

Testimony on behalf of the

**National Cattlemen's Beef Association**

With regard to

**Agricultural Conservation Programs**

Submitted to the

United States House of Representatives – Committee on Agriculture  
Subcommittee on Conservation, Credit, Rural Development and Research

The Honorable Tim Holden, Chairman

Submitted by

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National Cattlemen's Beef Association

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**National Cattlemen's  
Beef Association**

Mr. Chairman, and members of the subcommittee, my name is Steve Foglesong, and I am a cattle producer from Astoria, Illinois. I am the Policy Division Chair of the National Cattlemen's Beef Association. Producer-directed and consumer-focused, NCBA is the trade association of America's cattle farmers and ranchers and the marketing organization for the largest segment of the nation's food and fiber industry, and is the only voice of cattle producers in Washington, D.C.

Cattlemen are true environmentalists. For centuries, we have been stewards of our nation's land and resources. Our livelihood is made on the land, so being good stewards of the land not only makes good environmental sense, it is fundamental for our industry to remain strong. Some of the cattle industry's biggest challenges and threats come from the loss of natural resources. Our industry is threatened every day by urban encroachment, natural disasters, and misinterpretation and misapplication of environmental laws. The conservation of our nation's natural resources is imperative, and cattle producers have a vested interest in keeping land healthy and productive, keeping water and air clean, keeping wildlife abundant, and keeping ecosystems diverse. We strive to operate as environmentally friendly as possible, and it is through the conservation programs in the Farm Bill that we can achieve a partnership with the government to this end.

The goal of conservation programs is to achieve the greatest environmental benefit with the limited resources available. The U.S. Department of Agriculture (USDA) has numerous programs that are currently utilized by cattlemen, and we know that these programs will be a large part of the 2007 Farm Bill. I appreciate the opportunity to talk about the cattlemen's position on these programs.

In general, NCBA's priorities in the upcoming Farm Bill are to:

1. Support a reduction of the federal deficit while assuring funding for Farm Bill priorities, without agriculture bearing a disproportionate share of the reductions,
2. Minimize direct federal involvement in agricultural production methods,
3. Preserve the individual's right to manage land, water, and other resources,
4. Provide an opportunity to compete in foreign markets, and
5. Support equitable farm policy.

NCBA believes government policy should enhance the individual's right of free choice in land use, soil conservation, water conservation, energy use, and utilization of working lands conservation methods that are based on sound science and economics.

Paramount to any discussion regarding conservation programs is the need to protect individual private property rights. Federal conservation policy should reflect both the U.S. and state constitutions and enhance an individual's right to free choice regarding land, water, soil and energy use, development, and conservation. The rights of private landowners must be protected. NCBA opposes any federal policy that results in the loss of private lands or water rights without specific procedures of due process of law and just

compensation. Agreements involving individual private land and water rights must be the decision of individual private property owners.

Within the Conservation Title of the Farm Bill, NCBA supports working lands programs. This includes the Environmental Quality Incentives Program (EQIP), the Wildlife Habitat Incentives Program (WHIP), the Conservation Security Program (CSP), and the Grassland Reserve Program (GRP). The goal of conservation programs should be to maintain a balance between keeping well-managed working lands in production and providing for conservation of species and natural resources. Many producers would like to enroll in various USDA conservation programs such as the Conservation Reserve Program (CRP) to reach environmental goals. However, enrolling in these programs requires the producer to stop productive economic activity on the land enrolled. We believe economic activity and conservation can go hand in hand. As such, we support the addition of provisions in the next Farm Bill that will allow more working-lands programs that will have tangible benefits on environmental quality, and help to improve our ranching lands.

Given the limited resources that are available, NCBA would like to see overlap and redundancy in programs eliminated, and efficiency of programs improved. The way to get the best value out of these program dollars is to have the method of delivery as clear, concise, and quick as possible. Consolidation and streamlining, as suggested in the Administration's Farm Bill proposal, is one way to achieve that. We are happy to work with the Committee to make sure any streamlining or consolidation continues to serve the needs of cattle producers.

