



Steve Troxler
Commissioner

North Carolina Department of Agriculture and Consumer Services

June 8, 2022

Vanessa A. Countryman, Secretary
Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

Subject: Docket ID No: S7-10-22
The Enhancement and Standardization of Climate-Related Disclosures for Investors

Dear Secretary Countryman,

I am writing to express significant concerns on the impact The Securities and Exchange Commission's (SEC) proposed rule on "The Enhancement and Standardization of Climate-Related Disclosures for Investors" will have on agricultural production in North Carolina.

Agriculture is our state's #1 industry, contributing \$92.9 billion to our state's economy annually. Farmgate sales provide nearly a tenth of this total, with robust manufacturing, wholesale and retail operations accounting for the remainder. It is not within the purview of the SEC to regulate farms. I am concerned that this rule, and its requirement that public companies disclose their Scope 3 greenhouse gas emissions would become defacto regulation of all farms by the SEC. This rule would require farms of all sizes to disclose a significant amount of information on climate-related items that they very well may be currently unable to quantify.

In North Carolina, 98% of farms are family owned and operated. Additionally, of the 46,000 farms in our state, nearly 80% have revenues of \$50,000 or less. These farms are not corporations with sophisticated compliance departments with dedicated staffing resources like you would find in a publicly traded company, nor should they be treated as such. Imposing additional reporting requirements around climate-related metrics would distract farms of all sizes from their focus on producing food, fiber and fuel. Given the challenges currently facing the farm economy from inflation and increased expenses, I am concerned that this additional regulatory burden could cause family farms to cease operations. With the strong potential for food shortages in the near future, now is not the time for the SEC to reach beyond its purview and take action that could further stress our nation's food supply. If implemented, this rule could lead to even higher food prices, reduced availability and increased food insecurity for the most vulnerable members of our society.

On behalf of North Carolina's farmers, agribusinesses and citizens, I ask that you immediately withdraw this proposed rule. Thank you for your consideration of these comments.

Sincerely,

Steven W. Troxler
Commissioner