

Water Quantity Policies for the 2007 Farm Bill

My name is Tom Schwarz and I am a farmer from Bertrand NE. Our operation produces alfalfa, corn, wheat, and soybeans. We also have an organic production rotation in place that will put most of our ground in organic crops three of every ten years.

I have closely followed water issues on the state and federal level for twenty seven years. I worked extensively on the Federal Energy Regulatory Commission relicensing of Lake McConahagy and the development of Senator Nelson's Nebraska Plan which in time became the Cooperative Agreement which settled that relicensing.

Current programs in the farm bill have proven remarkably flexible in dealing with water quantity issues. CREP, EQIP, and CSP all are proving to be valuable tools in helping develop water quality, water quantity, and in habitat. In Nebraska, USDA in partnership with farmers and the state are saving large volumes of water in the Platte, Republican, and Blue river basins. These have been glowing examples of bringing federal, state, and local money together to achieve a common goal. These programs continue to face new challenges but also provide a platform to achieve far more in the future.

One of the biggest issues of concern facing CREP, EQIP, and CSP is payment limitation. I have personally favored lowering the payment limit. I realize that if we do this, large operations may have little incentive to participate. If large operations are to continue receiving large payments perhaps we should develop a two tier limit where there would be far lower production payments but a much higher limit for conservation payments.

It may be time to make a fundamental shift in our farm programs. We have a window of opportunity, with high cash grain prices, to stop paying operators based on the volume of grain produced and start paying based how they produce. If farmer's payments were tied to their ability to reduce consumptive use of water, they would likely make that a goal. Breaking out highly erodible land could be discouraged and payments could be reduced or eliminated as a penalty for this practice. Both of these examples would at the same time save water and benefit the natural environment. An investment of this kind in farm programs might be widely supported by both rural and urban America.

Conservation can also be a two edged sword. One mans conservation can take another's water supply. When doing an analysis of a conservation project we need to quantify the impact of the conservation practice to stream flow and require an offset if the practice depletes the stream. If such an offset were too costly in a certain area, then perhaps this conservation measure should not be done in this particular location. At this time we do not have the capability of doing this. Additional research that would allow this type of analysis would be helpful.

Cropping patterns can also impact consumptive use in a basin. We cannot tell farmers what to plant but it might be appropriate to provide incentives to those who chose to plant crops that will lower consumptive use of water.

I would highly encourage you to support research into crops that save water and other potential

conservation practices that may lower consumptive use of water.

Among conservation programs EQIP has proven to be the most useful in dealing with water quantity issues. One suggestion for this program would be to allow longer contracts similar to CREP. By lengthening contracts we could accomplish greater water savings and reduce the administrative work load on NRCS.

The CREP program has also been used to reduce water use in Nebraska. One problem we encountered with CREP was the acreage cap for counties. I would suggest that we consider allowing NRCS to exceed the cap in counties where the hydrologic system is over appropriated. By definition we can not sustain current levels of development in those areas so a cap really serves no purpose.

The Conservation Security Program is one where I am far from an expert. Meetings I have attended on it led me to the following conclusions:

- 1) CSP has the potential to be the most powerful conservation program of all.
- 2) It lacks the funding necessary to make it successful.
- 3) It is complicated to a degree that farmers are reluctant to pursue it.

Speaking as a farm operator, if it takes days or even weeks of work to understand a program and comply with its requirements, I am going to be reluctant to enter it. It appeared to me that the administrative requirements of this program were so great I could not comply without harming other parts of my operation in the process.

If I look at CSP with regard to water quantity issues I see a number of possibilities. Riparian area management could be used to benefit water quality, water quantity and restoring habitat to a more natural state. Invasive vegetation is a nationwide problem in our rivers and CSP could be used to assist in this area. Native vegetation can also cause water problems if it occurs in river beds and causes flooding. These kinds of issues could be addressed in CSP.

In closing I thank you for the opportunity to be here and share my thoughts with you. I have tried to keep my comments brief and if you or your staff would like more detailed information, I would be happy to provide it.