The most popular program among cattlemen is the Environmental Quality Incentive Program, or EQIP. This financial cost-share program rewards and provides incentives to cattle producers for their environmental stewardship. USDA's Natural Resources Conservation Service (NRCS) assists producers in the development of long range conservation plans, and then offers incentives through cost sharing for the landowner to incorporate best management practices to accomplish the objectives of the plan. EQIP is the best, most effective way to get conservation projects and practices implemented on the ground for cattlemen.

In the 2002 Farm Bill, EQIP saw a large increase in funding. Even with that increase, there still remains a substantial backlog of applications for the program. NCBA supports increased funding for EQIP within the Conservation Title, so that the program is able to provide more producers with financial assistance as they work to implement good conservation practices and projects. Livestock production happens largely without the benefit of a safety net, like many of the commodity programs have. Environmental concerns are one of the biggest threats to our industry. That said, NCBA supports the continuation of the provision in the 2002 Farm Bill that devotes sixty percent of EQIP funds to livestock.

Although popular, EQIP has a few problems we'd like to see addressed in the upcoming Farm Bill.

Many ranchers have complained that the time and paperwork required to apply for EQIP funds makes the program an unattractive and burdensome program. Understanding that funding is limited, one method to realize more dollars for the end users of conservation programs would be to make the program more user-friendly and less arduous. We understand that the verification of records in order to ensure that appropriate qualifications are met is very important, but achieving a more efficient application method and accountability system would result in more dollars being spent on actual conservation. NCBA supports streamlining on a larger scale, between overlapping programs, as well as within the programs. A streamlined and efficient overall program is key to making the most of taxpayer's dollars.

Cattle producers across the country participate in EQIP, but the practice of arbitrarily setting numerical caps that render some producers eligible and others ineligible limits its success. Addressing environmental solutions is not a large versus small operation issue. All producers have the responsibility to take care of the environment and their land and should have the ability to participate in programs that assist them in establishing and reaching achievable environmental goals. Accordingly, all producers should be afforded equal access to cost share dollars under programs such as EQIP or any other conservation program intended for working lands.

Another category of livestock producers excluded by USDA from EQIP are custom feeders. USDA has decided these producers do not share the risk of the ultimate sale price of the animals they feed. This exclusion is difficult to comprehend. These producers feed livestock on behalf of others and are obviously agricultural operations. Their environmental profile is identical to every other feeding operation. They certainly share the risk of financial success on their operations, even if not for the ultimate price of the individual animals they sell. We urge the Subcommittee to support changes in law to eliminate USDA's exclusion of custom feeders from EQIP.

Yet another sector of our industry that is excluded by USDA from qualifying for EQIP is livestock markets. The vast majority of livestock move through these markets, where they are held until they are bought or sold. Livestock markets are regulated by the Environmental Protection Agency as Concentrated Animal Feeding Operations (CAFOs), and are held to the same high environmental standards as other cattle feeding operations. Livestock markets share similar resource concerns with other livestock feeding operations, and should be eligible for government assistance to address those concerns in the form of EQIP.

NCBA believes changes in EQIP contracts should be implemented to make this program more attractive to producers. Currently, ranchers are assessed unreasonable penalties associated with the cancellation of an EQIP contract. These penalties can be up to 20 percent of the total financial and technical assistance obligated to the participant, even if little work has been performed by NRCS. NRCS should not require an applicant to sign a contract until the final cost of the contract is known and approved by the producer. Producers should also be allowed to periodically review and revise the terms

of multiple year contracts to adjust for inflation and the rising costs of materials over time, when justified. Finally, NRCS should provide a least-cost alternative to applicants when engineering for the government's share.

NCBA also believes that additional management tools should be available for range restoration within EQIP. In addition to mechanical treatments, modern recovery techniques, which have proven to be safe, efficient, and cost effective, should be available for range restoration within EQIP, including the use of herbicide.

