

It's Decision Time at the Crossroads The Farm Bill Challenge of 2007

by Mike McGrath

THese are exciting times for both agriculture and energy. America has led the world as a food-producing nation and is now being called upon to lead the world in farm-based energy crops. As a nation, we stand at one of those rare but momentous crossroads where the choices we make may set the course for generations to come.

Fired up by a turbulent and costly dependence on foreign oil, we are rushing headlong into a farm-based energy economy that has gained the attention of investors — local farmers and global corporations alike.

Corn ethanol plants are sprouting across the nation's mid-section so fast that economists and policy analysts are predicting shortages of corn in the Corn Belt. Global giants like ADM, with its two 275-million gallon corn ethanol plants under construction in Nebraska and Iowa, and Cargill, which just recently announced a substantial increase in investments in corn ethanol, are positioning themselves to continue to be major players.

Simultaneously, a 70-year history of government support for the production of basic crops like corn, cotton, rice, wheat and soybeans has led to a world trade impasse brought on by huge subsidies, much to the concern of taxpayers as well as farmers in developing countries. The collapse of World Trade Organization (WTO) negotiations this past summer left policy makers scratching their heads, wondering which should come first — setting our own farm policy or waiting for the WTO to tell us what that farm policy should look like.

At this crossroads we are also facing the threat of global climate change, accelerated by excessive carbon release from our fossil fuel economy. At the same time that we have increased the efficient production of fossil fuel-dependent crops like



corn and soybeans, we have decreased the number of acres in perennial cover, consequently reducing the amount of carbon sequestration agriculture could contribute to solving the global warming dilemma.

In spite of some significant contributions to conservation, like 35 million acres of highly erodible land retired from production in the Conservation Reserve Program and the increasing adoption by farmers of conservation tillage practices, there is increasing pressure on our natural resources as we demand greater production from the land.

*It's Decision Time
continued on page 5.*

A PUBLICATION OF
THE MINNESOTA PROJECT
WWW.MNPROJECT.ORG

Inside this Issue

CSP in Committee Hands	2
The Buzz on CSP	3
The Evolving Value of Conservation Planning	4
No Time for Delay: 2007 Farm Bill Agenda	6
The Planner Online	8
Conservation Friendly Ag Committees	8

Momentum for Conservation Security Program in Conference Committee Hands

by Loni Kemp

IN JUST A FEW SHORT YEARS the Conservation Security Program (CSP) has blossomed into a working model of stewardship payments to reward excellence in conservation. Over sixteen million acres of farm and ranch land are now recognized and rewarded for farming in ways that meet high standards of soil



and water protection, with most of those acres incorporating significant practices that improve wildlife habitat. Some 20,000 proud farmers are receiving rewards for their contributions to the environment under CSP. The only blemish on the flower is the fact that many thousands more farmers are anxious to enroll, but Congress has withheld adequate funding to make it possible for them to do so.

After a year where the momentum of CSP was slowed by diminished signup opportunities in 2006 and unexpected restrictions on upgrades to existing contracts, it is vitally important that Congress restore CSP's progression by approving sufficient funding for 2007.

Not only is next year an important opportunity for another round of farmer participation, but its significance goes beyond that. When the farm bill is

rewritten in 2007, it is imperative that CSP be actively demonstrating its potential. Many envision a comprehensive "green payments" stewardship incentives system that includes, at its heart, an expanded and streamlined Conservation Security Program. To make that case, it is essential that CSP continue to grow in popularity with farmers and the public. If CSP receives sufficient funding for a large signup in a couple hundred new watersheds, and allows current CSP farmers to add both acres and conservation practices to their contracts, all will be able to see that CSP is the working

model for green payments.

When Congress finalizes agriculture appropriations for 2007, CSP will be one of the big decisions they face. Vastly different recommendations are before them. The President for the first time recommended full funding with no cap for 2007 — estimated by the Office of Management and Budget at \$342 million. The House inexplicably did not accept that recommendation but instead approved only \$280 million. The Senate Subcommittee, as they have every year, approved full funding with no cap — which the Congressional Budget Office estimates at \$372 million. When the full Senate approves that recommendation, the stage will be set for the conference committee to battle it out.

