

1 UNITED STATES DEPARTMENT OF AGRICULTURE
2 NATURAL RESOURCES CONSERVATION SERVICE
3
4 CONSERVATION SECURITY PROGRAM,
5 PUBLIC LISTENING SESSION FORUM /

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8 Proceedings held and testimony taken in the
9 above-entitled matter on February 10, 2004, at the Clarion
10 Hotel, 3600 Dunckel Road, Lansing, Michigan, commencing at
11 1:00 p.m.

12
13 PANEL MEMBERS:
14 Bruce Knight, Chief, NRCS
15 Charles Whitemore, Regional Conservationist,
16 Midwest Region, NRCS
17 Ron Williams, State Conservationist, Michigan,
18 NRCS
19 Maurice Mausbach, NRCS Deputy Chief for Soil,
20 Survey & Resource Assessment
21 John Sarno, State Executive Director, Michigan,
22 USDA Farm Service Agency

23
24 NHQ TECHNICAL REPRESENTATIVE:
25 Craig Derickson, Program Specialist, NRCS

TIMEKEEPER:
Alan Herceg, Assistant State Conservationist for
Programs, Michigan, NRCS

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MODERATOR WILLIAMS: Good afternoon, ladies and gentlemen. I am Ron Williams, State Conservationist for the USDA Natural Resources Conservation Service. I will be your moderator for today's public forum.

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welcome to Michigan, welcome to Lansing, and welcome to this public forum being held by the US Department of Agriculture to receive public comment on the proposed rule for the Conservation Security Program.

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I am pleased that Michigan was selected to be the site for one of ten national public forums being held across the country. I want to express my thanks and appreciation to each of you for taking time out of your busy schedules to be here today to make your views known on the Conservation Security Program.

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I would also like to say that if there are members of the media here today who did not sign in and get a press packet to please see Ms. Christina

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Coulon, NRCS Michigan Public Affairs Specialist, before you leave today.

The proposed rule for the Conservation Security Program was published in the Federal

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5 Register on January 2nd, 2004. The comment period
6 runs until March 2nd, 2004, so you will have a
7 chance to prepare and submit other comments after
8 today's forum and until the deadline.

9 The proposed rule is just that, a
10 proposal. We need your comments to come up with the
11 best possible program. USDA will consider all of
12 the comments made here today as we modify the
13 proposed rule to come up with a program that meets
14 the needs of the agricultural community and all
15 Americans.

16 The Conservation Security Program is a
17 voluntary conservation program to support ongoing
18 conservation stewardship of agricultural lands by
19 providing payments to producers who maintain and
20 enhance the conditions of the natural resources.
21 The Conservation Security Program will help
22 producers maintain conservation stewardship and
23 implement additional conservation practices and
24 measures that provide added environmental
25 enhancement.

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1 So again, we are glad that you are here
2 today to provide your comments on the Conservation
3 Security Program proposed rule.

4 With us today are a number of USDA
5 officials who have joined us to hear firsthand your
6 comments about the proposed rule. At this time I
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7 want to introduce the listening panel. We have with
8 us today Mr. Bruce Knight. Bruce Knight became
9 Chief of the USDA Natural Resources Conservation
10 Service on May 6, 2002. NRCS is USDA's conservation
11 agency for private land. Mr. Knight's major efforts
12 since becoming chief has been to implement the
13 conservation provisions of the 2002 Farm Bill. He
14 has worked for several agricultural producer groups
15 and on several congressional staffs. A native of
16 Gain Valley (phonetic), South Dakota, Mr. Knight is
17 a farmer and rancher with a diversified grain and
18 cattle operation using no till and rest-rotation
19 grazing systems. He leads a work force of more than
20 11,000 employees and is responsible for a federal
21 budget of more than 2.3 billion dollars. And Chief
22 Knight will be providing us with some remarks in
23 just a few minutes. We're very pleased to have Mr.
24 Knight with us today.

25 Next to Mr. Knight is Mr. Maurice

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1 Mausbach. Mr. Mausbach serves as the NRCS Deputy
2 Chief for Soil, Survey and Resource Assessment. He
3 has national responsibility for policy, management
4 and direction regarding our soil survey and resource
5 assessment program and activities. He is
6 headquartered at the NRCS national office in
7 Washington, D.C. We are pleased to have him with us
8 today.

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9 Next to Mr. Mausbach is Charles Whitmore.
10 Mr. Whitmore is the NRCS Regional Conservationist
11 for the Midwest region covering eight states. He is
12 also currently serving as the acting regional
13 conservationist for the south central region
14 covering four states. Mr. Whitmore is headquartered
15 in Madison, Wisconsin. And we're very pleased to
16 have him with us today.

17 To Mr. Whitmore's right is Mr. John Sarno.
18 Mr. Sarno is currently serving as the acting State
19 Executive Director for the USDA Farm Service Agency
20 in Michigan. He is headquartered in East Lansing,
21 Michigan. And we're very pleased to have
22 Mr. Sarno here today with us.

23 My name is Ron Williams. I am the NRCS
24 State Conservationist for Michigan, headquartered in
25 East Lansing. And I will also be serving as a

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1 member of today's listening panel. This concludes
2 the introduction of the listening panel.

3 Our job today is to listen to your
4 comments and record them for use in writing the
5 final rule. So we will be listening and not talking
6 very much today.

7 As relates to a little housekeeping that I
8 need to take care of at this time, our forum today
9 is scheduled to run from 1:00 p.m. to 3:00 p.m.
10 However, we will continue until everyone who wants

11 to speak has had the opportunity to do so, even if
12 that takes us past 3:00 p.m.

13 We will start with brief opening remarks
14 momentarily from NRCS Chief Bruce Knight, followed
15 by a brief powerpoint overview of the Conservation
16 Security Program presented by Mr. Craig Derickson,
17 our NRCS Conservation Security Program Specialist
18 from Washington, D.C., after which we will spend the
19 rest of the time listening to your comments.

20 There are restrooms that are located on
21 this level. They are located just out the door and
22 to your right once you walk out the door at the end
23 of the hallway.

24 There is also at the registration table
25 various handouts regarding the Conservation Security

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1 Program. There is a proposed rule, there are fact
2 sheets, there is a summary rule, speciality area
3 handouts -- there are four of those, they are all
4 different -- hydrologic unit area maps. These are
5 the eight-digit hydrologic unit areas. And we have
6 other Conservation Security Program information on
7 the registration table just outside the door.

8 At this time we want to hear from NRCS
9 Chief Bruce Knight, and we welcome him to the
10 podium. Bruce?

11 CHIEF KNIGHT: Thank you, Ron. Welcome
12 everyone to this CSP listening session. The public

13 input that we're about to engage in is vitally
14 important to this process. As you know we published
15 the rule on January 2nd. Comment period closes
16 March 2nd. The normal rule-making process tends to
17 be something that is fairly bureaucratic and fairly
18 intimidating. Securing a copy of the Federal
19 Register, trying to read all that legal language,
20 determining how that may apply to your farm or
21 ranch, trying to make comments to the federal agent
22 and what to do there. well, it's a proposal; it's
23 nothing more than that. It's a proposal that's out
24 there for public comment.

25 we chose to go through the extraordinary

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1 effort of doing these ten official listening
2 sessions -- and there are actually scores more that
3 are occurring around the country -- in order to be
4 able to have a more dynamic process. Now, while
5 that is a dynamic process for you all, it is, I
6 admit, a little tough for the folks who are on the
7 panel because -- and for several of you who know me
8 already you know how difficult it is for me to
9 listen and not talk -- but I will be listening; not
10 reacting and not speaking. Because in this formal
11 process we need to be able to go through that to be
12 able to respect that.

13 Now, let's talk a little bit about the
14 Conservation Security Program. This is an exciting

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15 new advent conservation policy. First, it's an
16 entirely new approach to conservation. It's going
17 to recognize existing, past or historical
18 conservation achievements while encouraging folks to
19 go to the next level of conservation operations.

20 Second, it's a very unique approach. No
21 other federal program out there rewards agricultural
22 producers for their overall conservation benefits.
23 Every other program in our portfolio, every other
24 tool in our tool box is geared largely towards a
25 specific operation.

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1 Third, it will help producers maintain
2 existing conservation stewardship and make
3 additional environmental gains as they see as most
4 fitting and best on their operations. I know for
5 most farmers and ranchers it's going to be a welcome
6 benefit because I know on my farm operation there is
7 always that additional part of conservation that I
8 would like to be able to implement if I but had the
9 tools, technology, the technical assistance or the
10 financial capability to be able to do that. CSP is
11 intended to be able to help us strive to in fact be
12 better stewards of the land.

13 In short, this program is best summarized
14 by a phrase that Secretary Veneman has used with us
15 many times in building this. And that is that CSP
16 will reward the best and motivate the rest. The

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17 conservation benefits that will be gained from CSP
18 we hope to be considerable.

19 Now, there has been a couple of
20 announcements that have been recently made as
21 pertains to the financial support and backing for
22 CSP one should have as you're looking at and
23 evaluating this rule. First, on January 23rd,
24 President Bush signed the Consolidated
25 Appropriations Act of 2004. This is the Omnibus

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1 Spending Bill. That authorizes 41 million dollars
2 for Conservation Security Program in this first year
3 of implementation. Given the way the rule is
4 currently crafted you can expect that we ought to be
5 able to draft about 3,000 contracts in the first
6 year of implementation of CSP in that context.

7 Now, on February 2nd, just last week, the
8 President submitted his 2005 budget proposal to
9 Congress. This is a significant commitment to CSP.
10 A significant commitment is embodied within that
11 budget proposal to CSP in that it contains 209
12 million dollars in projected spending for CSP,
13 168-million-dollar increase for CSP. And with that
14 we should be able to get a total of 12,000 contracts
15 in the second year of implementation for CSP. This
16 will give us a program of national scope and a
17 program with a significant launch in its first two
18 years of implementation.

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19 Now, I want to turn it back to Ron to take
20 over for the program. Thank you.

21 MODERATOR WILLIAMS: Thank you, Chief
22 knight. We really appreciate your remarks.

23 Now I will ask Mr. Craig Derickson to come
24 forward and give us a powerpoint overview of the
25 Conservation Security Program. Mr. Derickson serves

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1 as the NRCS Conservation Security Program
2 Specialist, and he is located in our NRCS national
3 office in Washington, D.C. We're going to invite
4 him to come now. And following his presentation we
5 will have a brief question and answer period.
6 Craig?

7 SPECIALIST DERICKSON: Thank you, Ron, and
8 thank you, Chief knight.

9 As Ron said, I'm going to go through this
10 overview to try to hit the highlights of some of the
11 mechanics of the program for you. Then when I
12 conclude with that if there are a few questions to
13 clarify something that is in the rule or in the
14 presentation, we can do that then. Because once we
15 get into the actual listening session we really
16 won't be answering questions or debating issues. So
17 watch the presentation and be thinking about your
18 questions, then we'll have a brief question and
19 answer period at the end.

20 So to begin, this is a sunrise here and
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21 this represents that it's a new day in conservation
22 history. And as the chief said in his opening
23 remarks, no other programs within USDA recognizes
24 and rewards farmers and ranchers for their ongoing
25 high level of environmental stewardship. All of our

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1 other programs are designed with specific purposes
2 in mind. Many of them are remedial in nature that
3 are designed to fix resource problems or might be a
4 land retirement program like CRP or they might be an
5 easement-type program. So Conservation Security
6 Program is unique in its role in the portfolio of
7 the USDA programs. And CSP is designed to help
8 producers maintain and further their conservation
9 commitment.

