June 17, 2022

Gary Gensler
Chairman
Securities and Exchange Commission
100 F Street, NE
Washington, D.C. 20549

RE: The Enhancement and Standardization of Climate-Related Disclosures for Investors, File No. S7-10-22

Dear Chairman Gensler:

The American Agri-Women is the nation's largest coalition of farm, ranch and agribusiness women with members in 42 states. Since founded in 1974, our members have been passionately advocating on behalf of their family- and locally-owned, farms, ranches and agribusinesses and the U.S. consumers, to promote agriculture in the U.S.

With threats of a looming global food crisis, like no other time in U.S. history, now is the time to underscore the importance of a strong and thriving U.S. agriculture.

reporting can force companies and other entities to take positions in the political arena on issues that may have nothing to do with their actual business activities or credit status. It is deeply counterproductive, misleading, and potentially damaging to the rated entities.

Farmers and ranchers have always been stewards of the land. There is no industry more affected and dependent for its livelihood on climate, soil health, and the environment than farmers and ranchers. Our members nourish the land and cherish it every day of the year for generations. Their tireless work not only feeds our nation, its allies and trade partners, it also provides and protects habitats for millions of species from ants to plants, bees to trees, wolves to water and so much more. These farms and ranches also mitigate wildfires and are natural carbon sinks. By way of example, according to a NASA report, at the peak of the growing season, the Midwest U.S. corn belt is the most productive place on Earth—generating more photosynthesis than even in the Amazon[1].

This proposal is overlooking a devastating unintended effect – that of ending the role of most farmers.

While farmers and ranchers are not public companies and therefore not "registrants" who are required to report directly to the SEC, their obligations through their regulated customers could be enormous. The Enhancement and Standardization of Climate-Related Disclosures for Investors, File No. S7-10-22 (the "Proposed Rules") set expansive reporting requirements for Scope 3 greenhouse gas emissions which not only directly affect farmers' and ranchers' operations, but may also create several substantial costs and liabilities, such as reporting obligations, technical challenges, significant financial and operational disruptions and the risk of financially crippling legal liabilities.

[1] "Under the Summer Sun, the Corn Belt Is the Most Biologically Productive Place on Earth", Colin Schultz, Smithsonian Magazine, April 8, 2014

Ultimately, the rule could have meaningful consequences for farmers' and ranchers' ability to produce food, fuel and fiber for the U.S. and the globe and puts in jeopardy the security and stability of the U.S. supply chain.[2]

Scope 3 emissions disclosures will require farmers, who wish to stay compliant with the companies that purchase their products downstream, to track and to disclose on-farm data regarding individual operations and day-to-day activities. Unlike large corporations currently regulated by the SEC, **farmers do not have the resources to employ teams of compliance officers or attorneys dedicated to handling SEC compliance issues**. This could force farmers of all sizes, but particularly those with small and medium-sized operations, to report data they may be unable to provide, which would result in a costly additional expense or a loss of business to larger farms.

The Proposed Rules also jeopardizes small and medium-sized farmers data privacy, particularly personal identifying information. Unlike public companies and corporations, farmers work and raise families in their place of business. Access to such data could force farmers into precarious and vulnerable positions. Specifically, farmers and ranchers could be pitted against each other based on willingness to share data that would put some at a competitive disadvantage.

And possibly the most alarming unintended consequence of the Proposed Rule, is that it could also disqualify small, family-owned farms from doing business with companies that procure the products grown on that farm. This will lead to more consolidation in agriculture. If a farmer or rancher is not able to provide the necessary data and information required by the SEC registrant, who must disclose their Scope 3 emissions, this registrant could be forced to look elsewhere to purchase its raw inputs from an entity that has that information. This search for supply will push small and medium-sized farmers out of business and force companies to look for food products outside of the United States, adding additional costs to food and limiting food availability.

And lastly, the Proposed Rules could potentially add liability to farmers and ranchers in which their activities could be considered material in a reporting company's financial disclosures.

We urge SEC to ensure the Proposed Rules shall not unfairly jeopardize the livelihoods of small and medium-sized U.S. farmers and perpetually devastate a business sector that is essential for our nation's food security and trade.

Thank you for the opportunity to comment.

Sincerely,

H. Hampton Knodle

Heather Hampton Knodle
President
American Agri-Women

---

[2] "Overreach of SEC Proposed Climate Rule Could Hurt Agriculture", Market Intel, American Farm Bureau, May 6, 2022