

**Written Testimony from Renea Jones, Jones and Church Farms Inc.**  
**To the U.S. House of Representatives Financial Services Subcommittee on**  
**Oversight and Investigations**

***“Victims of Regulatory Overreach: How the SEC’s Climate Disclosure Rule Will***  
***Harm Americans”***

**March 18, 2024**

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Chairman Huizenga, Vice Chairman Rose and Members of the Subcommittee:

My name is Renea Jones, and I am the proud co-owner of Jones and Church Farms, Inc., which is a fresh market tomato farm in East Tennessee. Our farm was started by my father and his partner over 50 years ago, and I am part of the third generation to operate the farm which has grown from 50 acres to 600 acres with 210 employees each season.

I want to thank all the elected officials, regulators, Securities Exchange Commission (SEC) commissioners and staff, and others who worked together to understand the impacts the SEC’s proposed rule on climate-related disclosures – particularly, the Scope 3 emissions reporting requirements – would have had on agriculture and, in response, acted accordingly to remove Scope 3 from the rule. For two years, American Farm Bureau Federation, the SEC, and lawmakers on both sides of the political aisle have worked with farmers to thoroughly evaluate the repercussions of this proposal and responded in kind, recognizing just how unworkable this would have been for farm operations around the country. The entire agricultural community is grateful the SEC removed this authority and believes it should stay this way for good.

However, more importantly it is my honor to put into perspective some ways Scope 3 emissions reporting would have negatively impacted my family farm in the foothills of eastern Tennessee.

Under the proposal, publicly traded companies would be required to report emissions at different tiers of the supply chain. Scope 3 emissions – as proposed in the original rule – are emissions which are the result of activities not owned by the company but are in its supply chain. Naturally, this includes family farms as most farm products, including the tomatoes grown on my farm, end up in the value chains of these companies.

To comply with Scope 3 reporting requirements, we would need to hire a legal consultant and a chemist to keep up with all that would be required of us. Looking across the entire tomato supply chain, there are approximately 6,000 inputs involved in the growing of one tomato. On average, my farm produces 38.5 million tomatoes every growing season. From a record keeping standpoint, my small family farm operation would have to hire extra staff just to keep up with the data the SEC is asking for. A rule with requirements this extensive would cause us to consider closing our doors. Profit margins for farm operations are already tight due to inflated input costs, and hiring extra help to navigate these requirements would make those tight margins even tighter, if not nonexistent.

To provide high-quality, safe, and affordable food to the nation and world, farmers must comply with a significant number of government regulations from multiple federal agencies, including but not limited to United States Department of Agriculture (USDA), Food and Drug Administration (FDA), Environmental Protection Agency (EPA), Department of Labor (DOL), and the Internal Revenue Service (IRS). Here are few examples of those:

First, because there are not enough workers in Northeast Tennessee to plant, maintain, and harvest our tomatoes, we participate in the H-2A guest worker program. We use a third-party recruiter to ensure we have workers on the farm when we need them, which comes at a high cost. We also have no control over the wages our workers receive. The DOL sets wages based on an annual agricultural labor survey which includes the mandated increase from the previous year. This year, wages in Tennessee went up 92 cents per hour. With no control over the market and the price of our products, these increased wage rates continue to put pressure on our profit margins.

Second, we have obligations under the Food Safety Modernization Act (FSMA). Of course, providing a food product that is safe to eat is our number-one priority. Prior to FSMA, we were implementing food safety practices voluntarily at the request of our customers. At that time, water samples were taken annually, we had one audit to pay for, and one person managed the obligations on a part-time basis. Today, we take water samples weekly, have three audits per year costing over four times as much per year, and two people maintaining the appropriate records.

Lastly, I'd like you to consider the requirements imposed upon my farm at the state level as well. For use of crop protection products alone, we also hire a full-time employee each season to ensure we are compliant with rules set forth by the state of Tennessee.

Outside of those – and many other – regulations that are currently being enforced related to agriculture, there are also numerous proposed rules affecting agriculture as well. To provide just one example, the EPA is proposing an entire new series of restrictions on pesticide use under obligations to protect endangered and listed species. If enacted, farmers would have to report pesticide use to the Fish and Wildlife Service (FWS) at least 3 months in advance of spraying and adopt a set number of conservation practices before spraying pesticides on their farm. This is just one example of the onerous and time-consuming regulations being proposed by other entities of the federal government.

Farmers are the best stewards of our land and produce products providing food security to our country, and in return we are burdened by overregulation from our own government. The more requirements placed on farmers from the federal government means less time focusing on a farmer's core mission: to feed our country. There are enough federal agencies dictating what happens on my farm – the SEC needs to stay on Wall Street and off America's farms.

Moving forward, while the recent actions of the SEC to remove Scope 3 from this rule are much appreciated by the agriculture community, I would encourage other areas of government to also reconsider their efforts to require Scope 3 emissions reporting. As you know, the state of California has implemented similar requirements for companies doing business within their state. This has consequences for agriculture across the country due to interstate commerce of agricultural products into California. Just like the SEC should not be dictating agricultural practices on my farm and farms across the country, California should not either. California should recognize the work of the SEC, follow their lead, and remove Scope 3 emissions reporting requirements as well.

Thank you for the opportunity to share my story.

Respectfully,

Renea Jones

Jones and Church Farms, Inc.