10 As the Chief also said this is a slogan
11 that we've worked with the secretary to develop over
12 a year ago and it is that CSP will reward the best
13 and motivate the rest. And although this is rather
14 concise and short, that really does say a lot about
15 the character of the CSP program, as you see from
16 reading the rule and in the discussion that we're
17 going to have. We'll do that by recognizing
18 producers who are stewardship leaders and who
19 provide the environmental benefits wanted by society
20 and CSP provides strong incentives for others to
21 follow their example.

22 As a part of the conservation planning
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23 process that NRCS uses we envision that CSP will
24 provide demonstrable environmental benefit. And we
25 will do that by taking a snapshot at the beginning

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1 of the contract when we obtain a baseline look at
2 the natural resources and producers management of
3 some resource issues such as soil organic matter,
4 which is essentially carbon, nutrients, pesticides
5 and other resource concerns. And we do that through
6 a process of working with the client to inventory
7 their resources and establish a record of benchmark
8 condition, which is our starting point when we do
9 conservation work.

10 Okay. Enhanced resource condition. CSP
11 is all about enhancing the resources that are out
12 there. Conservation Security Program will improve
13 the condition of America's working farms and ranches
14 and enhanced natural resources for the public as a
15 whole. The emphasis is added there on America's
16 working farms and ranches, a program specifically
17 intended to help people who are agricultural
18 producers on a number of different kinds of land
19 uses that I will show you in a minute, improve and
20 enhance the condition of the resources that their
21 operations depend on, and as I said earlier, for the
22 benefits that are wanted by society.

23 Okay. To begin with funding will limit
24 participation in the first year. Again, as Chief

25 knight said, there is 41 million dollars available

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1 for CSP for fiscal year '04, so we will begin with
2 relatively few producers who are demonstrating this
3 high level of stewardship in priority watersheds.
4 One of the dilemmas in developing the CSP program is
5 the fact that it's a capped entitlement program.
6 And three times over the past year and a half the
7 program has been changed by legislation through
8 congress, through various omnibus budget packages
9 and it's now in the final form that you see
10 described in the proposed rule. With the 41 million
11 dollars that we have this year we are estimating
12 that would support about 3,000 contracts. And as
13 you know that would be less than about one per
14 county. So we explain that just to give you the
15 frame of mind to understand how that much money
16 would be used to allocate the contracts.

17 Okay. Let's talk a little bit now about
18 some of the eligibility requirements. There are
19 several steps I am going to go through and hopefully
20 this will make sense to you. To begin with the
21 eligibility requires that it be privately owned or
22 tribal land and then the majority of which must be
23 within that priority watershed. Those will be
24 eligible areas. The applicant must be in compliance
25 with highly erodible land provisions and wetland

1 provisions, just as in most other USDA programs.
2 They have to be meeting that basic sod-buster,
3 swamp-buster compliance. The producer must have an
4 active interest in the operation and that's a
5 critical component. We'll talk in more detail about
6 that as I go on. They must also have control of the
7 land for the life of the contract period. And we'll
8 talk a little more about that. And the applicant
9 must share in the risk or be entitled to a share of
10 the crops or livestock produced on those lands.
11 Lastly, they must meet specific tier requirements
12 that I will also talk about.

13 One of the things that we're working on in
14 conjunction with the development of the rule is a
15 self-screening process for applicants to be able to
16 assess some of their own readiness for going into a
17 CSP contract. And this is critical for us in the
18 implementation of the program because the statute
19 provides for a 15-percent cap on the technical
20 assistance required to service the program that
21 includes NRCS field-staff support as well as
22 anything that the technical service providers might
23 do. So in an effort to provide information and let
24 people go through as much of the information they
25 can themselves, we intend to develop a screening

1 development document that will be available in hard
2 copy as well as one that will be on line and web
3 based, so people can work through a series of
4 resource questions to help determine if they meet
5 the eligibility. We hope that will be viewed as an
6 efficient process, so that everyone has access to
7 the information when they need it.

8 So as we look here at the slide,
9 participants will undergo that self-assessment
10 process to determine if their operations meet the
11 basic standards of CSP. Both the producer and their
12 operation must meet that basic eligibility criteria
13 with the majority of their operations in a priority
14 watershed. And then additionally, once they pass
15 through that we will work with them to complete a
16 benchmark inventory of that existing conservation
17 treatment on the ag operation which is necessary to
18 document the resource condition and the level of
19 treatment that they have on that operation.

20 I'm going to talk a little more here about
21 some of the screening processes that we will go
22 through in CSP. I think there are six of them
23 mentioned here. First of all take a look at land
24 eligibility. As I said before most agricultural
25 lands are eligible. Producers on cropland,

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1 orchards, vineyards, pastures and range may all
2 apply for CSP regardless of the size, the type of
3 operation or the crops that are produced. I know
4 for some aspects for agriculture that are out there
5 in the industry this will be little more than
6 opportunity to participate in some of the USDA
7 programs than what we've had in the past.

8 The bottom bullet there represents a
9 couple of caveats, exceptions. Land that is in the
10 Conservations Reserve Program, the wetlands Reserve
11 Program or GRP, Grassland Reserve Program that are
12 already getting a land payment per acre aren't
13 eligible also to get a land payment under CSP. So
14 it's just a no double-dipping clause. And then the
15 statute provided for sort of a sod buster exclusion
16 clause. That's why it says that land that has
17 recently been converted to cropland is not eligible.

18 And then in general forest land is not recognized
19 as an eligible type of a land use. Small incidental
20 areas are and I will talk a bit more about that.

21 Forest land by definition that we use is
22 this. It's land, a cover or use category not
23 included in CSP by statute. The minimum area for
24 classification as forest land is one acre and the
25 area must be at least 100 feet wide.

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1 Additionally, in order for the
2 tree-covered grazing areas to be eligible for CSP it

3 must be stocked with ten percent single-stemmed
4 trees that will reach a matured height of at least
5 13 feet and have a tree canopy cover of less than 25
6 percent for that conservation management unit.
7 That's the definition for forest land that comes
8 from our other natural resources' inventories where
9 we already have these definitions established. That
10 is the one that we chose to use in the CSP rule. As
11 you can see from the bottom of the slide, we are
12 seeking comment on the usefulness for those
13 guidelines for managing the questions relative to
14 the inclusion of this category of incidental forest
15 land in CSP contracts.

16 Another issue that we're seeking guidance
17 on is if those areas are going to be in the contract
18 what level of treatment should be required for that
19 forest land as included as incidental areas to the
20 ag operation. And we're seeking input on whether
21 forest land should meet the NRCS quality criteria
22 requirements as specified in our field office
23 technical guides within the three-tiered contract
24 but not eligible for payment. So there are a couple
25 different issues described there and we would like

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1 to hear from folks about how that might be
2 structured to be the most workable.

3 The next screening process deals with
4 producer eligibility. And there are a couple of

5 definitions that we're going to go over here that
6 are critical to the way the CSP program works. So
7 the producer is defined as an owner, operator,
8 landlord, tenant or sharecropper that first of all
9 share in the risk of producing any crop or
10 livestock. Or secondly, is entitled to a share of
11 the crop or livestock available for marketing from
12 that operation or would have been had the crop or
13 livestock been produced. Now, that is kind of a
14 wordy and technical definition but that is what is
15 in the proposed rule for defining who is an
16 agricultural producer.

17 Another significant term is the definition
18 of agricultural operation because the term defines
19 the land area that can be or must be enrolled in CSP
20 contracts under the three tiers of participation.
21 And we believe that the proposal that we're putting
22 forward in the rule is an approach to defining ag
23 operation that will create a cohesive conservation
24 unit over which the stewardship benefits are
25 achieved. In particular that definition is critical

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1 to defining the difference between tier 1, tier 2
2 and tier 3. So this is the definition from the
3 proposed rule. An agricultural operation means all
4 agricultural land and other land determined by the
5 chief, whether it's contiguous or noncontiguous
6 under the control of the participant, and

7 constituting that cohesive management unit where the
8 participant provides active personal management on
9 the operation as of the date of the encroachment.
10 So it's really stressing hands-on active involvement
11 in the day-to-day operation and it's stressing that
12 the ag operation will be defined as all of the land
13 that you farm or ranch in an area. It's not broken
14 down by farm numbers or track numbers as might be
15 used in other USDA programs. It will be a
16 conglomerate of all of the land that you are
17 actively involved in operating. So that's a
18 critical definition because of the way that it
19 determines what your tier of participation is.

20 The next issue we want to talk about a
21 little bit is the use of the priority watersheds.
22 From the rule you will see that CSP will be first
23 offered in watersheds with the greatest potential
24 for improving some resource conditions such as water
25 quality, both surface and groundwater, soil quality

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1 and grazing land condition. And we have defined
2 priority watershed as those watersheds with the most
3 pressing environmental concerns. NRCS proposes that
4 the watersheds which are eight inches hydrologic
5 unit codes as defined by USGS, and that the
6 prioritization process will consider factors that we
7 have science-based nationwide data on from the
8 natural resources inventory, NRI, such as again

9 surface and groundwater quality, soil quality and
10 soil degradation and the condition of grazing lands
11 in a watershed. The rule is pretty clear here that
12 we are seeking input on that process of identifying
13 priority watersheds and looking for ideas on how to
14 make that the most workable.

15 Here is a map of the eight-digit
16 hydrologic unit codes for the nation. And I know
17 that is kind of a scary looking picture because
18 there are so many lines there. But I wanted you to
19 see there are 2,119 of those nationwide. Now, you
20 should have found out there on the table there is a
21 map of what that looks like for the state of
22 Michigan. I believe there are 62 of those
23 hydrologic units for the state of Michigan. Some of
24 them are as small as one county and I noticed a
25 couple down here that cover two or three counties.

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1 So that just gives you a perspective of how big a
2 hydrologic unit code in the eight-digit format is.

3 The next screening process we want to look
4 at a little bit is treatment requirements. And all
5 CSP producers must meet the minimum quality criteria
6 for both soil quality and water quality as a
7 condition of their minimum eligibility. Both soil
8 quality and water quality. And as many of you know
9 the technique to achieve the soil and water criteria
10 will vary depending where your farm or ranch is

11 located but it includes issues such as slope,
12 climate, type of soil and other physical factors.
13 It might include activities such as managing
14 nutrients and pesticides, erosion control of buffers
15 or managing certain types of fruits and vegetables
16 and grazing lands.

17 The next area that we want to look at is
18 the use of enrollment categories as we have
19 described in the rule. Applicants will be
20 prioritized based on historical environmental
21 performance and willingness to undertake additional
22 conservation activities. The applications are
23 placed in the highest category for which they
24 qualify and the categories will be funded in
25 priority order until the CSP appropriation is

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1 exhausted. If you had a chance to read the rule you
2 will see that we describe that this is a technique
3 that we borrowed from the Veteran's Administration.
4 It's how they were able to deal with the situation
5 of having a capped entitlement. It essentially
6 provides a backstop for us in saying, we're going to
7 go through the categories in this order until the
8 funds are exhausted and then that particular sign up
9 is over. So that is the rationale for having
10 categories. And it will allow us to also get a good
11 cross section of participants and types of contracts
12 as we develop those categories.