If the negotiating range is only from \$280-372 million, one might ask why

the higher number is so important. The answer lies in the way CSP accounting is done. All current enrolled contracts must first be paid their annual payment out of the year's funds. With the upgrade process for 2005 contracts already completed, USDA estimates that \$300–330 million is required to meet current obligations. The House funding level inevitably would mean no new signups for 2007.

USDA recently announced the 51 watersheds they would like to target for CSP applications in 2007, but they will have to retract that offer if Congress does not give them sufficient funding. If that happens, it will be the second time those farmers will be thwarted, since most of them were in the watersheds announced and then withdrawn from the 2006 signup.

On the other hand, the Senate recommendation could provide as much funding for new obligations as would be needed. Since the Senate recommendation is for no cap, it means the USDA could open more watersheds for 2007. That would allow a robust new signup and fair opportunities for upgrades to existing contracts.

In the context of heated farm bill debates about how to make our farm policy trade friendly, a vibrant Conservation Security Program will shine out as a policy that rewards farmers for how you farm, not what you farm. It will be perceived as a popular, effective, proven and growing program recognized for its potential to resolve multiple policy challenges. And Congress will finally have the chance to fully and dependably fund stewardship payments as the new direction for US farm policy. ♣

The *Buzz* on CSP

“The Conservation Security Program (CSP), for example, operates on the wonderful premise that Washington can help farmers and the environment by subsidizing green practices on working land. Yet because of budget cuts, conservation programs for working farmers turn away three out of every four applicants. Farmers want to be conservationists. Washington should encourage them.”

Minneapolis Star Tribune Editorial

“The CSP addresses management of the final frontier for Farm Bill conservation programs — land that is intensively farmed. This has been the missing piece of the puzzle in managing the agricultural landscape in a way that will allow fish and wildlife species to thrive into the future.”

Julie Sibbing, National Wildlife Federation Wetlands Policy Specialist



Contour stripcropping, alternating bands of corn and alfalfa in a field on the Iowa-Minnesota border in Allamakee County.

“I think this (CSP) has got a good philosophy, you reward people for doing the right thing, and hopefully encourage others to do it, too.”

Neil Bien, South Dakota Farmer

“The next farm bill should subsidize farmers according to their stewardship of the environment, expanding on the concept of the existing but under-funded Conservation Security Program.”

Des Moines Register Editorial Board

“The Task Force recommends that the 2007 farm bill continue to refocus conservation spending by directing 60 percent toward working farms and 40 percent toward conservation on lands in retirement... We will only deal with agriculture's environmental challenge by improving the management of the best agricultural land, land that should stay in production.”

Agriculture Task Force, The Chicago Council on Global Affairs

The Evolving Value of Conservation Planning

by Tim Gieseke

MORE THAN 70 YEARS after it became the foundation of our nation's conservation movement, the value of a conservation plan is once again being recognized, this time under the auspices of private agricultural crop consultants as well as conservation agencies.

With the advent of inexpensive crop production inputs, coupled with the production subsidies of current and past farm bills, the real and perceived

“Certainly, it is not possible to implement conservation at the scale needed without agricultural, as a whole, participating in the conservation delivery system.”

value of conservation resource management has waned over the last few decades.

But the demands of the 21st century appear to be shifting. Agricultural resources, natural

and production resources alike, are increasing in value, while external inputs costs are going up and agriculture's external effects upon the environment are being noted.

Historically, farmers have found value in the conservation plan as a way to best create profit by utilizing the farm's resources in an optimum manner without jeopardizing future production goals. While that is the essence of a modern conservation plan, understanding the farm's conservation needs and accessing related governmental programs such as the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program may bring a more immediate return on an investment in a conservation plan.

From this perspective, a conservation plan assesses the soil, water, air, plant, animal, and energy resources of the farm. The identification and listing of

the “conservation holes” in the operation can then be used as the basis for a well-designed, high-ranking EQIP application. Filling these “conservation holes” would bring the farm operation up to the higher eligibility standards of the Conservation Security Program.

