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UNITED STATES DEPARTMENT OF AGRICULTURE

CONSERVATION SECURITY PROG~

**DISCUSSION FORUM**

GINAt

Wednesday,

February~ 25,

2004

**1:54 P.M.**

Red **Lion** Inn

330.1 Market Street]N.E.

**Salem, Oregon** 973011

Before Ms. Meta Boyer, Moderator

APPEARANCES:

Rebecca Siplak, J. J. Ha!apala,

Fritz Hill, Michael Barlow,

Jerry Rielmann,

Larry Ojua, Ken Grieb, John McDonald, I *Bruce*

Taylor,

Jack Hay, **Bill** De Jager, Jim rrahn,

Mike Barsotti, Dalton Straus,

**and Danl Goffin.**

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WEDNESDAY, FEBRUARY 25,

**3004; SALEM, pREGON**

MS. BOYER:

The first person from ~hom

we're going to have testimony today is ~ebecca

Siplak,

and then on deck will be J.J. H~apala.

MS. SIPLAK:

My name is Rebecca Si~lak.

Rebecca, S-i-p-l-a-k.

JAMIGIRO ORIGINAL

Thank you very much for coming out here.

I'm really excited that you're here.

This is

one of the things I've definitely gotten, on the

bandwagon **lately about.**

I'm here representing Food Alliance.

are a local nonprofit organization that

We

provides third-party certification to farmers

and ranchers, encouraging the increased

adoption of environmental and social

stewardship practices through market

incentives.

We also work closely with the land

stewardship project in the Midwest.

And **I'm**

really excited and want to see this program be

as effective as it can be.

up.

And I have three things **I'd** like to bring

Number one, I would like to see that

sign-ups are continuous and not periodic

This

process could make it extremely difficult to

communicate with producers.

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My second idea is about helping Ito reduce administrative burden. since it seemS to come up a lot.

I,  
first of all,  
would like to

encourage NRCS to consider allowing

simultaneous sign-up for producers that are

**already certified under other programs, such as**

USDA National Organic Program; consider Food

Alliance certification; Protected Harvest is

another nationally recognized program!

These operators have already undergone

self-assessment in going through the process;

they wouldn't necessarily need to take the time

to go through that self-assessment.

And **our**

organizations have on file records that prove

that they have already come in compliance with

a number of things required for the program.

So I'm hoping that you'll consider perhaps

contracting out with some organizations on

helping to relieve your administrative burden

and helping us to communicate with our

producers.

We're on the ground,

**we know what**

they're doing; and I don't know how that could

work, but I think it's just something that  
could merit consideration.

Finally, I'd like to suggest that you

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allow individual states and regions to work

together, and to be flexible in addressing

issues that are important for the geographic

locations in question.

Perhaps consider

allowing the NRCS technical guide to be edited

for the current times,

to include innovative

practices that are now being found and

developed all over the country.

For instance

--and some of these came up at the session

that we had in Aurora a few weeks ago -- some

innovative practices that merit attention

include monitoring "water temperature and/or

reducing water used for irrigation; monitoring

and testing for soil phosphorus levels,

especially as it relates to animal feeding

rations and manure management.

This on,

creating harvesting techniques that preserve

wildlife and beneficial organisms habitat.

And

one more, buffer strips that are managed around

waterways planted with indigenous plant

material and are maintained to be free from all

pesticide drift,

whether **it's** syntheticlor

natural.

So those are just a few.

I c4uld go

on and on, but thank you very much; I

appreciate your time.

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MS. BOYER:

Thank you, Rebecca.

Next to

testify J.J. Haapala, and next on deck would be

Fritz Hill.

MR. HAPALA:

My name is J.J. Haapala;

J.J., H-a-a-p-a-l-a.

I farm 50 acres outside of Junction Ci

next to the Willarnette River.

I grow organic

veg~tables and seeds.

Since 1992,

I've

conducted on-farm research on my farm!,

including research in the crop uptake! of

residual soil contaminants and how to

biomediate them.

And currently **I'm** a partner

of the USDA

IFS grant with Oregon Tittht

Cornell-University, and the **Plant** Genetic

Resources Unit in Geneva,

to evaluate and breed

vegetable crops for organic agricultute on the

East Lane County Soil and Water Conservation

District and currently sit on the Riv\$R Road

Irrigation Control Board.