One of the reasons EQIP is so popular among ranchers is the fact that it is a working-lands program. We believe that conservation programs that keep land in production and do not artificially limit its use are best for the ranchers and for reaching the goal of conserving our resources. Other working-lands programs that we support include the Wildlife Habitat Incentive Program (WHIP) and the Grassland Reserve Program (GRP). These programs help keep landscapes in tact, keep producers on the land, address resource concerns, and mitigate mounting environmental pressures. WHIP's cost-sharing and technical assistance provisions provide assistance to conservation-minded landowners who are unable to meet the specific eligibility requirements of other USDA conservation programs. A healthy wildlife population is generally a sign of a healthy ecosystem, which is conducive to a healthy cattle operation.

The Grassland Reserve Program, new in the 2002 Farm Bill, proved to be hugely popular. NCBA supports continued funding for the GRP program to help conserve our nation's working grasslands. Unfortunately, many ranchers are skeptical of participating in GRP because they simply don't trust the government. To solve this problem, the 2007 Farm Bill should give USDA more flexibility to allow private land trusts to hold and negotiate the terms of GRP easements. A major benefit of this approach is that if a private land trust negotiates and holds an easement, they can enforce and manage the easement at little ongoing cost to the public. The interest in conservation from the ranching community is tremendous – we just need more flexibility in current programs to make them workable.

We also believe that third parties should be able to use their own easement template for a GRP easement, as long as it includes the necessary grassland conservation restrictions. This would make the program more acceptable to landowners, allow land trusts to apply their expertise in perpetual easement management and administration, and enable GRP dollars to potentially be combined with dollars from other conservation programs.

GRP easements should have the ability to be transferred to other qualified organizations in the event of dissolution or if they are unable to fulfill their easement monitoring responsibilities. NCBA asks the Subcommittee to provide the ability to transfer GRP easements to non-profit organizations before handing over to the government in cases where the original easement holder is unable to fulfill its monitoring and enforcement duties. Landowners are very wary of an easement automatically defaulting to the government. We understand that the government must protect their

interest in the easement, but we urge the Subcommittee to build flexibility into the program to allow the easement to be transferred to another qualified land trust before it reverts to the government.

The Grassland Reserve Program has been very successful in helping landowners restore and protect grassland while maintaining the acres for grazing and haying. This is in huge contrast to programs such as the Conservation Reserve Program or CRP. Considering the fact that 28 million CRP contracts will expire over the next five years, and considering the fact that the 2007 Farm Bill will be dealing with less funding than in 2002, we believe that the CRP is one of the programs that should be considered for reevaluation and savings.

The CRP is a program designed for the purposes of reducing soil erosion, protecting water quality, enhancing habitat for wildlife, and decreasing overuse of lands not suited to farming. These are worthy goals, but we believe the USDA should consider targeting the program to acres that would produce the most significant environmental benefits. Emphasis should be placed on enrolling buffer strips, grass waterways, and only the most environmentally sensitive portions of farms so that program dollars provide the most benefit to the public. We discourage the enrollment of entire fields or farms; a practice that we believe adversely affects local economies, makes it difficult for beginning or disadvantaged producers to enter farming and ranching, and may not provide the level of environmental benefits that we believe should be the focus of the program.

With the current program, NCBA is opposed to haying and grazing on lands enrolled in the CRP program except under a few limited conditions. These conditions include:

- (1) In case of drought or other emergency situation declared by the Secretary of Agriculture, including emergencies caused by fires on private or public rangelands;
- (2) In the case of incidental grazing in conjunction with grazing contiguous crop residue or stubble on lands enrolled in continuous sign-up CRP or the Conservation Reserve Enhancement Program (CREP), or
- (3) In the case of a USDA determination that maintenance or management is required on land enrolled in CRP to maintain plant health and proper resource management.

We believe that in all instances of haying or grazing on lands enrolled in the CRP, continuous sign-up CRP, or CREP, the payment should be reduced by the value of the forage harvested or grazed. NCBA believes that managed grazing on CRP lands should be permitted during the primary nesting season where State Technical Advisory Committees recommend it under an approved plan.

While NCBA does not support grazing of CRP lands as part of a continuous grazing program, we do support haying and grazing to maintain plant health and proper resource management when determined by the NRCS or FSA, with reductions in payments whenever appropriate.