But conservation planning also has great value from a systematic perspective in enhancing how the delivery of conservation occurs within our federal, state and local conservation agencies. Investing in the private sector to develop conservation plans as an enhancement to the current conservation delivery systems increases this value by several magnitudes.

Agricultural consultants have largely been left out of the conservation delivery system, and therefore, have a limited working knowledge of conservation planning and implementation. Certifying agricultural consultants as conservation planners allows all resource aspects to be considered and included in the agronomy production plan.

Similarly, state and local conservation agencies with limited budgets and staff have been largely left out of the production plans of local operations and therefore have limited knowledge of a farmer's conservation and production needs, placing the agency in a reactive rather than a proactive position with respect to resource management on the farm.

The development of a conservation resource management plan educates the agronomist or crop consultant in needs of the farmer, and allows these needs to be communicated to the local, state and federal conservation agency staff. And it has the ability to do this on a scale that is not possible today.

In the Midwest, it is not uncommon for a private agronomy organization to assist 300-500 farmers who might operate a combined total of a quarter to a half a million acres. These trusted, private relationships can provide the catalyst for hundreds of conservation resource management plans, streamlining applications for cost-share and incentive programs.

Certainly, it is not possible to implement conservation at the scale needed without agriculture, as a whole, participating in the conservation delivery system. The conservation resource management plan can become the tool we use to effectively target conservation funds that meet federal, state and local agency goals.

Including this “new” value into the conservation delivery system does not spontaneously occur. New training opportunities for certified planners must be created, new relationships need to be formed, and current niches need to be adjusted, but the conservation workload is large enough for all new participants. 🍀

Editor's note: Tim Gieseke, Agriculture and Environment Policy Specialist at The Minnesota Project, has developed a conservation resource management plan training program for crop consultants and local agency resource professionals. His first class, 26 crop advisors and six agency personnel, just completed nine days of training. Upon completion of three real and approved conservation plans each, these professionals will be certified by the Natural Resources Conservation Service to write conservation resource management plans. Funds for this Minnesota Project training project were provided by the USDA Natural Resources Conservation Service through a Conservation Innovation Grant.

It's Decision Time continued from page 1

As an agrarian nation, the last time we faced a challenge of this proportion was in the 1930s, when world financial markets collapsed, dust storms buried bankrupted homesteads on the Plains, and primitive farm systems had run their course and required replacement with more efficient models. Our solution then was twofold: Sound government policy to prime the economic pump, and conservation. Yes, conservation.



The effective manual for agricultural land conservation was written in the 1930s. Leaders like Franklin D. Roosevelt and Aldo Leopold paved the way — one in policy leadership in Washington and the other in scientific and ethical leadership in the field. From their leadership and out of those times our nation began a natural resource recovery that allowed us to achieve the place where we are at today, for better or worse. But had they and others like them not led a conservation revolution we might have run out of natural resources to produce food a long time ago.

But 70 years is a long time and we now face similar challenges — expensive energy, declining soil resources once again, habitat loss, water and air pollution, and a world trade imbalance that threatens future generations. The need for a renewed national conservation effort has never been greater. This time it is not just our soil resources blowing easterly with the prevailing winds while farmers migrate westward in search of new opportunities.

Next year policy makers in Washington will craft farm policy for the 2007 Farm Bill. Much work towards this end is already being done. There have been countless hearings and forums throughout the nation. Some leading agriculture interests call for extending the current farm policy. They like its short-term gains and the safety cushions that will keep producers of the prime commodities afloat.

These same interests note that the 2002 Farm Bill had the greatest conservation investment ever authorized, but they fail to mention how many times the Congress redirected the funds required to support those conservation initiatives.

The first real shot at making a long-term change through conservation came in the 2002 Farm Bill when Congress authorized the Conservation Security Program as our nation's first comprehensive conservation program for working agricultural lands. It has been a slow start getting this big change up and running, but thus far, the only negative thing anyone on any side of the agriculture policy debate has said about CSP is that there hasn't been enough money to make it work for every farmer.

Ask any farmer in America if he or she cares about conserving our soil, water, and wildlife resources and that farmer will say, "You betcha." Ask many of them why they aren't enrolled in conservation programs and most likely you will hear that they tried to get in a particular program but were turned away for lack of funding.