13 Here are some possible criteria that might
14 be in those categories. It might involve issues
15 such as soil conditioning index value, might call
16 for the presence of water quality practices and
17 systems to be installed on the land dealing with
18 grazing land condition, possibly at-risk species
19 habitat and emphasis on limited resource and
20 beginning farmers and ranchers. These are examples
21 that we provide for in the rules, so people would
22 begin to understand how we envision these categories
23 being used.

24 The last area in this contract selection
25 process is contract selection. The Conservation

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1 Security Plan is useful because it will address
2 these needs. Schedule the activities to be carried
3 out in the plan, it will schedule practice
4 maintenance, it will schedule new practice
5 installation or activities that need to be
6 completed, and then it will also document the
7 payment on a given number of acres and at a certain
8 tier rate.

9 A little bit of a recap on the three tiers
10 here. As you know there are three tiers in the
11 program and as I said earlier, soil quality and
12 water quality must have already been met as a form
13 of eligibility for all three tiers. So as you look
14 at this the first difference is that level of

15 treatment depends on the extent that it is done.
16 For tier 1 you must have already addressed soil and
17 water on at least part of your farm or ranch. For
18 tier 2 it requires that your entire ag operation
19 meets soil and water quality criteria and also that
20 there is a commitment to address one other resource
21 concern through the life of the contract. Then tier
22 3 means meeting all of the important natural
23 resource concerns on the whole operation and
24 agreeing to additional activities, primarily as
25 enhancements through the enhancement part of the

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1 program. I will give a couple examples on that.

2 As you know there are four types of
3 payments involved in a CSP contract. The first two
4 are annual payments, the first one being the
5 annual-base payment component which is made for the
6 benchmark, the existing conservation treatment that
7 you come into the program with.

8 The second one is the annual maintenance
9 for the existing practices, the existing system that
10 you have when you start the contract.

11 And then the third one is the possibility
12 for a new practice installation. But in many cases
13 that will probably not be necessary because people
14 will be coming in having already addressed soil
15 quality and water quality, so they probably will
16 already have a pretty complete conservation system

17 to begin with. But we did leave the flexibility to
18 do new practice installs.

19 Then the fourth category here is the one
20 that I really want to emphasize for you because it's
21 where the majority of the conservation performance
22 as well as the payments to the producers in the
23 contract will occur. That's in the enhancements
24 provision, which is a reward for exceptional
25 conservation efforts.

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1 As we look at this graft it tries to
2 illustrate two or three things here that I want to
3 explain to you. First of all let's take a look at
4 the design of the statutory limits on the tiers.
5 Tier 1 is a five-year contract that is capped at
6 \$20,000 per year. Tier 2 and tier 3 are both five-
7 to ten-year contracts and they are capped
8 respectively at \$35,000 and \$45,000 per year. Now,
9 as you look at the colored bars there, the base
10 payment and the base payments are meant to represent
11 the smaller static portion of these contracts. And
12 that green sweeping scale is meant to represent that
13 exceptional conservation performance that I
14 described that we will pursue through enhancement
15 payments and enhancement activities. And I have a
16 couple of examples of that.

17 The statute provided for these five types
18 of enhancement activities. Although there are five

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19 of them I would like to group them into two
20 different groups. The first two deal with improving
21 the condition of resources. The first one is
22 intended to improve the condition of a nationally
23 significant resource concern beyond the minimum
24 requirement. And the second one deals with
25 improving a priority local resource condition. That

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1 is the first group.

2 Now, these remaining three deal with areas
3 that are very innovative. They are new to us in
4 implementing conservation programs and you can see
5 they include on-farm conservation demonstrations and
6 pilots, the potential for quality watershed
7 activities, and then lastly, assessment and
8 evaluation activities.

9 Couple of examples we will go through on
10 these. This one is described as the how, what and
11 why format. But what we are showing in this example
12 is installing riparian buffers. And we would do
13 that to improve a priority local resource condition
14 of water quality and wildlife. And we would do that
15 by providing shade and cooling service water
16 temperatures to restore critical salmon habitat as
17 an example of how an enhancement activity could be
18 designed to address a local resource need.

19 A few other examples, for on-farm
20 demonstrations we can do activities such as field

21 trials of cover crops, mulches, land management
22 practices to improve soil quality. Watershed
23 projects might involve a number of producers in a
24 watershed to control soil erosion, boost soil
25 organic matter and reduce surface water

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1 contamination. Those are just examples of those
2 kinds of activities.

3 The last one here deals with the idea of
4 assessment and evaluation activities like water
5 quality testing at field edges, drilling monitoring
6 wells and collecting data. This enhancement area is
7 drawing a lot of interest from people as they've had
8 a chance to look at the rule because it would allow
9 us to take a look at what does the success of
10 resource treatment depend on, what does it take to
11 make it work and what areas doesn't it work. And we
12 can learn that valuable information through doing
13 some assessment and evaluation.

14 Okay. We're nearly to the end now. How
15 to apply? The secretary will announce a sign-up
16 period and producers will determine if their farm or
17 ranch is in a selected watershed and if they meet
18 the eligibility criteria. The producer will then
19 complete that benchmark inventory that I spoke of
20 and the existing -- of the existing conservation
21 conditions. And all applicants must address the
22 minimum tier requirements as well as those

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23 additional contract requirements. Then NRCS will
24 determine eligibility. We will conduct a follow-up
25 interview if needed to validate that information.

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1 we will place the application in a tier and the
2 enrollment category. We will then select successful
3 applicants and NRCS or a technical service provider
4 will work with the producer to complete the
5 Conservation Security Plan.

6 As noted in the rule and Ron in his
7 opening comments, we're in a 60-day public comment
8 period now and we're looking for your ideas and
9 input for the proposed rule to be used in developing
10 the final rule. You can see there the address for
11 the website links to send your comments and I
12 believe there is a single piece of paper that have
13 those, so you can take that home with you also.

14 I guess with that, Ron, I will conclude
15 the presentation. And we have time for a couple of
16 questions if there are any. Yes, sir?

17 SPEAKER: On this baseline you said that
18 was going to be established for organic matter,
19 nutrients, pesticides and so forth, if you have been
20 a conservation -- you know, do a practice and you
21 have done it for 25 years your baseline could be
22 exceptionally high compared to someone just starting
23 the conservation. Are they looking at addressing
24 that?

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SPECIALIST DERICKSON: well, that is in

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1 fact what the inventory and the documentation of
2 that benchmark condition would be. It's just where
3 you are at with given levels of resource treatment.
4 Because see that becomes critical in determining
5 what tier you are able to be placed in and to the
6 extent you have that treatment.

7 SPEAKER: So it won't be penalized if
8 you're already established --

9 SPECIALIST DERICKSON: Oh, no.

10 SPEAKER: -- there is not much room to go
11 --

12 SPECIALIST DERICKSON: No. Even though
13 we're talking about a relatively high-bar program
14 where people are already leading conservationists,
15 that's what that sweeping green scale is meant to
16 illustrate, that here is still room to do more and
17 enhance the resources. More to an optimum level
18 rather than just the minimally acceptable level.

19 MODERATOR WILLIAMS: We would ask everyone
20 to use the mic. We do have a transcriber and we do
21 want to capture all of your questions and comments.

22 SPEAKER: One part you said that you had
23 to enter your whole operation and another part you
24 said that you had to have control of the land for
25 the life of the contract. When you have ten

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1 different landlords you can't do both.

2 SPECIALIST DERICKSON: I will address
3 that. The extent of the farm that you have that
4 given level of treatment on depends on whether you
5 are placed in tier 1 or tier 2 or tier 3. If you
6 have all of your farm treated to that given level
7 you would be a candidate for tier 2 or tier 3.
8 That's where if you have only that level met on part
9 of the farm that would be a tier 1 type contract.

10 Now, let me address your issue on the
11 control of land. That is something that has
12 probably come up in most of our discussions with
13 groups and we will need to take a look at how to
14 describe what we need to have there in terms of some
15 basic assurance that the expenditures we would make
16 on an area and the benefits we might hope to accrue
17 over time, that they would be there for more than
18 just a single year. But I think the writing that is
19 in the rule now is rather sparse. We probably need
20 to get some ideas on how to just reasonably assure
21 that since we're engaging in a contract with these
22 producers that we can expect that those benefits
23 would remain for some amount of time. So we're
24 looking for ideas on that and that has probably come
25 up as one of the most frequent comments that we need

1 to take a look at.

2 MODERATOR WILLIAMS: I think I saw a
3 question over here first, then over here.

4 SPEAKER: Craig, when you talked about the
5 application prioritization process you talked about
6 historical environmental performances. What happens
7 when you have a farmer who maybe was a pretty good
8 steward but he never participated in NRCS programs?
9 How would that --

10 SPECIALIST DERICKSON: Well, that
11 statement about high level of environmental
12 stewardship is not meant to be anything relative to
13 any past experience or history with NRCS. That just
14 means that we're looking for those leading-edge
15 conservationists, those stewards who have been doing
16 that over time.

17 Yes, sir?

18 SPEAKER: As I interpret this one would
19 not have to be actively producing crops to
20 participate?

21 SPECIALIST DERICKSON: Well, it's meant to
22 be on working farms and ranches where people are
23 producing crops or livestock. What is your example?
24 Or can you give me a --

25 SPEAKER: Well, just land that is highly

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1 erodible that has been left inactive because one
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2 preferred not to produce real crops on it with the
3 erosion problems and attending wetlands and
4 everything that go with it.

5 SPECIALIST DERICKSON: Well, since it does
6 involve nearly all types of land use, crop use,
7 range land, pasture land, all of those areas, I
8 wouldn't say that any particular land use or degree
9 of use is excluded. But there are those
10 requirements for additional conservation performance
11 as a requirement for the contract.

12 MODERATOR WILLIAMS: Right behind you.

13 SPEAKER: Yes. I am encouraged to see the
14 slide up there with the conservation district
15 board. Would that program involve conservation
16 district more or about the same or continue the
17 relationship we've had?

18 SPECIALIST DERICKSON: I would say it
19 would be similar to what we are doing in other
20 conservation programs. There aren't any
21 requirements for concurrence or approval or anything
22 like that but it's my sense that, you know, the way
23 that we're locally developing and implementing our
24 program is a sharing of information of taking input
25 at that state level. And I think that's what we

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1 intend in terms of flexibility.

2 SPEAKER: When you talked about going from
3 tier 1 to tier 2 you talked about identifying

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4 additional resource concerns that you might
5 address. How might those be identified and what
6 type of process would you have to go through to get
7 an idea, for example, approved, quantified and
8 qualified to be able to be a part of the program?

9 SPECIALIST DERICKSON: well, in sort of a
10 simplistic sense within NRCS and our technical we
11 have resources concerns established for soil, water,
12 air, plants and animals. And if soil and water have
13 already been met as a condition of coming into the
14 program then say like wildlife habitat, for example,
15 could be the next resource concern collected or it
16 might be grass or plant management. But that would
17 be a collaborative process between the landowner and
18 the NRCS staff to take a look at what are the
19 objectives of the land user and what are the
20 condition of the resources where we're going to
21 begin. So it's an open process.

22 MODERATOR WILLIAMS: we'll take one more
23 -- well, maybe two more questions. One more after
24 this one and then we'll go on and proceed.

25 Right here.

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1 SPEAKER: Okay. I have a concern. Say
2 like the other gentleman, if you have been
3 practicing and have a good stewardship, with the
4 watershed, with it being only one year in a
5 particular watershed, would that kind of eliminate

6 the problem he's been doing? He's in production and
7 he's been practicing good stewardship but he hasn't
8 dealt with any conservation issues. Won't that kind
9 of eliminate someone coming into that program?

