit emissions or mandate emissions reductions. Several examples such as permit trading, the Chicago Climate Exchange, Regional Greenhouse Gas Initiative, the California Cap-and-Trade Program, and the growing number of nonregulatory offset markets targeting farmers such as Indigo Ag, Nori, Inc., Bayer Crop Sciences, and Climate Trust were highlighted in Dr. Reeling's portion of the presentation with an emphasis on the challenges of creating lasting carbon sequestration without some sort of mandate to limit carbon emissions. The offset markets are highly driven by large corporate entities such as Microsoft, Apple, Walmart, etc. who have set goals for carbon neutrality via reductions in emission and offsets acquired from others.

Dr. Thompson's portion of the presentation addressed the opportunities and challenges associated with farming practices such as no-till and cover crops in the context of the sorts of nonregulatory offset markets highlighted by Dr. Reeling. Dr. Thompson pointed out that even if all US cropland used no-till and cover crops they would sequester only 2 and 3 % of all US CO₂ emissions. Thus, carbon neutrality for corporate America will require reductions from elsewhere beyond crop production.

Dr. Thompson also highlighted some results of a farmer survey that shows many farmers are aware of offset markets but few have actually pursued such opportunities and very few have signed contracts for such. The primary drivers of farmer reluctance in the survey were the payment levels, legal liabilities, skepticism over the viability of the markets, and the exclusion on the basis of previous use of no-till or cover crops. While current offset market prices appear to be in the \$10-20 per metric ton of carbon sequestered, the literature suggests that a payment of \$80 per MT would be needed to fully offset the cost of switching from conventional tillage to no-till.

Dr. Thompson also discussed the consequences and concerns related to length of contracts and the reversibility of carbon sequestration. It appears that current contracts would not require farmers to repay if they had a one-time need for tillage, etc., but the payments would pause until the lost carbon has once again been sequestered. Farmers who have already been using these practices are not currently going to be paid for past sequestered carbon although there may be cases where a short look back period is possible.

Dr. Thompson also pointed out that the amount of carbon sequestered declines over time under these practices (see the graph on slide 13 of their presentation). It is possible that if prices are going to rise then one would be better to wait to begin sequestering carbon. Drs. Reeling and Thompson speculated that the high degree of uncertainty about future prices is a reason why farmers are reluctant to sign a multi-year contract at low prices today.

Dr. Thompson also highlighted that lack of consensus about carbon sequestration measurement and the lack of clarity concerning how contracting agents would bridge that gap in knowledge. Understanding how these measurements and computations will take place and how they relate the specific practices and settings of a farm are important concerns to farmers.

Drs. Reeling and Thompson completed their presentation with a couple of slides focused on future alternative scenarios and their consequences. The first alternative is that private markets continue to dominate. In this case, the future viability depends on investors and/or consumers demanding reduced carbon footprints from corporate entities.

The second alternative is that the government takes a stronger role in standardizing measurement and verification of carbon sequestration and/or regulates carbon emissions through a tax or cap. The first would improve the transparency and the ability of farmers to compare across contract offers while the latter would ensure that there is consistent demand for carbon offsets and reduce future uncertainty around prices substantially.

Visit www.purdue.edu/commercialag for a white paper and webinar on carbon markets.

3. Societal Values & Personal Behaviors That Impact Public Well-Being

Dr. Nicole Olynk Widmar, Professor in the Department of Agricultural Economics, presented some of her recent research that explores disparities between what we know is best for society (and ourselves) and what we actually do in the context of the Covid-19 era. Dr. Widmar's presentation relied heavily on data presented in her slides (posted on the PFPSG website at: [add link when posted](#)). Therefore, I have chosen not to provide a detailed summary but rather refer you to those slides and the manuscripts at the following sites. However, one thing is clear from Dr. Widmar's results. Covid-19 has and continues to impact children, households (particularly women) with children, and food insecure households to a far greater degree. While there has been substantial economic recovery it has not yet extended to all and the re-opening of society and the economy while vaccination rates remain low is placing children and households with children at increased risk.

Dr. Widmar and her collaborators conducted two rounds of surveys in June 2020 and January 2021. Take away messages from the June data are:

- Evidence of altruism (those who believe masks protect others were more likely to wear them)
- Evidence of free-riding (among those who believe mask work but do not wear in at least one setting)
- Social shaming does not work (perceiving social pressure negatively impacted mask wearing even among those who thought masks help)
- Evidence of willful non-compliance
- Unequal impacts in households with children; impacts on women in these households
- Clear and present 'us versus them' perspectives in media
- Ag & Food related conversation – (public discord with meat and milk was likely exacerbated by poor/mixed communication and slow policy implementation)
- Food choices are impacted by where/how/when we shop

Take away messages from the January 2021 data:

- Everyday activity impacts were and continue to be disproportionate for children and those caring for children
- The food insecure were and are disproportionately impacted
- Vaccination intentions are not gender related like mask wearing was/is. More women are reluctant to receive vaccine.

