

Congress of the United States
Washington, DC 20515

July 19, 2022

The Honorable Gary Gansler
Chair
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549

Dear Chair Gansler,

As the Securities and Exchange Commission (SEC) continues its review and evaluation of the proposed rule to “Enhance and Standardize Climate-Related Disclosures for Investors,” we urge the Commission to ensure that our agricultural community, particularly small farmers and producers, will not be negatively impacted by this rulemaking. While we applaud the goal of fostering transparency about carbon emissions amongst publicly traded companies, we fear that the rule as written may unintentionally penalize agricultural operations that lack the resources to meet the reporting requirements.

Family farms and agricultural producers are the backbone of our rural economy in New Hampshire and across the country—they truly do feed America and much of the world. While these types of businesses would not be directly subject to the climate-related disclosure rule, they are often part of the supply chain of publicly traded companies who would be required to disclose their Scope 3 greenhouse gas (GHG) emissions, to include entities in their supply chains. While there are some flexibilities around Scope 3, including a good faith clause and allowance for reporting emissions in ranges based upon estimates, we are concerned about the lack of clarity in this process and the possible ramifications this rule could cause.

Understandably, most small agricultural operations have neither the staffing nor the resources to produce robust data on their climate emissions. We therefore believe it very possible that publicly traded companies would turn to larger-scale operations to provide the agricultural commodities in their supply chains because such large entities could more easily produce data that would strictly comply with the rule. There has already been an alarming degree of consolidation within the agricultural sector to date, and we have seen the negative results of that consolidation through broken and interrupted supply chains that hampered producers and consumers alike during the height of the COVID-19 pandemic and beyond. We feel strongly that the Federal Government has an obligation to do all in its power to create a level playing field for smaller producers to remain viable. It is imperative that this rule be consistent with that objective.

We also have concerns about what kind of and how much information agricultural producers would have to provide both SEC and the publicly traded companies with which they work. The

Commission should consider how any emissions data reported under this rule could impact the privacy of farmers and their operations.

We recognize SEC's desire to implement these rules expeditiously, but we believe that a thorough review of the above concerns, along with a further extension of the public comment period, is in the best interests of the farmers and consumers that we represent.

We appreciate your consideration of this request and look forward to your response.

Sincerely,

A handwritten signature in blue ink that reads "Ann McLane Kuster". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Ann McLane Kuster
Member of Congress

A handwritten signature in blue ink that reads "Chris Pappas". The signature is cursive and somewhat stylized, with the first letters being larger and more prominent.

Chris Pappas
Member of Congress