10 SPECIALIST DERICKSON: No. When we say
11 that we're going to have a sign up in those selected
12 watersheds this year that's where that program will
13 be offered for contracts in fiscal year '04 for
14 example. We envision that as we reach the other out
15 years for funding that we'll have some sort of
16 rotating process where we'll hopefully get to all --
17 a good number if not all -- of the watersheds over
18 say a six- to eight-year period. There is still
19 some aspects of the budget that we're still
20 examining but those people who are in that watershed
21 that were selected will be in those contracts for
22 five to ten years. Other people who didn't make it
23 in that first time would have to compete when the
24 watershed was offered the next time.

25 MODERATOR WILLIAMS: Okay. We'll take one

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1 more question if we have it. Anyone that would like
2 to ask a question raise your hand.

3 Right up front here.

4 SPEAKER: I don't need a microphone.
5 That's okay. I was just concerned about the green
6 payments. You said that you were going to discuss
7 that during your presentation. I didn't hear it

8 presented. If you could go into that a little more
9 in depth.

10 SPECIALIST DERICKSON: Well, the green
11 payment is meant to represent these conservation
12 payments for this high level of stewardship activity
13 --

14 SPEAKER: Not for diversification and the
15 way that they produce their product? Or that
16 doesn't have anything to do with it?

17 SPECIALIST DERICKSON: Well, I don't see
18 it so much as being a diversification issue as that
19 the green payment is generally thought to be a
20 conservation payment for ongoing stewardship
21 activity on agricultural land. And all of those CSP
22 aspects of program payments are a form of green
23 payments. But we didn't particularly outlay a
24 slogan about green payments and I don't know that we
25 used that as a rule at all. But over time this has

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1 sort of been the history of this discussion is to
2 reward people who are doing a good job who are
3 stewards rather than as many other programs focusing
4 on problems or areas that need fixing.

5 MODERATOR WILLIAMS: I would like to thank
6 you, Craig. We really appreciate you bringing this
7 overview to us. We hope it's been very helpful to
8 the audience here. We did have some very excellent
9 questions come forward.

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10 So we will go ahead and move on with the
11 agenda for this afternoon. Before I move on I do
12 need to just advise you that we do have bottled
13 water in the back of the meeting room. This is for
14 pleasure. And if you would like water I'm sure if
15 you would raise your hand or get the attention of
16 one of our three ushers back there that they would
17 be glad to assist you with that as well. So advise
18 us if you need some water.

19 Before we hear from you I do need to share
20 a few ground rules to help facilitate today's forum
21 as effectively and efficiently as possible. First,
22 if you have not done so we do ask everyone to please
23 sign in at the registration table located
24 immediately outside of the meeting room door. We do
25 have ushers -- I mentioned them a moment ago -- we

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1 do have three ushers that are available to assist
2 you as needed. Anyone who signed in at the
3 registration table and did not indicate at that time
4 that you wanted to make oral comments but you wish
5 to do so now may get the attention of an usher and
6 complete an oral comment card. We do have little
7 cards that you can utilize. Many of you have
8 already signed up but if you want to sign up and you
9 haven't already you can certainly do that. And they
10 will get those cards to me, so I can recognize you
11 to speak at the appropriate time.

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12 To assure that all of your comments are
13 captured we do have a stenographer recording
14 everything that is said.

15 And if you brought written comments you
16 can place them in the written comment box that is
17 located on the registration table outside the door.
18 If you want to develop written comments during this
19 forum we ask that you provide them to us also. For
20 your convenience we have developed a public comment
21 form that you can complete as it relates to your
22 statement.

23 The full transcript and your written
24 comments will be provided to our national
25 headquarters to assist USDA in developing the final

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1 rule for the Conservation Security Program.

2 we also have sign language interpreters
3 off to my left that are available and please advise
4 us of any needs in that area.

5 we ask all individuals who wish to make
6 oral comments to please wait until I call you to
7 approach one of the microphones located in the
8 center aisles. we do ask that everyone come to one
9 of these two microphones to make your oral
10 comments. Please state your name and the
11 organization that you represent for the record and
12 benefit of our stenographer. And we do ask you to
13 please speak slowly, so that our stenographer can

14 accurate capture your testimony.

15 Please limit your comments to a maximum of
16 five minutes, so that as many individuals as
17 possible can make oral statements. We have a
18 timekeeper to my left, Mr. Al Herceg. He has cards
19 to alert you -- do you want to hold one up, Al -- as
20 to the amount of time that you have remaining and
21 when it is time to stop speaking. We do ask for
22 your full and complete cooperation, again, so that
23 we can get as many testimonies in as possible.

24 We will accept both written and oral
25 comments during today's forum and you can also

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1 provide written comments to USDA after today and
2 through March 2nd, 2004. There is information at
3 the registration table that provides instructions on
4 how and where to submit your written comments after
5 today's session.

6 Lastly I want to reemphasize again that
7 the agenda states that the forum time is until 3:00
8 p.m. However, we will continue until everyone who
9 wants to speak has had the opportunity to do so even
10 if that takes us past 3:00 p.m.

11 Now we are ready to hear from you about
12 how you believe that the Conservation Security
13 Program should be implemented. Our first speaker
14 this afternoon is Chuck Cornellie, with MASA. We
15 would ask him to come forward to one of the mics.

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16 I will also ask Ms. Jan Wilford, of NDA,
17 to prepare herself and come to one of the mics as
18 well.

19 MR. CORNELLIE: I would like to thank you
20 all for having this forum today, especially Chief
21 Knight. I'm Chuck Cornellie. I'm the Director of
22 the MASA and a full-time farmer.

23 As the director of -- as the state
24 director of an organization that is dedicated to
25 promoting sustainable agricultural and as a farmer

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1 that has always tried to implement sustainable
2 farming practices on my own farm I have often been
3 frustrated with federal farm programs that seem to
4 have disincentives to do sustainable agriculture.
5 Over the past 20 years I have seen the agriculture
6 landscape in this state become less and less diverse
7 and I think less compatible with the natural
8 ecosystem within which it operates. And the really
9 frustrating thing I think is that federal farm
10 programs have aided and abetted this process with
11 their heavy financial incentive to produce only a
12 few program crops leading to less and less
13 diversity. So I was very excited when Congress
14 passed the Conservation Security Act, the first
15 comprehensive conservation program that would apply
16 to working land. I think that there was an attempt
17 to do this in the 1990 Farm Bill with the Integrated

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18 Farm Management Program Option or the IFMPO, but
19 that program never really took off. It never really
20 got the interest of farmers because it was just too
21 restrictive and the financial incentives were too
22 small. And I fear that if this proposed rule is not
23 significantly revised that the CSP may suffer the
24 same fate as the IFMPO.

25 The CSP was passed as a conservation

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1 entitlement program and it should be administered as
2 such. If a farmer is eligible then they should be
3 enrolled. If funds are restricted I think that tier
4 3 should be filled first and then anybody else
5 should be held over until the next sign up.

6 Specifically we think that NRCS should
7 drop the watershed enrollment category. We think
8 that they should drop the enrollment category, they
9 should drop the watershed specific part of the
10 program. They should dramatically increase the base
11 payment. I think that under tier 1 in this state
12 you would be probably getting about a
13 30-cent-per-acre base payment. It's just laughable.
14 It's just not a significant financial incentive to
15 enroll in this program. We think that enhancement
16 payments should be incentive payments; not cost --
17 share. They should be incentive payments for
18 farmers implementing long-term rotations on their
19 farm, for planting resource conserving crops, for

20 doing management intensive grazing.

21 And while I'm on the subject of base
22 payments, we think that -- and this is a significant
23 point, especially in this dairy state -- we think
24 that it discriminates against grazers because there
25 has been a lot of crop land in this state that has

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1 been converted to grazing, which is precisely the
2 kind of thing that we thought that the Conservation
3 Security Act should encourage; not discourage. We
4 think that the base rental payment should be based
5 on land capability unit; not on land use. A
6 vegetative cover has significant environmental
7 benefits and it should be rewarded and not
8 penalized.

9 Thank you very much for your time.

10 MODERATOR WILLIAMS: Thank you very much.

11 MS. WILFORD: Mr. Knight, State
12 Conservation employees, I'm Jan Wilford, Program
13 Manager for the Michigan Agriculture Environmental
14 Assurance Program in the Environmental Stewardship
15 Division of the Michigan Department of Agriculture.
16 And I'm offering comments for the department today.

17 Thank you for the opportunity to comment
18 on the proposed rule for the Conservation Security
19 Program. The State of Michigan and Michigan
20 Department of Agriculture have a long history in
21 working together in a collaborative manner with the

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22 USDA Natural Resources Conservation Service and the
23 many Farm Bill programs. The Michigan Department of
24 Agriculture has participated on the Michigan
25 Technical Committee and it's many subgroups since

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1 their establishment in the 1996 Farm Bill. We
2 appreciate the opportunity to contribute to the
3 development of these programs in order that they
4 meet the resource needs here in Michigan.

5 We agree that the Conservation Security
6 Program has the potential to provide unique
7 opportunities in the context of USDA conservation
8 programs working in partnership with state
9 programs. We believe that USDA conservation
10 programs should be coordinated and implemented
11 through partnership among USDA, state agencies and
12 state and local partners. Properly coordinated
13 conservation programs should allow farmers that
14 develop plans that meet federal standards but take
15 advantage of state programs already designed and
16 operational that meet the same goals. Not only will
17 paperwork and redundancy be reduced but the farmers
18 efforts will continue to be on implementing high
19 conservation goals; not on figuring out one more new
20 program.

21 Program priority in this integrated
22 approach should be established within the state.
23 States must be full partners in the development and

24 implementation of these important programs to ensure
25 not only fair and equitable distribution of funds

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1 but also to target areas of highest priority.
2 Starting in 1999 Michigan has worked
3 effectively with state and federal agencies,
4 Michigan State University and conservation and
5 industry partners to develop an environmental
6 assurance program, the Michigan Agriculture
7 Environmental Assurance Program. MAEAP is a
8 comprehensive proactive environmental assurance
9 program for Michigan's agriculture industry which
10 protects Michigan's natural resources, meeting and
11 exceeding federal standards. This collaborative
12 effort addresses specific resource concerns to a
13 sustainable level and uses NRCS standards. Plans
14 are not only implemented but the Department of
15 Agriculture verifies the appropriateness and the
16 utilization of those plans in a thorough on-farm
17 inspection, which is repeated every three years.
18 Both USDA, NRCS and USEPA have endorsed this
19 collaborative effort embraced by public and private
20 ag leadership. We believe that the farms verified
21 through this program meet the proposed criteria of
22 producers who have already solved resource and
23 environmental problems to the NRCS prescribed
24 standard criteria. These producers should be
25 eligible for CSP participation by virtue of

1 achieving this high standard of conservation and
2 environmental protection on identified priority
3 areas in the state.

4 In addition we believe that state partners
5 should be allowed input into the selection of those
6 identified priority areas to take advantage of
7 state, local and federal committed resources already
8 at work in those areas. We will continue to work at
9 both the state and local levels to ensure the
10 success of conservation programs in Michigan. Thank
11 you.