Our challenge now is to craft an agriculture policy that restores a balance between food and energy production and natural resource conservation. In the upcoming farm bill we must continue to provide some kind of safety net for farmers. But we must also design a farm policy that encourages natural resource management planning as an integral part of every farm. We must tie a conservation caveat to all types of farm production for all farmers across America.

"The strength of America's agricultural future depends on the conservation investment we make today."

Congress can begin this awesome task of protecting our natural resource heritage by inspiring a new conservation revolution through full funding of the Conservation Security Program.

Providing stewardship incentives for resource management will motivate a new era of agricultural diversity in which the production of food and farm-based energy is integrally linked to the protection of soil and water resources, wildlife habitat, and healthy rural communities.

The strength of America's agricultural future depends on the conservation investment we make today. America's taxpayers are willing to make that investment, and America's farmers are waiting to accept the challenge. We just need leadership with long-term vision to make it happen. 🍌

No Time for Delay

A Sustainable Agriculture Agenda for the 2007 Farm Bill

Editor's note: In mid-October, the Sustainable Agriculture Coalition released a Farm Bill Agenda Platform for the 2007 Farm Bill. The following is an excerpt from the Executive Summary of the report.

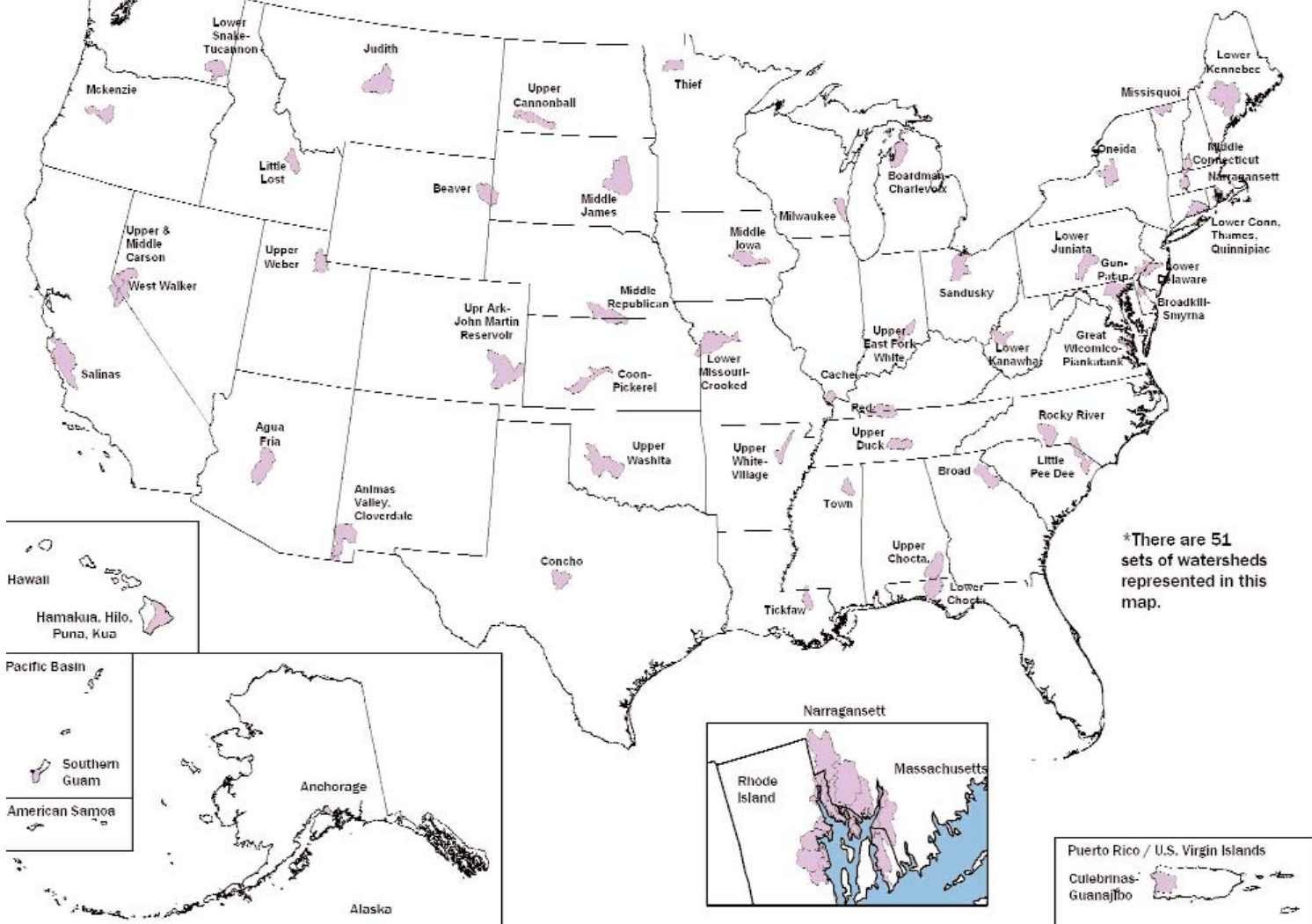
AS A NATION we can do so much better than the current farm bill. We can do far better than retreat to short-term status quo survival options that keep agriculture limping along but provide no real solutions to the farm and rural problems we face. There is no time for delay — the time is now to embrace reform and construct policies and programs that truly support our small and mid-sized family farms, protect and conserve our valuable natural resources and environment, and breathe new life into our distressed rural communities. It is with a vision for a sustainable food

