

Mr. Chairman and Members of the Committee, my name is James O. Andrew, and I am here representing the Iowa Soybean Association, as a farmer director and as a fifth generation corn and soybean farmer from west central Iowa.

As most of you know, seventy percent of Iowa's 31.7 million acres of farm land are planted to soybeans or corn. Iowa's farmers perennially rank among the top states in corn and soybean production, and often lead the nation in pork and egg production, thanks to the availability of the plentiful and reasonably priced feed crops.

Factors contributing to the state's high yields and high crop acreages include the rich soil and a hydrologically modified landscape that is relatively flat to gently rolling. These same factors also contribute to sediment and nutrient pollution in many of Iowa's lakes and streams.

Today I represent the Iowa Soybean Association--the largest state-based, row crop commodity organization in the country, with over 6,100 dues paying members. We have become a pioneer among commodity groups in our aggressive pursuit of methods employing agriculture information technology and leadership at multiple scales helping growers improve their agronomic, economic and environmental performance.

Our farm is located in the North Raccoon River watershed, which drains some of Iowa's richest farmland. ISA has been working with farmers in the Raccoon Watershed for over 15 years to help them find ways to voluntarily reduce nitrogen use to make them more economically and environmentally sustainable within the Iowa landscape. The Raccoon River supplies drinking water to Des Moines, Iowa's largest city, so our efforts are under constant scrutiny from non-agriculture interests.

As a lifelong steward of the land, I would like to thank you and the committee for the vision and leadership you displayed in crafting and passing the conservation provisions of the 2002 farm bill. It was, and still is, an unprecedented commitment by the U.S. government to help the nation's farmers meet not only their personal stewardship goals, but also to begin making progress toward improving agriculture's environmental performance. At the time of its passage, I believe President Bush said it is "the single most significant commitment of resources toward conservation on private lands in the nation's history". However, as time passes and other priorities present themselves, I, and many of my fellow farmers fear that solid commitment to the conservation title is weakening. We believe there is good reason to review and reinstate the committee's original scope and intent.

To give you the real picture, let me review USDA working land conservation program implementation in Iowa. While funding has increased significantly over the past 4 years, USDA data shows that only a small percentage of farmers actually gain access to programs and ultimately participate. Contracts on Iowa's working lands increased from 461 in 2002 to 3,531 in 2005. These figures illustrate that there is increasing interest in these programs, but those contracts still represent only about six percent of the over 60,000 Iowa farmers on working lands. The FY 2006 Environmental Quality Incentives Program (EQIP) in Iowa funded slightly over 1,500 contracts. However the NRCS has a backlog of 1,500 applications from farmers who want to apply practices but cannot be funded.

Funding levels and rules for program participation, particularly with the Conservation Security Program (CSP), leave farmers with no certainty that they will be able to participate. About \$1 billion was removed from CSP this year, primarily due to Hurricane Katrina relief and the war in Iraq. As a result only about 60 percent of the originally intended watersheds are eligible nationwide. Overall, \$3 billion has been removed from the original CSP appropriation since 2002. Due to previous caps placed on the program in annual appropriations bills, the program has only been available in selected watersheds around the country. If allowed to stand, the \$280 million cap proposed in the current House Agricultural Appropriation bill will result in few if any new watersheds becoming eligible for CSP in 2007. We must design more inclusive programs with adequate funding levels in the future if we expect to make significant progress in addressing agriculture's conservation needs.

We would like to see full funding of the Conservation title of the Farm Bill -- specifically, the CSP and EQIP programs-- in addition to more conservation-focused re-enrollment of lands in the Conservation Reserve Program (CRP).

On a more personal note, our farm was enrolled in the CSP and awarded Tier III status with an annual award of \$45,000. Because of that distinction, I feel qualified to present my impressions of our CSP experience in Iowa. Because we've spent over 30 years using progressive conservation practices, we found the CSP enrollment and evaluation a smooth, orderly and rewarding experience. However, we were probably overqualified compared to many of our fellow farmers, and as such I feel compelled to also express their concerns with the process.