12 MODERATOR WILLIAMS: Thank you.

13 Our next presenter will be Dr. Sandra
14 Batie, from Michigan State University.

15 I would also ask that Ms. Patty Cantrell
16 of the Michigan Land Use Institute also prepare
17 herself to speak.

18 DR. BATIE: Thank you. I am Sandra Batie.

19 I am the (inaudible) School of Professors in
20 Agricultural Policy at Michigan State University. I
21 am going to speak from my professional expertise but
22 I do not speak for Michigan State University.

23 I do appreciate very much the panel taking
24 the time to have this discussion, Chief Knight, the
25 State Conservation and the other members of the

1 panel. I think it's a very important thing that you
2 are doing.

3 I wanted to reinforce the testimony that
4 you have just heard of Jan Wilford. I have been a
5 member of the MAEAP Program since its initial
6 inception. I think it's a very unique program.
7 There are some very important and very defensible
8 reasons to make certain that MAEAP remain eligible
9 within the CSP Program and that NRCS can have
10 verified farms to be eligible for program payments.

11 As Jan Wilford just mentioned, this a
12 unique partnership. I actually don't think anything
13 quite like it in the nation where MSU expertise has
14 joined with agencies at the state, local and federal
15 level along with producers, producer associations
16 and NGOs to develop a voluntary program that while
17 still fledgling (phonetic) has accomplished an
18 amazing amount to me, particularly amazing amount
19 because almost all of this activity in designing the
20 program has been donated by agencies or done by
21 volunteers. So we're substantially underfunded in
22 my opinion.

23 But what we do have is access MSU
24 scientific device. There has been soil scientists,
25 there's been animal scientists, there's been

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1 economists such as myself, civil engineering
2 expertise that has assured that this program is
3 focused on environmental outcome and that this
4 program has a very defensible scientific basis.
5 This has been hard work but we're very proud of what
6 we've accomplished. The criteria for being verified
7 is very demanding and it's also -- every three years
8 it's repeated. So it's all the more amazing because
9 of the voluntary nature.

10 MAEAP has relied a great deal on EQUIP
11 (phonetic) and other programs to provide the
12 incentives for farmers to get involved in these and
13 it could use the assistance of CSP payments as
14 well. It is definitely in the spirit of the act and
15 rewarding farmers who are meeting the high standards
16 of conservation and environmental management,
17 providing public benefit for generations to come,
18 and farmers who will benefit from CSP incentives.

19 In my opinion EQUIP was really our first
20 launch in the Green Payment Program and CSP is
21 expanding and building on this concept and it's
22 destined in my opinion to expand over time. I think
23 it's essentially important that we develop these
24 programs right from the start and implement them
25 well. One way is to find some way to partner with

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1 state programs that have been successful, are being

2 successful, are defensible, are science based and a
3 blending of the vast knowledge that the university
4 has to offer on how to achieve environmental
5 outcome. And I think MAEAP is clearly such a
6 program. Thank you.

7 MODERATOR WILLIAMS: Thank you.

8 Ms. Patty Cantrell?

9 MS. CANTRELL: Hello. I'm Patty Cantrell
10 and I work with the Michigan Land Institute. We
11 are a statewide, nonprofit, public interest group
12 working statewide and some nationally to work on
13 policy to promote economic development to support
14 communities to protect the environment and
15 buildings, land use that brings communities
16 together.

17 We have developed a new entrepreneurial
18 agricultural program that works to address the
19 opportunities of farmers to improve their
20 profitability as a way to save farms and working
21 with land-use programs as well. And in that we have
22 found a lot of new opportunities for farmers and are
23 working to make sure communities recognize those
24 multiple benefits of giving business training to
25 farmers and helping them diversify the new market as

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1 a way to achieve many of the multiple benefits that
2 the Conservation Security Program recognizes. We're
3 very much in support of and our involvement with

4 groups around the country, making sure this was
5 passed by Congress as something that recognizes good
6 things farmers are doing and encourages more.

7 we're very, very concerned at the moment
8 though because as you know the President did sign an
9 omnibudget appropriations bill that restored
10 uncapped entitlements status to the Conservation
11 Security Programs. And Congress did intend for it
12 to be an uncapped entitlement program, expected
13 expenditures in 10 years to be about seven billion
14 dollars. That means it ought to be available to all
15 farmers in all areas without watershed descriptions
16 or categories and classification. Of course
17 budgetary issues are an issue and therefore making
18 sure that the third tier is funded first and so on
19 is one way to address that. But I think that the
20 fundamental intent of Congress must be respected and
21 followed in this proposed rule and therefore we're
22 calling for an immediate revised proposed rule that
23 recognizes the uncapped status of the law and then
24 rules following based on that. So the main issue
25 would be that we must change that, so that all farms

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1 are eligible for the program, dropping the watershed
2 limit enrollment categories and increasing payments
3 to farmers. I know there are various formulas for
4 that but the base-payment formula, for example, is
5 too low to even start. And so because it is an

6 uncapped entitlement program we need to encourage
7 participation now; not discourage participation with
8 those kinds of limitations.

9 I will leave me comments at that. I think
10 we are very excited about the potential of this
11 program and about state and local groups working
12 with NRCS to make sure it's very effective. Thank
13 you.

14 MODERATOR WILLIAMS: Thank you for your
15 comments.

16 Before I call the next two presenters I do
17 need to ask the question is there anyone here who
18 needs the sign language interpreters? Okay. Chris,
19 I will leave that in your hands.

20 Next two presenters. I would ask
21 Mr. Scott Pigott, who is representing the Michigan
22 Ag Environmental Assurance Program, to come to the
23 microphone.

24 Following I will ask Mr. Tom Ford,
25 candidate for the 85th District to prepare himself

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1 for his comments.

2 MR. PIGOTT: Good afternoon. I am Scott
3 Pigott. Today I am representing the Michigan
4 Agriculture Environmental Assurance Program as one
5 of the cochairpersons of the program. We're very
6 about the Conservation Security Program and have
7 been excited for a long time, even before it was

8 ever signed into the law in the Farm Security Act.
9 The ideal of the Conservation Security
10 Program, even when it was in its draft stage really
11 excited our agricultural environmental assurance
12 program partners with the idea that we have a lot of
13 good farmers in the State of Michigan that have done
14 a good job for a long time. And a mechanism to help
15 recognize their efforts was something long awaited
16 for. So instead of waiting for the legislation to
17 draft it we moved forward and we formed a
18 partnership almost five years ago, six years ago,
19 where we collaborated with over 17 different
20 organizations, either academic, state, federal,
21 agricultural partners, conservation partners and we
22 have been convening on a monthly, if not bimonthly,
23 if not even closer than that basis for the last five
24 years. We are strongly committed and several other
25 speakers have mentioned up to this point, we have

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1 not had any funds. We have been doing this because
2 we believe in it, because our organizations believe
3 in it. We do believe that we are industry led and I
4 think that since its inception program we've had a
5 mind on the farmer first and foremost.

6 First of all understand that this is, well
7 beyond Agricultural Environmental Assurance Program,
8 first initially did focus on livestock. The current
9 program has three different systems: Both

10 livestock, farmstead and cropping systems. We would
11 like to make it such we that can environmentally
12 assure any farm in the State of Michigan -- in fact
13 we have a couple farms that are already
14 environmentally ensured for their farmstead system
15 in the cherry industry as well as other industries.
16 We are right now holding the first meeting of the --
17 the cropping system committee is meeting right now
18 at the university talking about the different
19 programs that need to go into place to
20 environmentally ensure our cropping systems in the
21 state.

22 So along with those three systems we have
23 three phases, farmers learn about and how to protect
24 the environment, they learn how to plan through
25 partners, like our NRCS who have been at this table

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1 every one of those meetings that I go to, along with
2 the Department of Agriculture, along with the other
3 ag- and conservation-oriented partners. Then they
4 go home, they plant on their farms, maybe they get
5 involved in Equip, maybe they use one of the tools
6 that are being developed.

7 We actually developed our Michigan
8 Comprehensive Nutrient Management Plan on August
9 10th of 2000. We approved it at the committee well
10 in advance of national guidance. We were one of the
11 first states to really move forward with

12 Comprehensive Nutrient Management Plans and we are
13 very proud of that fact.

14 The reason that I mention that to you now
15 is because I want you to understand that at the same
16 time that the Conservation Security Program was
17 going through its inception and to the point where
18 it is now, we were developing a program waiting for
19 it. And in waiting for it what I mean is that we're
20 prepared to have a -- maybe not a seamless
21 transition -- but definitely a collaborative
22 arrangement between the federal government agencies
23 that are moving forward with CSP and Michigan, the
24 Agriculture Environmental Assurance Program. We
25 would like to see a very collaborative partnership.

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1 we would like to see a movement such that maybe
2 someone that is environmentally assured in all three
3 systems definitely has that capacity to move forward
4 through tier 1 or tier 2 or tier 3 systems.

5 It's a fantastic opportunity to partner I
6 think the Conservation Security Program success
7 relies on partnerships. One of those partnerships
8 should be -- I know in the proposed rule you want to
9 see what works and what doesn't work when you get
10 out on farms -- we want to have the resource of our
11 partnership through Michigan State University,
12 through the Department of Environmental Quality to
13 help discern that. We want to help you get the

14 message out from the standpoint of what education is
15 going to help spread the word. We want to help
16 motivate farmers. We want to make sure that we get
17 that across. We want to use our state partnership
18 to figure out priority watersheds if that's what it
19 must be. In looking at priority watersheds we would
20 just as soon this be a statewide, nationwide program
21 that every farmer could be involved in. But we can
22 find farmers that are leaders and teachers in all
23 major watersheds in the State of Michigan. It won't
24 be hard to help you find those players that are
25 going to get the word out and set that example.

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1 I would end with the remark that I thought
2 it was very -- a tremendous amount of vision on
3 behalf of the secretary within the proposed rules
4 where she states that she wants to help farmers to
5 not only prevent pollution but enhance the
6 environment. She wants to create a powerful
7 incentive and she wants to provide those public
8 benefits from private lands. That is exactly the
9 mission of the Agricultural Environmental Assurance
10 Program. We are going to continue doing that. We
11 would like the Conservation Security Program to be
12 one of those powerful incentives that are going to
13 continue to move forward with. And we do our best
14 to make sure that all farmers hear the same message.
15 We don't want to see any exceptions to the

16 Conservation Security Program. Thank you.

17 MODERATOR WILLIAMS: Thank you for your
18 comments.

19 Mr. Ford?

20 MR. FORD: Yes. I want to thank you for
21 the opportunity to express my points of view on this
22 subject today.

23 I have been interested in Michigan
24 land-use policies for some time. I have seen the
25 Land Use Commission directed out of the governor's

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1 office established in Michigan. I come here today
2 to speak for some of the people in the 85th
3 district, which include Shiawassee and Clinton
4 Counties.

5 President Bush has done it again. The
6 Congress has spoken and President Bush has given lip
7 service to its implications. He has now chosen to
8 severely limit the scope of the Green Payment
9 Program as it was originally intended. His attempt
10 to thwart the will of Congress is also being
11 experienced and is a behind-the-scenes attack on
12 overtime pay for hourly workers. In this instance
13 as in the instance of the federal green payments he
14 has circumvented the will of the people, putting the
15 will of the people in the hands of Washington
16 bureaucrats. In both cases the proposed rule will
17 undermine the intent of Congress.