and farming system that promotes economic opportunity, environmental stewardship, and rural prosperity that we offer a set of specific policy options for the 2007 Farm Bill.

Member organizations of the Sustainable Agriculture Coalition for the past two years have held listening sessions and workshops all across the country with farmers and ranchers, conservationists, and rural and urban citizens with keen interest in food and farming. We found strong support for some of the innovative programs launched by earlier farm bills, programs such as the Conservation Security Program, the Value-Added Producer Grants program, and the Initiative for Future Agriculture and Food Systems research program.

SAC Farm Bill Excerpts continued on page 7.

Eligible FY 2007 CSP Watersheds*



SAC Farm Bill Excerpts continued from page 6

We heard pleas to consolidate support for these innovations and to back funding strategies to help them meet their full potential. Practitioners in the field spoke to the need for new programs to encourage new farms, new markets, and new rural businesses. We also heard strong appeals to remove program barriers to a more sustainable farm and food systems.

Our proposed policy options span all the major sections of the farm bill. In our view, all sections of the farm bill hold significant opportunities for crafting cost-effective, high-impact policies that can increase farm profitability and improve the health of individuals, communities, and the environment. Our goals are to increase farming opportunities, revitalize family farming, restore competition, reward stewardship, stimulate new markets, promote rural entrepreneurship, and spur innovation.

In the area of conservation and the environment, the farm bill should help integrate successful revitalization of family farms and rural communities with environmental and natural resource conservation. This is central to our sustainable future. We need to continue to incorporate environmental objectives into agriculture policy, making sure environmental protection and resource conservation become priorities in our production systems. The following are some of our suggested reforms and new proposals:

- Retain, streamline and fully fund the Conservation Security Program (CSP) as the primary agriculture stewardship incentive program, available to producers nationwide.
- Coordinate the Environmental Quality Incentives Program (EQIP) with the CSP to improve local conservation delivery and restore EQIP provisions that help ensure a net positive effect on the environment.
- Expand the Cooperative Conservation Partnership Initiative to support special projects for multiple producers to address specific area-wide resource and environmental concerns and community development opportunities.
- Increase the Conservation Reserve Program's emphasis on high impact conservation buffer enrollments while instituting a new permanent easement option for marginal lands with high importance as wildlife habitat.

- Establish sustainability criteria to guide all conservation and energy title programs that are designed to develop and promote the use of agriculturally based renewable energy.

Federal policies and programs play an important role in our farm and food system. The next iteration of the farm bill



will help determine whether we move toward or away from sustainability. By enacting these proposals, we can begin to attain a vibrant food and agriculture system and strong rural economy that will serve us all for many generations to come.

The full report, *No Time for Delay: A Sustainable Agriculture Agenda for the 2007 Farm Bill*, can be viewed online at www.msawg.org.

