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Re: Comments on S7-10-22, The Enhancement and Standardization of Climate-Related Disclosures for Investors

North Shore EVP is a 501c3 non-profit operating in the State of Hawaii. We support farmers across the state by assisting them with obtaining food safety certification through the state's only USDA GroupGAP program. Certification enables these small and mid-sized farms to gain market access and sell their products to food hubs and distributors who seek local produce to supply hotels, grocery stores, and institutional buyers such as hospitals and schools.

Through our work helping farmers understand and meet compliance requirements we have gained experience and knowledge around what it takes to manage data and supporting documentation. For small and mid-sized farms, many of which are family owned and operated, this data management is challenging and is often put off unless or until another entity is available to provide such administrative support.

North Shore EVP is concerned that the reporting requirements proposed by the SEC could trickle down to the small farmer if they seek to sell to buyers whose parent companies do not qualify for an exemption. The proposed rule may have unintended consequences because such companies may place reporting burdens on small farmers through de facto marketplace standards and practices even if the SEC itself does not do so directly by regulation.

These unintended consequences will disproportionately affect smaller operations because the additional administrative burden of official or de facto reporting requirements could discourage local food hub efforts to sell consolidated farm products to supermarkets, hotels, or other entities that may be owned by a publicly traded parent company.

As an island state we are especially vulnerable to supply chain challenges, whether these challenges are due to geopolitics, climate change and other natural disasters (e.g., hurricanes, tsunamis, etc.), or a global pandemic. The establishment of food hubs and the promotion of locally grown food creates resiliency in our local supply chain, reducing the amount of product that must be imported into our state. Discouraging such efforts runs counter to the objectives of the SEC's proposed rule and we ask that the SEC take steps to modify its proposed rule to ensure that these reporting requirements do not directly, or indirectly, trickle down to the small farmer.

Sincerely,

Kevin Kelly, President