Online resources for further reading:

https://agribusiness.purdue.edu/consumer_corner/daily-life-impacts-of-covid-19-in-2021/

https://agribusiness.purdue.edu/consumer_corner/societal-values-and-personal-risky-behaviors-unchanged-during-pandemic/

https://agribusiness.purdue.edu/consumer_corner/purdue-pete-and-pistol-pete-covid-19-vaccine-edition/

https://agribusiness.purdue.edu/consumer_corner/us-adults-most-likely-to-wear-masks-and-least-likely-to-reduce-around-town-interactions/

https://agribusiness.purdue.edu/consumer_corner/self-reported-2021-intentions-to-take-the-shot-or-not-by-demographics/

https://agribusiness.purdue.edu/consumer_corner/talking-about-toilet-paper-and-meat-again/

https://agribusiness.purdue.edu/consumer_corner/a-tale-of-two-petes/

https://agribusiness.purdue.edu/consumer_corner/human-behavior-beliefs-and-practices-in-the-covid-19-era/

<https://ssrn.com/abstract=3779163>, "Social Pressure, Altruism, Free-Riding, and Non-Compliance in Mask Wearing by U.S. Residents in Response to COVID-19 Pandemic," Courtney Bir and Nicole Widmar, 2021.

<https://ssrn.com/abstract=3648562>, "Societal values and mask usage for COVID-19 control in the US," Courtney Bir and Nicole Widmar, 2020.

ADD LINK AFTER IT IS POSTED ON GROUP SITE "COVID-19 Era Impacts on Households with Children," Courtney Bir, Nicole Olynk Widmar, and Jeffrey Young, 2021.

4. The Role of the Land Grant University in Public Policy and Civic Engagement

Dr. Robert X. Browning, Professor in the Brian Lamb School of Communication and Faculty Director of the CSPAN Center, spoke to us about the history and complexity of U.S. Agricultural Policy and the Universities recently approved Civics Literacy Requirement for all undergraduate students entering Purdue as of Fall 2021.

Dr. Browning explained the political and social changes that have made it increasingly difficult to pass a comprehensive multi-year "Farm Bill." He referenced the following. The increasing number of interest groups that must be considered in crafting a bill that can receive sufficient support from congressional members being influenced by said interest. Today such legislation typically needs to accommodate the wide range of farm sizes, a large number of commodities, agribusiness, conservation and environmental impact, minority and women farmers, international trade policy, energy policy, domestic food security and so forth. Doing so complicates reaching acceptable compromise.

Other factors that Dr. Browning identified that have complicated reaching consensus are the inclusion of nutritional assistance programs into farm legislation, the political transformation of southern politics, the decline of regular order replaced by more power in the hands of congressional leadership and specific caucuses, and the increased polarization of Congress.

On the latter point, Dr. Browning presented a number graphs that illustrate how Congress has grown more polarized between the two parties from 1949 to 2018. It was mentioned during Q&A that 1949 might have near the peak of unity in the U.S. Congress but the contrast is there nonetheless. Likewise, Dr. Browning illustrated data showing that the membership of the Congressional Agriculture Committee and the Senate Committee on Agriculture, Nutrition, and Forestry have both grown more polarized over time leading to increased difficulty in crafting policy acceptable to a sufficient number of members. The graphical representations can be found in Dr. Browning's slide presentation posted at: [Add URL when these are posted.](#)

Dr. Browning highlighted the following roles of a Land Grant University in the public policy realm:

- Be present in the debate
- Raise the level of the debate
- Conduct Research, Education, Engagement – our missions
- Advancing the knowledge of techniques at all levels
- Provide a broad-based education to our students
- Educate the citizenry and stakeholders
- Contribute expertise and knowledge to government agencies and leaders

Dr. Browning is one of the architects of the Purdue Civic Literacy Requirement. Beginning with the entering students in the Fall of 2021, all undergraduate students must complete the certification before they can graduate. They have three options for satisfying the base requirement and then must also pass a test with a score of 80 % or higher.

The three optional activities are as follows:

- a. Students can take and pass an approved course (can also satisfy by taking an Advanced Placement Course),*
- b. Students can listen and take a quiz on twelve podcasts created by the Center for C-SPAN Scholarship and Engagement (The podcasts are available for you to listen to at https://cla.purdue.edu/academic/communication/cspan/ccse/civics-literacy-initiative/?_ga=2.224194009.376878949.1626199446-908578770.1591879685), or*
- c. Students can attend and write a reflective short essay of six approved civics activities on campus. These are speeches and presidential lecture series on politics.*

5. Future Topics and December Meeting Date

Two potential topics for future meetings were suggested. First, an overview of the joint Ag Law degree being offered between Purdue and IU McKinney School of Law at IUPUI. Second, issues related to long

term leases of agricultural land for solar and wind power generation. If you have other topics of interest, then please forward those to Ken Foster (kfoster@purdue.edu).

The next meeting of the Purdue Farm Policy Study Group will be **December 14th** at the Beck Ag Center to accommodate Purdue teaching schedules and the Farm Bureau State Convention scheduled for the previous week.

5. Adjournment at 3 pm

Respectfully Submitted,

A handwritten signature in cursive script that reads "Ken Foster".

Ken Foster
Professor – Agricultural Economics
Executive Secretary – Purdue Farm Policy Study Group