



May 19, 2022

To: Security and Exchange Commission (SEC): <https://www.sec.gov/cgi-bin/ruling-comments>

From: Hawaii Aquaculture and Aquaponics Association

Re: Comments on **File Number S7-10-22** (SEC Climate Proposal)

To whom it may concern:

The Hawaii Aquaculture and Aquaponics Association (HAAA), representing aquaculture and aquaponics producers and researchers Statewide, has serious concerns about potential unintended consequences of the Securities and Exchange Commission (SEC) Climate Proposal, as currently written.

The SEC is proposing amendments to its rules that would require registrants to provide certain climate-related information in their registration statements and annual reports. The proposed rules would require information about a registrant's climate-related risks that are reasonably likely to have a material impact on its business, results of operations, or financial condition. The required information about climate-related risks would also include disclosure of a registrant's greenhouse gas emissions and certain climate-related financial metrics in a registrant's audited financial statements.

While the SEC Climate Proposal includes exemptions for smaller reporting companies, there is strong concern among the agriculture and aquaculture sectors, as conveyed by the American Farm Bureau Federation (AFBF) and the National Aquaculture Association (NAA) comments to this proposed rule, that, as currently written, the SEC reporting requirements could trickle down to the small farmer and rancher if their products wind-up with buyers whose parent companies do not qualify for this exemption, severely impacting family farms and ranches and intensify the rate of consolidation in American agriculture.

As conveyed by the NAA, "The proposed rule requires extensive requirements for public companies to report on Scope 3 emissions, which are the result of activities from assets not owned or controlled by an organization but contribute to its value chain. "While farmers and ranchers would not be required to report directly to the SEC, they provide almost every raw product that goes into the supply chain. "AFBF economists anticipate reporting requirements for farms could create several substantial costs and liabilities, such as reporting obligations, technical challenges, significant financial and operational disruption and the risk of financially crippling legal liabilities." Due to the onerous SEC compliance requirements, "this proposal could keep small farms from doing business with public companies at a time when all farms are needed to ensure food security here and abroad."

"AFBF economists expect the proposed SEC rule to impact farmers and ranchers through:

- Increased costs due to compliance concerns. Farmers could be required to track and disclose information on day-to-day activities;
- Potentially requiring private and personally identifiable data. Unlike public companies and corporations, farmers work and raise families in their place of business;
- Consolidation, as small farms lack the resources to comply with burdensome reporting requirements;
- Increased liability because the timeline given to comply with Scope 3 emissions is unattainable.”

Given these serious concerns, the HAAA respectfully requests that the SEC Climate Proposal be amended as necessary to ensure that these potential unintended consequences are fully addressed and eliminated from this proposed rule so as to protect the small American farmer and rancher and our Nation’s food security.

Thank you for the opportunity to comment in opposition to the SEC Climate Proposal as currently written.

Sincerely,

A handwritten signature in black ink that reads "Ronald P. Weidenbach". The signature is written in a cursive, flowing style.

Ronald P. Weidenbach
HAAA President