I was fortunate to participate im the

drafting of the Conservation Security Program,

and I know what a tremendous effort it has been

to make this historic program a reality.

I am

thankful to have the opportunity to c~mrnent,

and I look forward to commenting on a revised

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rule,

in light of the new budget,

**that** works

for farmers and the environment, as intended by

Congress.

As **an organic farmer,**

I have always **had to**

pay extra to farm in an environmentally sound

manner.

I've had to pay for organic

certification.

I have had to pay for extensive

testing to avoid plant and residual DDT and

chlordane.

Finally,

I've had to obtain a lower

price for my product,

to accommodate the

expectation of a public that has been raised on

50 years of federal farm policy providing them

with free food.

In short,

CSP,

as originally drafted,

offered me a glimmer of hope for redressing our

nation's upside-down farm policy,

that has

traditionally hurt the best and bought out the

rest.

Unfortunately,

the skeletal version of

CSP we're seeing today and commenting on,

largely fails to keep that hope alive.

First, I offer my general comments on the

current proposed rule.

The proposed rule fails

to provide a nationwide program and address the

inequities of federal farm policy that we

farmers continually struggle with here and

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Oregon,

limiting CSP to farmers within a small

number of watersheds,

further limiting those

applicants to enrollment categories and

subcategories,

requiring that every single NRCS

conservation standard be met prior to

6 enrollment, and is contrar~ to law. iAndJ

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finally,  
offering pennies on the dollar for  
cost share takes the incentive out of drafting  
conservation contracts with the USDA.

I fear that the CSP will go the way of

most other NRCS programs here in Oregon.

With

limited time and limited funds,

the programs go

to a farm already involved with the

conservation districts,

-  
without regard to his

or her environmental performance

so that

limited NRCS personnel can satisfy their

**federal mandate and call it a day.**

To avoid this outcome,

I request that we

consider:

One,

to revise the rule to reflect

Congress's intent in the current budget; two,

to offer the program to all farmers and

ranchers willing to sign a conservation

contract and meet certain environmental

objectives; three,

offer meaningful c~st share

and rental rates that warrant the time and

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investment required to participate in t~e

program.

Cost share rates for conservation

should be set at 75 percent maximum rat,

established by Congress; and base payme~t

should be set at the rate established i~ the

CSP law,

without the 90 percent reduction.

Enhanced payments should provide for complete

cost recovery --not be treated as cost-share,

but as bonuses to reward exceptional

performance.

In response to the request for specific

comments:

First, on limited sign-ups,

~ would

rather see a first come,

first served approach

than the priority watershed approach that

rewards only the best farmers.

The irony of

offering CSP for the best farmers who are in

part responsible for the priority rating of the

watershed is a reflection of the crisis that

NRCS programs and soil and water conservation

districts currently face.

**If** the priority

watershed approach is adopted, CSp should be  
made available to all producers in the  
watershed.

Eligibility.

Eligibility should be based

on a participant's willingness to enter into

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the contract with the USDA, and the willingness  
to meet certain conservation goals.

The

conservation criteria should not be restricted

to soil and water quality, but,

in addition to

meeting water base and group priorities, should

6 remain flexible enough to meet the r

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environmental resource needs of a given farm,  
on a case-by-case basis.

Criteria should be

abandoned in favor of conservation objective  
setting, baseline assessment, encouraged  
practices, and monitoring to assure that  
conservation objectives are met.

In regards to the contract,

I support the

recommendation of priority funding of producers  
adopting enhancement activities,  
including

assessment and evaluation information

I think

that monitoring and assessment are the most  
important tools of CSP and a successful farm  
operator.

Again,

in addition to addressing the

priority concerns, CSP must remain flexible

enough to address the resource priorities of

given farm and include consideration for their

market demands such as producing food free of

agri'chemicals and supporting salmon **habitat**.

Finally,

rather than a top-down oligarchy

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dictating best management practices,

csr needs

to be seen as an opportunity to engage

producers in their base groups in soil ~nd

water conservation districts,

in order to make

more informed local, regional, and nati~nal

recommendations.