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18 I am here today to address yet other
19 attack on the family farm and the government's
20 unwillingness to support the land and water resource
21 management practices that will go a long way in
22 helping to sustain the family farm and increase its
23 viability for the future. If this support does not
24 happen I see American agriculture and water
25 resources falling pray to corporate globalization

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1 which could render control of our food production
2 and water conservation into the hands of
3 multinational corporations whose only allegiance is
4 to the company and its managers. It is already
5 happening in Michigan in a much larger -- I'm sorry
6 -- it is also happening in Michigan and other
7 states. Large corporate farms are being established
8 and routinely bought and sold and often become part
9 of a much larger foreign company. These corporate
10 farms are awarded the majority share of agricultural
11 subsidies. The (inaudible) of our state are under
12 attack in the same way as the family farm and
13 companies are stating and far too often getting the
14 Courts to agree that according to NAFTA and the WTO
15 the rights of local communities must be supervenient
16 to the corporate entity.

17 As is the pattern with this administration
18 they say one thing and act covertly in just the
19 opposite manner. If they cannot enforce what they

20 want through the House and Senate they servert
21 (phonetic) their will in an attempt to bring about
22 the desired outcomes through bureaucratic rule
23 changes. If we do not stop this multinational
24 onslaught on our ability to produce food and manage
25 our water resources we will see these two integral

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1 parts of the American fabric succumb to the same
2 fate as our ability to maintain our manufacturing
3 base.

4 The United States has lost 3.1 million
5 private-sector jobs in the last two and a half years
6 including 2.5 million in the state's manufacturing
7 employment, or one out of every six factory jobs.
8 Does this not parallel what is happening to the
9 American family farm? Is this not similar to what
10 is happening to our water resources? The National
11 Resource Conservation Service, a unit of the US
12 Department of Agriculture, will administer the
13 proposed rule changes which will undermine the
14 program and its intent by dramatically reducing
15 payments to farmers and restricting who can receive
16 them. These rule changes look nothing like what
17 Congress intended according to farm and food and
18 environmental organizations monitoring this process.

19 .

20 Secretary of Agriculture Veneman has
21 defended the proposed rule changes asserting that

22 the program looks like it will cost too much. It is
23 too bad the Administration did not follow that same
24 line of thinking when it pushed through the changes
25 of Medicare that will be a financial windfall for

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1 insurance and pharmaceutical companies. Quite
2 frankly the arrogance of these decisions is a
3 disgrace to America and just unpatriotic.

4 The Bush Administration has perpetrated
5 the same egregious behavior on our Gulf War veterans
6 who were prisoners of war in Iraq. The Clinton
7 Administration allowed these veterans, who were
8 tortured and mutilated, to sue for damages to be
9 paid out of frozen Iraqi bank accounts. The Judge
10 in the trial concurred and awarded the veterans
11 compensation for their pain and suffering at the
12 hands of their capturers. When it came time to
13 collect the Court awarded settlement, it was opposed
14 by the Bush Justice Department and the vets were
15 told that payments could not be made because our
16 government needed the money to help rebuild Iraq.
17 This is the mind set of this Administration and it's
18 disgraceful.

19 As with the war on terrorism Americans are
20 under attack over the future of their farmland in
21 our ability to protect our water resources and our
22 manufacturing base if the Bush Administration does
23 precious little to stem the flow of casualties from

24 these attacks. If we are to save our farms and save
25 our water resources we must have our voices not just

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1 heard but heeded. Thank you.

2 MODERATOR WILLIAMS: Thank you for your
3 comments.

4 Our next presenter will be
5 Dr. Leroy Ray, Jr., and then we will hear from Mr.
6 Carl McIlvain, from the Michigan Farmers Union.

7 DR. RAY, JR.: Thank you for this
8 opportunity. I want to tell a joke. Forty years
9 ago -- 45 years ago -- I was a researcher with
10 water. I'm concerned about the water from Canada.
11 Is it clean? Because clean is relative.

12 At any rate, I represent the Farm
13 Researcher Cooperative. It's a nonprofit in
14 Southwest Michigan. In addition to a few
15 blueberries, apples, three kinds, cherries, and at
16 one time 87 varieties of vegetables, we grow
17 scientists. That's our motto. I want to say that
18 again. We grow scientists.

19 Now, with that said, the Farm Research
20 Cooperative I represent is concerned about the
21 complexity of what we are presenting and what is
22 coming forward. We have farmers and I'm concerned
23 about small farmers and ranchers having a
24 conservation plan. I think my research shows about
25 two percent, two percent, out of the 100 have a

1 plan. which means that they are already intimidated
2 with technical material. So this information and
3 the application process will further intimidate
4 them. I want to say that so you will have some
5 concern on that impact on these small farmers and
6 ranchers.

7 Next, agencies, federal agencies, state
8 agencies, are reducing staff. I'm concerned about
9 the delivery service from the service providers.
10 And I have a hard, fast recommendation for those.
11 In December in the Harvard Business Review, page 56,
12 there is an implicit association test. It checks
13 and assists you in looking at your unconscious
14 biases and prejudices. I would suggest -- and it's
15 done by Yale and Harvard professors who get big
16 dollars -- anyway I would suggest that some of you
17 take a look and share it with the others. The
18 implicit association test. Harvard Business Review,
19 page 56. Itsays, how unethical are you?

20 Next we're concerned with our little
21 project on risk management agencies and education.
22 So we're finding out we have a partnership agreement
23 and we're concerned about these small farmers. We
24 want you to help us get them to listen to us because
25 it's difficult. They don't trust us. So we wish

1 that you would extend yourselves, help the service
2 providers look nice, smile, and tell a joke. Thank
3 you.

4 MODERATOR WILLIAMS: Thank you for your
5 comments.

6 We would ask Mr. Carl McIlvain to come to
7 the microphone.

8 MR. MCILVAIN: Well, that was close. It's
9 McIlvain.

10 MODERATOR WILLIAMS: I'm sorry.

11 MR. MCILVAIN: I have a relatively brief
12 message. I would say that that all looked very
13 complicated.

14 But I came to this Conservation Security
15 Program meeting because I thought that CSP began as
16 an excellent concept. As I first understood the
17 program it seemed to close gaps that the
18 Conservation Reserve Program left unfilled. I'm
19 saying that some of this comes from a personal
20 perspective. I do represent Michigan Farmers
21 Union.

22 Some of these gaps came about because some
23 highly erodible ground to go with productive
24 potential was allowed to lay idle rather than have
25 row crops planted on it. In Michigan that may well

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1 be true. When wetlands were also involved there had
2 been a desire not to use chemicals as in today's
3 conventional agriculture, the fear being that runoff
4 could contaminate those wetlands. And I'm sure that
5 I am not alone in this. There is a lot of land
6 laying idle around the state that could have
7 production on it that shouldn't have.

8 Early versions of this program indicated
9 that Conservation Security Program could work in
10 conjunction with other conservation efforts and was
11 uncapped as to funding and originally for some seven
12 billion dollars.

13 Having weathered weeks of debate, passed
14 both the House and the Senate, signed into law in
15 the 2002 Farm Bill, then passed with supposedly full
16 funding in the Omnibus Appropriations Bill, I am
17 frustrated now that the Administration and some in
18 Congress want to cut the bill. And when you cut the
19 program by 90 percent that's about what it means.
20 You couldn't pay many taxes on this land with that
21 kind of a payment.

22 CSP would be good for agricultural, for
23 environmentalists -- not all bad people -- wildlife
24 and the hunters who pursue certain species of
25 wildlife. It could also, along with the

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1 Conservation Reserve Program, act as a supply
2 management tool. The weather-related short soybean
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3 crop resulting in price rise should point out the
4 value of supply management. We don't need to have
5 full production all of the time when farmers have to
6 rely on the government program payments to survive.

7 In short, the Conservation Security
8 Program could help to hold and reserve some of the
9 soil, water and energy resources that we might well
10 need in the future. In that same vein it might
11 allow some landowners to resist the pressure to sell
12 the farm for another housing and strip-mall
13 development.

14 As far as the selection of watersheds in
15 which to implement CSP, Michigan is a watershed. If
16 you look at the map and the entire state and the
17 fantastic watershed that we have or water resources,
18 the entire state is a watershed that certainly
19 should qualify for whatever is available. I am
20 speaking in favor of the original funding of this
21 program and the original proposal. And Secretary
22 Veneman should go back and do a revised proposal.
23 Thank you.

24 MODERATOR WILLIAMS: Thank you,
25 Mr. McIlvain. I will try to get that right next

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1 time.

2 Our next two speakers, first we will have
3 Ms. Amy Frankmann, representing the Michigan Nursery
4 and Landscape Association. And then afterwards we

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5 will hear from Mr. Mike Brewer, representing
6 Michigan State University.

7 MS. FRANKMANN: Good afternoon Chief
8 Knight, State Conservationist Williams and members
9 of the listening panel. My name is Amy Frankmann.
10 I am the Executive Director for the Michigan Nursery
11 and Landscape Association. I represent Michigan
12 Nursery Greenhouse and Landscape Industry on this
13 issue. I just want to point out that we are
14 currently the second largest ag commodity in the
15 State of Michigan.

16 I'm here today to highlight a few critical
17 invasive species and legislation that are
18 implementing Michigan's nursery, greenhouse and
19 landscape industry and how NRCS activity could
20 assist with these issues. With the emerald ash bore
21 since its identification two years ago, this
22 invasive pest has devastated our natural areas and
23 our community landscapes. Our nurseries and retail
24 garden centers are reporting over ten million
25 dollars in losses. And this is just in Michigan.

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1 Ralphstonia, it's a relatively new
2 disease. This is the second year it's been found in
3 geraniums in our greenhouses. Our greenhouse
4 growers are having up to 50 percent of their total
5 crop destroyed as we speak.

6 New legislation that we're now facing with
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7 surface and groundwater? We're looking at
8 implementing new water use conservation plans and
9 new gaps that we're trying to work with our growers
10 on this.

11 NRCS is well positioned to help manage and
12 limit the spread of invaders by providing incentives
13 to private landowners to control invaders and to
14 respond to the President's invasive species
15 initiative. We ask that you include in the
16 Conservation Security Program advanced
17 environmentally friendly techniques that include
18 management of pathogens, insects and weeds.

19 In closing, NRCS needs to be a significant
20 part of the team in addressing invasive species by
21 taking on a role and on the ground efforts to
22 address invasive species and water conservation
23 practices through the Conservation Security
24 Program.

25 For the nursery, greenhouse and landscape

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1 industry and all of our natural resources, thank
2 you.

3 MODERATOR WILLIAMS: Thank you for your
4 comments.

5 Our next presenter is Mr. Mike Brewer.

6 MR. BREWER: Good afternoon. Welcome to
7 Michigan. I hope that you have a chance to visit
8 the Michigan State University Campus. My name is

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9 Mike Brewer, and I'm Integrative Pest Management
10 Coordinator at Michigan State University, and I also
11 have program affiliation with the integrative crop
12 management initiative at MSU.

13 I would like to make a few observations
14 about the proposed Conservation Security Program and
15 then also a few suggestions. Observations, just
16 looking at your slides, is the comment of the
17 achieve and maintain high levels of environmental
18 stewardship on agriculture lands. That is
19 wonderful. As I recall the Farm Bill, it was stated
20 that we do that in combination of maintaining
21 agricultural productivity and viability of our
22 farmsteads. That is a wonderful goal to achieve and
23 it's very much applauded.

24 In your snapshot comments I noticed at the
25 beginning of contracts, I don't quite understand how

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1 this is going to work but I applaud it. You look at
2 a baseline of soil-organic matter, nutrients,
3 pesticides and I think you had other categories. I
4 particularly represent the interest in making
5 optimal use of farm nutrients and pesticides
6 management techniques to both better agricultural
7 production as well as maintaining an environmental
8 stewardship.