I've spoken to more than 3,000 farmers and conservationists from all over the United States in recent months. In the process of explaining the CSP program to those still waiting for their watersheds to be selected, I've heard several recurring messages. So I can give you my perspectives based both on my own experience with the program and the reactions my fellow farmers have shared with me.

Though we recognize the enormous task of defining and implementing a new program such as CSP, many farmers are becoming disillusioned and frustrated with the slow pace of program implementation. The ever-changing rules and budgetary constraints differ greatly from the way the program was originally explained to the U.S. farmer, and are causing some farmers to give up even before they enroll. As time goes on and budgets shrink, the program does not resemble the one presented in the early years.

The "selected watershed" concept has led to rules and regulations which vary greatly from watershed to watershed and state to state. This is particularly hard to justify to farmers who are used to rules that are fairly and consistently implemented nationwide. It appears to many farmers that these rules were developed mainly to restrict farmer eligibility due to the limited program funding. If it were truly a watershed based program, one might expect that a comprehensive watershed plan would exist, and that individual CSP contracts would integrate with the goals of that watershed plan.

Farmers are making personal investments in conservation systems in anticipation of their watershed being selected--which may be five to eight years away. Some are going so far as hiring paid consultants to put their records and farm operations in the best condition to

maximize their tier and financial reward. They have studied the CSP and are taking its provisions and promises at face value. Sometimes what they get is not what they expect.

As an example, the program originally required a fully transferable "gentleman's agreement" between tenant and landlord for the 10 year commitment. Rumors now say that those not able to live up to the original terms because of a change of ownership or tenancy will have their contracts cancelled and may be fined a portion of the proceeds already issued. This possibility is causing a great deal of concern and anguish among farmers and landlords, and will greatly limit potential participation until it is resolved.

The CSP program needs to be simple enough at Tier I to allow the maximum of initial participation while not watering down the requirements to where they are meaningless. At the same time, farmers won't enroll if the funding does not exist to support the additional enhancements required to rise to the next tier. Society expects farmers to examine and change their methods to protect our soil, water and air. CSP and all USDA conservation programs could be very effective tools to move agriculture to the next level and meet society's expectations of environmental performance. But until these programs are seen as a priority, we believe participation and results will be limited.

CSP is working to bring conservation practices back to the forefront of agriculture. I have witnessed more no-till farming, terraces, and other conservation practices being implemented in my immediate area because of the program. It is refreshing to see this move to better tillage systems. These conservation investments are paying immediate rewards to not only the farmers but to all the citizens in the area where they are adopted. Participation in the Iowa Soybean On-Farm testing network is at an all time high, and farmers are reducing their use of nitrogen fertilizer based on scientific data. The ISA On Farm Network encourages farmers to test additional farming practices in their own operations. Research such as this, which benefits all of agriculture and the surrounding community, should definitely qualify for an enhancement payment under the CSP.

Finally, I want to share a personal note. When I realized we had been awarded Tier III and would be receiving \$45,000 annually with a national signing ceremony at one of our three farm ponds attended personally by Bruce Knight, Chief of NRCS, I had some apprehensions about how my neighbors might react. I was pleasantly surprised. Of all the civic minded things my father and I have done during our lifetimes, nothing has been as well received and accepted as our recognition for CSP qualification. To this day, we are dumbfounded with the sincere congratulations and compliments from farmers and local taxpayers alike. This emphasizes to us that conservation supersedes partisan politics and is of primary importance to all citizens. Based on our experience, we feel you have a mandate to strengthen and continue the rapid implementation of CSP nationwide. We know the program works on a small scale. Provide the needed funding and support, and large numbers of farmers will work with you cooperatively to get the job done.

I appreciate this opportunity to present our views and recommendations to you, and I will be pleased to respond to any questions or comments. Thank you.