CRP acres must be properly maintained at a higher level into the future. Problems exist due to noxious weed invasion, as well as proper growth control of desired species. This required management is often very costly and in many instances could be accomplished through very prescriptive haying and grazing. These two practices have proven very effective and efficient on private and federal lands.

Emergency use of CRP lands during a disaster declaration due to drought or fire on private or public rangelands is important to ranchers. By allowing emergency use of these lands, many livestock producers—who otherwise may have been forced out of business as a result of a disaster—are able to stay in business. We support the continued allowance of CRP lands for this reason at the designation of the Secretary of Agriculture through state advisement. We also support payment reductions when CRP lands are used in cases of disaster.

Because of a recent court decision, grazing on CRP has been limited to once every ten years. NCBA believes that managed haying and grazing is a valuable tool in the maintenance of CRP acres, both to manage the forage as well as to reduce fuel loads and to keep plant communities vibrant. We are concerned about these recent judicial actions aimed solely at wildlife concerns that do not take into consideration the environmental benefits of haying and grazing of land under CRP contracts, and ask the Committee to clarify their intent in the law.

Another program the Cattlemen support is the Conservation Security Program. CSP was a new program in the 2002 Farm Bill that rewards those of us that have been conservationists and have spent time and money in the past improving our land, water, and wildlife habitats. CSP also provides an incentive to those who have not participated in conservation programs to become involved and improve their operations which in turn will benefit the environment. NCBA is a strong supporter of CSP, but believes that necessary revisions are needed for the program to reach its full potential.

Producers are frustrated with the implementation of CSP through the watershed approach. In a given year, eligibility for the program may depend upon which side of the road an operation is on. Not knowing from year to year which watershed will be eligible does not allow producers time to prepare all of the documentation and paperwork necessary to apply for CSP. We have heard from our members that rangeland, as a general rule, ranks lower in CSP, and therefore is at a disadvantage. NCBA believes that keeping rangelands healthy is imperative, and would hope the CSP program would reflect that. We look forward to working with both the House and Senate Agriculture Committees as they work to make the revisions to this program and bring it to its full potential for natural resources and producers.

When it comes to the implementation of USDA's conservation programs, it is imperative that we ensure adequate support and technical assistance to make these programs successful. Resources must be allocated to maintain adequate NRCS personnel at the local level to provide the technical assistance necessary to implement successful rangeland conservation programs. Ranchers need a dependable and recognized source of technical assistance in order to meet rangeland conservation needs.

USDA's conservation programs are a great asset to cattle producers. We want to see them continued and refined to make them more producer-friendly and more effective in protecting the environment in a sensible manner. NCBA looks forward to working with the Subcommittee to assure any revisions to the conservation programs continue to serve the needs of cattle producers across the country. Thank you for the opportunity to express NCBA's views with you here today.

## **Steve Foglesong**

Steve Foglesong is the owner of Black Gold Ranch located in Illinois. With his wife and children, he operates a cow-calf, stocker, feedlot, and replacement heifer development program. He attended the University of Illinois where he received a bachelor's degree in animal science.

Steve is active in many agricultural organizations. He is a member and past president of the Illinois Beef Association, and is currently serving as Vice Chairman of NCBA's Policy Division. He was appointed to the Cattlemen's Beef Board by the Secretary of Agriculture and also served on the Beef Check-off Working Group.

He has held other positions within NCBA including Membership and Association Services Committee Chairman, Region III Vice President, New Marketing Initiatives Committee member, and member of the Blue Ribbon Commission. While serving in these roles, Steve provided strategic direction for resource development to achieve the goals and objectives of the industry's Long Range Plan. He also helped guide the coordination between NCBA, state affiliates, beef councils and other industry organizations.

Steve, and his wife, Linda, have raised four children, Nate, Drew, Cole and Kaitlin. In his spare time, he continues to work on enhancing the wildlife habitat on the ranch and participates in local groups such as his county cattlemen's association, school board, and Extension.