9 In Michigan, Michigan State University has
10 many efforts in partnership with growers, in

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11 partnerships with the state, in partnerships with
12 many agricultural businesses in identifying and
13 encouraging the use of these environmental-friendly
14 practices. They can come with costs. We want to
15 encourage the adoption of these techniques. They
16 have tremendous environmental benefit as well as
17 maintaining agricultural production. But they do
18 come with a cost. And that I think is a very nice
19 aspect. We do have infrastructure to support
20 research. We do have infrastructure to support
21 demonstration. When we look at additional
22 environmental enhancement through these advanced
23 techniques we have a challenge to support
24 maintenance of these techniques. And that's where I
25 think the Conservation Security Program as well as

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1 other incentive programs of NRCS really has a role
2 to, if you will, add that additional component,
3 research demonstration to maintenance. I think that
4 would be a wonderful role to not only maintain but
5 enhance environmental stewardship.

6 So those are some comments. I would like
7 to provide two short suggestions. I must provide a
8 brief suggestion in technical recommendation and
9 then go to the proposed role and program comment.

10 In the technical recommendation, I have
11 been working with NRCS in the past year and I really
12 appreciated the interaction. I would suggest that

13 some fine tuning would be necessary in the
14 agricultural chemical front to encourage use of
15 various reduced-risk agrochemicals and please work
16 with EPA, the state, the land-grant universities to
17 fully develop protocols on agrochemical assessment
18 and encourage adoption of reduced-risk technologies
19 wherever appropriate.

20 On the specific program comment that I
21 have for you, again related directly to your
22 snapshot of nutrients and pesticides and furthermore
23 trying to enhance the use of advanced techniques to
24 promote environmental protection, please,
25 development in a payment structure so that growers

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1 will not only continue to use what they have adopted
2 currently but increase their use of advanced
3 technologies in the ITM/ICM front that can do that
4 dual -- the dual thing that we want the Farm Bill so
5 nicely states, in maintaining agricultural
6 productivity while enhancing environmental
7 stewardship. Thank you.

8 MODERATOR WILLIAMS: Thank you for your
9 comments.

10 Our next two presenters, first we'll hear
11 from Mr. Todd DeKruyter (phonetic), with Gerber
12 Products, and after which we'll hear from
13 Ms. Megan Wheaton, with Michigan Farm Bureau.

14 No comment? Okay.
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15 Ms. Megan Wheaton, would you make your
16 with to the microphone? After which we'll hear from
17 Mr. Larry Nobis.

18 MS. WHEATON: Good afternoon and thank you
19 for hearing comments today. My name is Megan
20 wheaton, and I'm here representing Michigan Farm
21 Bureau.

22 Michigan Farm Bureau is the largest
23 agricultural organization, membership organization,
24 in the State of Michigan representing over 47,000
25 family farms. I appreciate the opportunity to

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1 provide comments on their behalf.

2 Michigan farmers are extremely enthused
3 about the Conservation Security Program and Michigan
4 Farm Bureau is committed to the success of the
5 program. Michigan Farm Bureau is strongly committed
6 to what we feel was the legislative intent of CSP
7 and we are committed to doing whatever it takes to
8 get Michigan farmers participating in the program.
9 However, if implemented properly Michigan farmers
10 will have many opportunities for enhanced
11 conservation on working agricultural land.

12 However, I would like to express some
13 concerns, particularly in the proposed rule as it
14 intends to restrict the program and it's scope.
15 Understanding the possible budgetary constraints,
16 Michigan Farm Bureau does feel the proposed rule

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17 does not shadow the legislative intent and cuts at
18 the heart of the program. First, we feel
19 prioritizing funding based on priority watersheds
20 does not reward the best and motivate the rest.
21 Focusing on a particular watershed we believe will
22 create a situation where farmers do not look to the
23 program and producers outside of the watershed will
24 not have ownership or commitment to the program. We
25 would advise spreading participants over a larger

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1 geographic area to capitalize on the belief that
2 seeing is believing.
3 we are also concerned that these
4 priorities will create a moving target for producers
5 and that it does not provide a program that is
6 transferrable to the masses. Generally the proposed
7 rules seem to establish limits and restrictions for
8 budgetary constraints when full funding could be
9 possible in the future. This is particularly
10 evident in limiting the base payments and goes
11 against the intent of the program and potentially
12 deterring future participation. However, if
13 priority watersheds do need to be maintained we
14 recommend working through the state conservationists
15 and Michigan Technical Committee to establish which
16 priority watersheds will be established in the State
17 of Michigan.
18 Secondly, I would like to address the fact

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19 that producers should be rewarded for stewardship on
20 the land and the restrictive nature of the
21 definition of control constrict on the intent to
22 reward for conservation. Many producers rent a
23 large portion of their acreage, particularly young
24 farmers, which seem to be a focus for many
25 conservation programs through NRCS. And the proposed

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1 rule would limit those producers' involvement.

2 Legislation calls for flexibility within
3 the program. We would ask that you reconsider the
4 contract constraints and contract modifications of
5 this program. Many large operations also have more
6 than one manager. We ask that you look at those
7 considerations.

8 We appreciate the opportunity to provide
9 comment today and thank you very much.

10 MODERATOR WILLIAMS: Thank you for
11 comments.

12 And as Mr. Larry Nobis makes his way to
13 the microphone I would ask Mr. Mark Sargent of the
14 Michigan DNR, Department of Natural Resources, to
15 also prepare himself.

16 MR. NOBIS: My name is Larry Nobis.
17 Actually I am a fill in. I heard about this -- or I
18 knew this procedure was going to be taking place and
19 I planned on attending to listen in but I was not
20 planning on being a speaker. I found out yesterday

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21 afternoon that the board member that was going to be
22 handling this had a conflict and he asked me if I --
23 so my comments are going to be brief. I'm going to
24 give you the farmer's perspective. I'm going to be
25 shooting from the hip. I see Kevin wicke

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1 (phonetic), he heard about that and he already ran
2 out the door, so....

3 I think it's fitting that someone from the
4 Corn Growers is here making comments on this because
5 I think as I look back the seeds for this
6 Conservation Security Program were planted within
7 the Corn Growers back when Chief knight was one of
8 our best employees. And it didn't surprise me that
9 Bruce knight became Chief of NRCS.

10 we had many discussions back in -- several
11 years ago with national committees and at the state
12 level, where are we heading in agriculture and what
13 is wrong with agriculture? We seem to be getting
14 better in some areas and some areas there is room
15 for improvement. When it comes to conservation
16 issues we had many discussions, you know, and agreed
17 that there were areas that were getting better,
18 there were a lot of farmers that were doing things
19 right. They were not being rewarded. I will be
20 very truthful with you. On our own farm we have
21 been employing conservation practices for years and
22 years and the environment benefit from our actions

23 almost immediately. But rewards financially for the
24 farmers, sometimes it takes a lifetime before you
25 start seeing rewards.

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1 But we thought, well, you know, in too
2 many of these programs in the past when you hear
3 about a program, you go apply for it. well, the bad
4 actors were rewarded. The ones that are doing the
5 worst possible job were not innovators, were the
6 ones that were rewarded. We thought that it would
7 be nice if we had a program where the people that
8 were doing the job right were rewarded and have the
9 program structured so that -- knowing that there is
10 room for improvement on any operations, so you can
11 continue to make improvements on your farm and get
12 rewarded for it. So the concept of the Conservation
13 Security Program and the Corn Growers, me
14 personally, I think it's fantastic. I think there
15 is all kinds of potential for this program.

16 There are some things that you heard
17 today, you heard many of them talk about the MAEAP
18 Program here in the State of Michigan. Again, I
19 think this MAEAP Program is absolutely fantastic.
20 It has all of the bases covered, it has all kinds of
21 support. I think one of the mistakes that you have
22 made with the Conservation Security Program is that
23 -- actually I think there is time yet, I don't
24 think you should cancel all of the listening

25 sessions -- you should go back to Washington and

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1 say, they have got everything in place in Michigan.
2 Let's use Michigan as a pilot project. Because it's
3 too darn important. This program is too important,
4 the potential is too important. This program,
5 you've got to get it right.

6 And as far as having increased funding
7 right now, I don't think that is necessary. I think
8 you are reverting back to rewarding the bad actors
9 when you are going to go to some of these here
10 priority watersheds where they have problems? Right
11 back to the same old thing. Why not go to the State
12 of Michigan where we're doing things right, where we
13 have diversity of crops and we can prove that this
14 program can be very, very rewarding for not only the
15 environment but also for the farmers.

16 I thank you for our comments, for allowing
17 us to comment. And I'm sure the Michigan Corn
18 Growers and National Corn Growers will be giving
19 written comments. Like I said, I really, really
20 think there is all kinds of potential and we have to
21 get it done right. Thank you.

22 MODERATOR WILLIAMS: Thank you for your
23 comments.

24 Mr. Mark Sargent, Michigan Department of
25 Natural Resources.

1 MR. SARGENT: Ron and Chief Knight, thank
2 you for this opportunity. Good afternoon. My name
3 is Mark Sargent and I am the Private Lands Program
4 Coordinator for the wildlife Division, Michigan
5 Department of Natural Resources. My comments today
6 are from my division as well as the fishery
7 division.

8 Let me begin by welcoming you to Michigan.

9 Michigan is a large, diverse state. In reference
10 to our size it takes almost as much time to travel
11 from this location to Wakefield, Michigan as it does
12 from here to Washington, D.C. Our state is rich in
13 natural resources, boreal forests, moose and loons
14 of the Upper Peninsula to the jack pine forests,
15 famous trout streams and elk country of our Northern
16 and Lower Peninsula, to the southern part of the
17 state which has oak hickory forests, remnant
18 prairies, pheasants, quail and white-tailed deer.

19 Our water resources include cold and
20 warm-water streams and thousands of inland lakes.
21 But most importantly our state is comprised of two
22 peninsulas surrounded by the Great Lakes. We are
23 indeed treasured with the greatest freshwater
24 resources in the nation if not the world. And to
25 that point we would also recommend that all 63 of

1 our watersheds be named as a high, national
2 priority, if not an international priority.

3 Our diversity is also reflected in our
4 agriculture. From the apple and cherry orchards of
5 the north, to the row crops, truck crops and even
6 flowers produced in the south, we are indeed blessed
7 with a productive state. The new Conservation
8 Security Program is one more tool in the tool box
9 for addressing natural resources related to our
10 agricultural lands.

11 We are here today to provide input
12 concerning this program and implementation of such.
13 But before doing so I would first like to applaud
14 your agency for developing and administering the
15 largest Private Lands Conservation Program ever in
16 the nation, if not the world. These programs have
17 made a difference on our landscape of our state as
18 well as the nation.

19 I would also like to applaud your agency
20 for working over 10 years in cooperation with the
21 Michigan DNR, from having DNR wildlife biologists in
22 your offices in the early '90s to jointly working
23 together on financial resources towards Michigan's
24 CREP Program. Truly we have been working hand in
25 hand with the environment and conservationists and

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agriculture.
As we look at the proposed rules for the Conservation Security Program we have only one idea to share with you today. That as proposed, the rules focus on single resources until you reach the tier 3. I am here today to ask you to consider taking a more holistic approach to managing natural resources. Taking a single resource approach is a costly method of addressing resource concerns and issues. I realize that the law guides us into a single resource approach; however, through the rules process I feel that we can be more effective and efficient with our fiscal resources.