PHOTO CREDITS IN THIS ISSUE

Pages 1, 3, and 5, photos courtesy USDA-NRCS, Lynn Betts; page 2, courtesy of Mike McGrath; page 6, CSP watershed map courtesy USDA-NRCS. page 7, photos courtesy USDA-NRCS

the
**MINNESOTA
PROJECT**

working for strong local economies,
vibrant communities, and a healthy environment

The Conservation Planner, formerly *The Whole Farm Planner*, is published by the Minnesota Project. The Minnesota Project connects people with policy to nurture collaborations that build strong local economies, vibrant communities and a healthy environment. For more information visit www.mnproject.org.

Permission to reprint is granted in advance. Please acknowledge this source. We welcome articles from our readers that share stories and experiences related to conservation agriculture. To suggest articles or contribute to *The Conservation Planner*, contact editor Mike McGrath by e-mail: mmcgrath@mnproject.org, or by phone 507.467.3576.

1885 University Ave. W, Suite 315
St. Paul, MN 55104
tel 651.645.6159 fax 651.645.1262
mnproject@mnproject.org
www.mnproject.org

In Rural Minnesota:

Loni Kemp, 507.743.8300
RR1 Box 81B, Canton 55922

Mike McGrath, 507.467.3576
RR2 Box 2101, Lanesboro 55949

Mark Lindquist, 507.354.4780
1026 N. Washington, New Ulm 56073

Tim Gieseke, 507.359.1889
40322 541st Ave., New Ulm 56073

The Minnesota Project Staff:

Diane Jensen, *Executive Director*
Loni Kemp, *Senior Policy Analyst*
Lola Schoenrich, *Energy Program Director*
Mike McGrath, *Agriculture Policy Specialist*
Mark Lindquist, *Energy Policy Specialist*
Amanda Bilek, *Energy Program Associate*
Tim Gieseke,
Agriculture and Environmental Policy Specialist
Myron Just, *Agriculture and Energy Consultant*
Trish Johnson, *Local Food Program Manager*
Kristen Weber, *Office Manager*
Lucy Rahn, *Energy Intern*
Marjorie Hegstrom, *Local Food Program Assistant*
Beth Waterhouse, *Connections Newsletter Editor*

A PROUD MEMBER OF



Workplace giving for the quality of your life.
Contact us for more information about this
workplace giving option.

printed with soy ink on recycled paper

Conservation Planner Shifting to Online Publication:

Please Respond Today!

BEGINNING WITH THE NEXT EDITION in early 2007, *The Conservation Planner* will shift to a predominantly online publication. Our readers will be able to access *The Planner* at our web page, www.mnproject.org/pub-conservationplanner. To make sure that you receive an email notice of the release of the latest edition with a convenient link to *The Conservation Planner* online, send us an email with "Please subscribe me online" in the subject line. Send to planner@mnproject.org.



We will still be publishing a limited number of printed editions, but to continue to

receive a hard copy by mail you must contact us by email at planner@mnproject.org. You may also contact our office in St. Paul at 651-645-6159 ext. 7. ☛

Conservation-Friendly Leaders to Take Reins of Agriculture Committees

SENATOR TOM HARKIN of Iowa, chief author of the Conservation Security Program in the 2002 farm bill, will become the chairman of the Senate Agriculture Committee when the new Congress takes over in January. During a speech at a farm bill energy meeting in Des Moines three weeks before the election, Senator Harkin promised he would work to restore full funding for the Conservation Security Program if he were to become chairman. "I'm super ambitious about the farm bill... and I'm going after the \$4 billion they took from CSP."

Minnesota's own Congressman Collin Peterson will chair the House Agriculture Committee. Congressman Peterson is known as a strong proponent of conservation programs and has indicated that he will work closely with Senator Harkin to restore farm bill conservation and rural development dollars that have been redirected away from the farm bill baseline over the past several years. ☛

the
**MINNESOTA
PROJECT**

1885 University Avenue West, Suite 315
St. Paul, MN 55104

Address service requested

*Non-profit
organization
U.S. Postage
PAID
Minneapolis, MN
Permit No. 3992*