



November 26, 2008

Air and Radiation Docket and Information Center,  
Environmental Protection Agency, Mailcode: 2822T,  
1200 Pennsylvania Ave., NW.,  
Washington, DC 20460.

RE: Docket ID No. EPA-HQ-OAR-2008-0318

To Whom It May Concern:

The Arkansas Farm Bureau Federation (ARFB) welcomes the opportunity to comment on the Advance Notice of Proposed Rulemaking (ANPR) for regulating greenhouse gases (GHG) under the Clean Air Act. The 564-page document presents many complex issues for public comment, several of which directly and adversely impact agriculture. The United States Department of Agriculture (USDA), in comments to the Office of Management and Budget (OMB) prior to release of the ANPR, submitted values for several agriculture sectors at which they would be subject to Title V requirements. These numbers were based on the Simplified Energy Emissions Tool (SEIT) worksheet developed by the Department of Energy. For the purposes of these comments we will assume the SEIT worksheet is reliable with the understanding that the EPA Air Quality Consent Agreement is currently ongoing which may yield more accurate information pertaining to animal agriculture.

The foremost issue is one of direct or indirect endangerment to public health and safety. The imposition of Title V is predicated upon the fact of a direct threat or endangerment to public health and safety. GHGs are not a direct threat or endangerment and should, therefore, not fall under the jurisdiction of Title V. Using Title V for this purpose is forcing Title V to be implemented for something which it was not intended. However, we will assume Title V will be implemented for the purpose of regulating GHGs. Title V is administered by the states, and permit fees vary from state to state. EPA sets a "presumptive minimum rate" for these fees, or taxes, and that rate is \$43.75 per ton for 2008-2009. Utilizing the EPA data and the statistics published by USDA, we will focus our comments on the potential impacts to three sectors of Arkansas agriculture that would be most impacted, specifically rice, dairy, and hogs.

The topography and geomorphology of the eastern Arkansas delta is ideally suited for row crop agriculture production, particularly rice. Arkansas is the number one rice producing state accounting for over half of U.S. production. According to the SEIT worksheet just 33.3 acres of rice would trigger the small emitter threshold of 100 tons which would envelop 100% of Arkansas rice production. This equates to a "fee" of \$131.25 per acre. Arkansas average acreage planted to rice has been approximately 1.3 million acres equating to a potential annual "fee" of \$170,625,000. This value is based on crop production alone and does not account for "soil management" or cultivation practices which, according to

the SEIT worksheet, can be triggered by as little as 4.54 acres. This equates to a “fee” as high as \$962.50 per acre or \$1.25 billion, annually. Combining the potential “fees” for rice production and soil management brings the annual total to over \$1.4 billion.

Arkansas swine and dairy sectors have experienced significant declines during the past decade with increased production costs and regulatory burden taking their toll. Again, the USDA submitted comments based on the SEIT worksheet stating that any operation with more than 25 dairy cows and 200 hogs emits more than 100 tons of carbon equivalent and, as a result, would have to obtain a permit under Title V in order to be able to continue to operate, if greenhouse gas regulations as envisioned by the ANPR went into effect. These low thresholds would envelop 100% of Arkansas dairy production and likely over 95% of Arkansas swine production. The annual “fees” for dairy and swine producers would be \$175 per cow and \$20 per hog, respectively. The imposition of such “fees” will further exacerbate the rate of deterioration and almost certainly end the existence of these two agricultural sectors in Arkansas, particularly dairy.

Compared to other states known for their dairy and swine production, Arkansas is mostly small farms. Small farms do not have the economies of scale to absorb these costs and do not have the ability to pass these costs up the supply chain. The end result will be the forced extinction of many more small farms. This is counterintuitive and perplexing to those of us in the agriculture community, especially when there are those who continuously pit small farmers against large farmers, a.k.a. “corporate industrial farms”. These groups continually support more stringent environmental regulations with the intent of regulating large farms. Ironically, their actions have driven small farms out of the market essentially forcing producers to “go big” to survive.

Society is currently shifting towards “sustainably” grown produce and protein. An important factor in this equation is the retail industry which is pushing “locally produced”, in part, because of its effect of reducing GHGs emissions. The imposition of these “fees” will place unnecessary hardship on these remaining producers and make it economically unsustainable for them to survive. The net effect will be less locally produced agricultural products requiring increased importation and transportation of goods with the net effect being increased emissions of GHGs due to increased transportation miles. This seems to be the exact opposite of the regulatory intent and will only exacerbate the perception of and disparity between large versus small farms.

Respectfully submitted,

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