I would like to give you two examples of how this could be done. Under tier 1 the focus is to address soil or water on a given field. This direction is well within the direction of the law, so the installation of a filter strip of grome grass, considered poor wildlife cover, would be appropriate. Taking a holistic approach we would install a filter strip planted to wildlife friendly grasses and legumes. This addresses multiple resources: Soil, water and wildlife. By requiring wildlife friendly vegetation for all practices we can ensure multiple benefits from each project.

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Furthermore this can be done with no additional cost to landowner or the agency.

3 My second example focuses on the fall
4 plowing. Fall plowing has major impacts on soil,
5 water and wildlife resources. I am sure most people
6 in this room have a good idea about the relationship
7 between fall tillage and soil and water quality.
8 However, fall tillage can have a major impact on
9 wildlife. Scientific research has documented that a
10 field that has not received fall tillage provides
11 greater wildlife habitat opportunities.

12 For example, assuming 1 bushel of corn per
13 acre on the ground after harvest, represents less
14 than one percent, would result in 4,000 pounds of
15 corn per 40 acres. These grains can provide major
16 energy resources to migratory birds as they move
17 from the northern portion of our continent to the
18 south. Furthermore, resident wildlife populations,
19 such as pheasants and bobwhite quail, can greatly
20 benefit as well. By focusing, targeting and
21 promoting the reduction of fall tillage under tier 1
22 we can have impact in a more holistic manner than
23 just focused on a single resource.

24 We have obtained multiple benefits through
25 programs such as CRP, CREP and WRP and we hope to

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1 continue to get these multiple benefits from CSP. I
2 hope that through national guidance we can obtain a
3 more holistic approach. Thank you for your time
4 and welcome again.

5 MODERATOR WILLIAMS: Thank you for your
6 comments.

7 That was the last speaker that I had a
8 card for. I would entertain at this time are there
9 any other individuals who would like to make oral
10 comment?

11 MR. KORSON: Sorry, Ron. I thought that I
12 filled out all of the necessary paperwork. I'm Phil
13 Korson, Executive Director of the Cherry Committee
14 representing cherry growers in the State of
15 Michigan. We also represent cherry farmers
16 nationally.

17 I can't pass on the opportunity to talk
18 about speciality-crop farmers and the importance of
19 speciality-crop farmers as it relates to CSP. As
20 CSP is working its way through the process it was
21 something that we're really excited about. We saw a
22 lot of opportunity for our tree-through (phonetic)
23 growers in the state, who basically are no-till
24 systems and pretty good environmental stewardships
25 in my mind.

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1 I think one of the things that our goal is
2 is to get those farmers through the door to get them
3 signed up in the program. When you look at
4 high-value crops in particular you are talking about
5 small acreage and so payments on small acreage,
6 there needs to be an adjustment in some way to make

7 it rewarding for those people that come through the
8 door and go through the process of trying to be a
9 part of this program.

10 So with that I really want to close and
11 really want to look at the secretary's comments that
12 she made about rewarding the best. And I think we
13 really need to make sure that people across all
14 agriculture are rewarded and are examples for others
15 to follow. Thank you.

16 MODERATOR WILLIAMS: Thank you for your
17 comments.

18 Do we have someone else who would like to
19 make oral comments?

20 MR. GUTHERIE: Thank you, Ron. Thank you
21 members of this panel to come before us here. I
22 think it's very appropriate that you came to
23 Michigan to do this listening session because of
24 Michigan's unique agricultural diversity and the
25 opportunity it gives you to hear from different

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1 perspectives.

2 I think the Conservation Security Program
3 is a program that is long overdue. You know, it's
4 time that, as Larry alluded to, the people who have
5 been doing conservation things for years get
6 recognized because they were out there blazing the
7 trail for conservation long ago and it's too bad
8 that many of those are not around today.

9 But in being brief I would ask you to
10 consider the comments that have been made very much
11 more eloquently than I by some of the people talking
12 about the MAEAP Program here in Michigan, certainly
13 Dr. Batie, Scott Pigott that left over there a bit
14 ago, and some of the others. And that came about
15 because of a true partnership and a partnership of
16 many industries, agencies and farmers out across
17 this state that came together to put it together
18 because they focused on what they knew, good
19 environmental and natural resources outcomes could
20 be, and they put together a program that would make
21 those happen.

22 I ask that you consider this as you put
23 together this program because these types of
24 outcomes across this nation would be good thing. So
25 as you implement the program again I would recommend

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1 full funding for this, but ask that you, in your
2 deliberations and implementation, that you consider
3 partnerships of agencies, organization of people and
4 their ideas. Because I think once we include and
5 incorporate all of those things together it really
6 is all of us comes out to benefit from it. Thank
7 you.

8 MODERATOR WILLIAMS: Thank you. Could you
9 state for the record your name and the organization
10 that you are representing?

11 MR. GUTHRIE: Yes. My name is Tom
12 Guthrie, Executive Director of the Michigan
13 Integrated Food and Farming Systems.

14 MODERATOR WILLIAMS: Thank you for your
15 comments.

16 We also have Mr. Steve Hoard that would
17 like to make comments.

18 MR. HOARD: Hello. Thanks for being here.

19 Earlier I asked the question on how is
20 someone supposed to be in the program on all of
21 their acres on one hand and then also have control
22 of all of their acres when you have several land
23 bases, landlords? Not all of them are going to give
24 you long-term control for the period of this
25 contract. So you have two different rules and they

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1 are the opposite of what -- you know, what a farmer
2 can do.

3 And I think it's also important that a lot
4 of farmers really don't have a lot of income right
5 now -- farming has been bad -- that they just can't
6 go out and do a lot of these if there is not a good
7 enough financial incentive, good enough base
8 payment. I just don't think it would be a position
9 that a lot of farmers
10 -- a lot of their decisions they can't make. They
11 have to pass it by their bankers and if it's not
12 going to make money or break even they just won't

13 MI_CSP_transcripts
even be able to do it. Thank you.

14 MODERATOR WILLIAMS: Thank you for your
15 comments.

16 Again, we don't want to cut anyone off
17 that would like to make oral comments this
18 afternoon. Is there anyone else who we have not
19 heard from that would like to make oral comments
20 this afternoon? Is there anyone else?

21 Okay. Seeing none, we really appreciate
22 your comments. But before I extend my closing
23 remarks and conclude today's public forum I do want
24 to again invite NRCS Chief Bruce Knight to the
25 podium to provide any reflections based upon what we

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1 have heard this afternoon from you. Chief Knight?

2 CHIEF KNIGHT: Thank you very much, Ron.

3 Just a couple of things. As I have
4 listened to the comments there are a few things that
5 are embedded in the rule that I can address that may
6 help folks a little bit as you're developing further
7 comments. I really encourage folks even if you have
8 given a public declaration of your comments to look
9 at the rule more and provide additional comments
10 that are in there. And it's very key to making this
11 a vibrant program that can really adapt to meet the
12 needs of America's farmers and ranchers, whether
13 they're commodity farmers in the traditional sense,
14 corn/soybean operation or a speciality-crop producer

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15 such as what we're facing with cherries and a wide
16 abundance and variety of crops that are grown here
17 in Michigan.

18 Couple of things that I will address
19 though. Several folks have expressed concerns about
20 the commitment of the Administration towards funding
21 for this particular package that I mentioned
22 earlier. Three thousand contracts in this first
23 year, funding to do 12,000 contracts in subsequent
24 years. Watershed approach is not strictly about
25 containment of overall spending but rather control

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1 and adjustments for the overall spending.

2 Senator Harkin, when he crafted the
3 legislation, quite specifically put in a very
4 stringent limitation of not more than 50 percent of
5 the overall funding can be used to deliver the
6 program. That is the operating constraint that is
7 restricting the roll out and delivery of the
8 program.

9 The fact of the matter is that the
10 Administration's budget proposal over the next ten
11 years reflects a ten-billion-dollar commitment to
12 CSP, well beyond what was envisioned by Congress
13 several years ago. While folks are talking about
14 needing to take the cap entitlement measure off, you
15 need to recognize that the Administration's budget
16 assumptions are far in excess of what the

17 Congressional assumptions originally were on that
18 particular opportunity.

19 The other thing that I would encourage
20 folks to look at are how we should make those
21 categories work in a manner that are really dynamic
22 in being able to provide a means to match up those
23 categories through traditional enhancements.
24 Because the real meat of the case, the financial
25 remuneration that will come with this program will

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1 come with the enhancements; not with base payments.
2 And that is because it is with the enhancements that
3 you are able to exact the strong environmental
4 outcomes in the future that are so very important to
5 being able to prove the efficacy of the particular
6 programs.

7 The last thing that I would encourage
8 folks to look at, as a final comment, has to do with
9 how the categories -- or as it pertains to all
10 groups of farmers and ranchers that need to be able
11 to participate. So we need to make sure that the
12 categories work well for minority, disadvantaged,
13 beginning farmers. Categories need to work well for
14 today's commercial-sized operation category, they
15 need to work well for small and speciality crops.
16 And that's one of the areas where I think there is a
17 great deal of need for additional public comment.

18 with that I want to turn things back over

19 to Ron and thank him very much for an excellent job
20 of hosting this afternoon's event.

21 MODERATOR WILLIAMS: Thank you, Chief
22 knight.

23 well, we have reached the end of this
24 public forum on the proposed rule for the
25 Conservation Security Plan. At first I want to

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1 thank each of you for coming today and providing
2 your comments to USDA. And certainly you need to
3 know that all of your comments will be considered.
4 I want to thank our panel members for being here
5 today to listen to everyone's comments and thank you
6 again for being here. I also want to take this
7 opportunity to thank you, my staff, NRCS Michigan
8 employees and team, who so ably assisted me with the
9 coordination and implementation of this public
10 forum.

11 This forum has produced a lot of valuable
12 input for us to use in developing the final rule for
13 the Conservation Security Program. And again, all
14 comments will be considered. If you have written
15 comments that you brought with you, again, I would
16 like to remind you to please place them in the
17 written comment box at the registration table just
18 outside the door as you exit. If you have comments
19 that you have developed while you have been here we
20 would like to have those as well. As a reminder you

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21 have until March 2nd, 2004 to submit additional
22 comments to NRCS. The e-mail address is
23 DAVID.MCKAY@USDA.GOV. That's DAVID.MCKAY@USDA.GOV.
24 The mailing address is Conservation Operations
25 Division, Natural Resources Conservation Service,

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1 P.O. Box 2890, Washington, D.C. 20013. And you can
2 address that Attention Conservation Security
3 Program. There is information on the table and you
4 probably have it. But if you don't there is
5 information on the table that contains all of the
6 information that you need to be able to provide
7 additional comments. The proposed rule again is
8 available on the NRCS home page at
9 WWW.NRCS.USDA.GOV.

10 I declare this CSP public forum officially
11 adjourned. Thanks again for coming and have a safe
12 trip home.

13 (The public forum was adjourned at 3:06 p.m.)
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5 I certify that this transcript, consisting
6 of 88 pages, is a complete, true, and correct record of
7 the CSP Listening Session Forum held in this case on
8 February 10, 2004.

9 I also certify that I am not a relative or
10 employee of or an attorney for a party; or a relative or
11 employee of an attorney for a party; or financially
12 interested in the action.

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15 _____
16 Date Signature

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