I think that category I should

be stricken from CSP;

instead, CSP shou~d make

a concerted effort to reach out to the

nontraditional Federal Farm Program

participants and address real environme\*tal

concerns.

CSP eligibility needs to be

even-handed,

transparent, and avoid bus~ness as

usual.

And I've spoken to payments,

send you those notes.

an4 I'll

Final comments:

CSP needs to reacij the

nontraditional Federal Farm Program

participants, and that means organic including

farmers.

The proposed rules need to ad4ress

how the department will coordinate for qrganic

farmers who are certified under the USD~'s

national organic program.

Additionally,

the rules should allqw the

conservation resource concern prioritie~ to be

set at the local and state level,

and a~low

farmers to choose at least two of the f~ve

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resource concerns in tier one and tier two.

Finally,

the proposed rules should provide

payment support for all NRCS-approved

conservation practices, and encourage the use

of new,

innovative practices to inform

6 demonstration pilot testing

CS has

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tremendous potential to reward our nation's  
best innovative producers, but only if we guard  
against business as usual and expand our  
consideration of recognized conservation  
practices to reflect those early adopters and  
innovators.

The current rule's reliance on  
priority watersheds and involvement categories

generalizes CSP and eliminates the potential to  
embrace and recognize our most productive  
agricultural producers.

Thanks.

~S.BOYER:

**Currently is Fritz Hill**, and  
on deck there is Mike Barlow.

MR. HILL:

Is this going to take away from  
my hour and 18 minutes?

Is this going to get

subtracted,

the five minutes?

I have one other --**Before** you start,

I

have one other comment:

You have given new

meaning to tall cotton.

**I thought** cotton

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farmers were --Okay.

Hi, name is Fritz Hill.

F-r-i-t-z-l,

H-i-l-l.

Self-assessment.

**I**m here on behai~f of

myself.

Now, we've raised wheat, barlev,

canola, and other crops,

with my son,

or **about**

8000 **acres.**

**My son's aggressive.**

That's how

much it was this morning when I left.

there's

no **telling right** now.

But I'm also here --And I'm on th~ board

of the directors of the Pacific Northwe\$t

Direct Seed Association.

I want **to** catfgorize

what we have done, again,

in the asseS\$~ent,

and to tell you where we are.

We- **have** ~ne of

the only sprayers in North America right now

that senses weeds:

It does spectroanalrsis and

only sprays when there is chlorophyll.

Don't look at me like that.

**I don't** know

how **it** works, **either.**

MR. McKAY:

I've seen them.

MR. HILL:

I **don't** know how it wor\*s,

either, but it --but it works.

I have I always

seen through our practices --**and** we're! direct

seeders --that we have --we had a thu~der

vent last night and water came out of a

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neighbor's field and ran out into Hiil Ranches

and ran 150 yards and went into the ~round.

Bad thing for us --**Bad** thing for them, good

thing for us.

The reason I tell you!this is

because we have had,

in my opinion,

..Jery **little**

6 sup art from NRCS in Umatilla Count.

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when I have an opportunity to speak, I call

that the hotbed of apathy.

The growth in what

we're doing there seems to be very minimal.

Comments, now, about CSP:

**What is great**

concept, a great, great concept.

I endorse it

completely.

And **then I also have great empathy**

for anyone who has to implement a template that

this applies across the country; because

you

know, you change ZIP codes, and all o~ a sudden

you have a different soil type, you h~ve

different topography,

you have a different

climate.

You see rain.

I saw rain tbdy.

We

haven't seen --**In** the last five years, we

haven't had a great deal of that.

That's a new

concept.

We're going to have to learn how to

deal with that one.

In NRCS,

I believe that you have I the tools

already in place,

**of people that** know'what **the**

problems are,

know the --**know** the laAd, and

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they are --**they** are there and willing.

The

constraints that have been put on them ~n the

past, with the finely narrowed definitipns,

have really --have really hurt us.

sol I **would**

--I would like to see that --the loca~ people

given more authority to assess the prob~ems

than trying to do it on broad spectrum.

An anonymous source in NRCS told rn~ --

"anonymous **I**" that's a Washington D. C. t~rm --

told me that if the CSP was initiated today,

it was funded today,

**that** we would be there

if

three.

It's like a dog with pups:

I'll never

be able to find him,

-

I have **fears**.

if it ever gets funded.

Two percent of agriculture

is taking --making the financial commitment

and the risk in this world, and 98 percent --

the other 98 percent of the United States is

going to put their influence in on this--

in on

this program.

**What I desperately want, I want**

agriculture to have the primary voice.

I

believe that the others need to --needjto be

heard, but I think that this *is* a case ~f the

tail wagging the dog.

I believe that w~ have

agriculture in the balance.

In the las~ four

years --**in** the last year, I've seen fo~r

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producers in my area quit,

**flat** quiti

I think

--Is ag going to survive in the United States,

or was Al Gore right?

I hope he was wrong, but

I think that --I think this is an opportunity.

CSP certainly won't --**it's** not a savior, but

it's certainly a start.

me.

Thank you very much for coming and hearing

Thank you.

MS. BOYER:

Thank you.

Next to Itestify is

Mike Barlow,

followed by Jerry Rietmann.

MR .BARLOW:

**I**m Mike' or Michae] Barlow.

M-i-c-h-a-e-l, B-a-r-l-o-w.

I represlent **the**

Oregon Association of Conservation Dilstricts.

And I also thank the panel for takingl the time,

coming to hear from us,

allowing our **input**.

and I appreciate your

One of my major concerns --**and** [I'm going

to use my exact script --but that we get good

balance between "top-down and bottom-up.

think there's got to be some stability

I

throughout the country,

to make sure every

commodity, every type of farm, every type of ag

resource gets an even chance to work in this --

or an equitable chance.

I also think that there's some conditions,

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situations, and knowledge on the grass roots

level and the local level,

that we're going to

have our input to make it work also -- such as

resource concerns,

the priority of resource

concerns, and how we solve them in our area.

I

think the state organization is the lucky one

that gets stuck in the middle,

to make that

balance work, and I think that's probably going

to be of key importance to the situation.

The other thing that I want to address at

this point in time, other than the fact that

we're going to have to trust each other and

work **it out a little bit at a time,**

*in* some of

-  
these situations,

is some concerns with also

the priority areas and how they're being  
chosen.

I think there's many ways to look at  
this.

**My first question is:**

**Has** anybody ever

done an inventory on how many conservation or  
resource management plans have been drawn up?

How many people are really ready to go into  
this?

And **that,**

in itself, may start catching  
things.

One of the easiest things I was involved  
*in* when I was *in* office,  
that's got a really

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heavy workload --we had 190 EQIP sign-ups last

year, about 15 times what we could afford to

pay for.

We couldn't make it work,

so we

started a program that started training farmers

to do their own RMS plans, did worksfiops,

gave

**6 then the paperwork, gave them the instructions.**

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I've competed and worked with the creative farmers, and they're highly intelligent and good operators.

They can draw up probably 50

or 60 percent of their farm plan.

We **don't**

need to pay district employees, we didn't need

to pay NRCS employees to be doing th~s.

Let

them do that part; the technical part that has

to be done at the state and district level,

the

templates for endangered species,

things like

this, can be added in at a later point in time

--which one of the major reasons fori this,

in

my opinion,

**is each participant has al buy-in:**

He understands the plan,

he knows how it works.

he knows what he needs to do.

And like I said,

that's going to save us time and money.

That's

the second issue.

And to deal with that also,

if a third-party vendor or technical assistants

came in and wrote a form,

on the table end,

we're going to have to sit down with him and

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teach him what it says what it does and!spend

the money on the other end.

So I think buy-in

is real important.

He's got to understand

where he's going and why he's going there.

I think as far as criteria and what we're

working with,

I don't have all the answers, but

we talk about swapper --or soil, water --, I've

got to get this right --plant, *soil*,

water,

air, plant, animal --I think we've covered

those issues.

**If we go to the priority**

resource concerns in those areas and make sure

they meet quality criteria,

I don't think it's

going to matter what type of farming we do,

or

whether **it's organic or inorganic**, everybody's

**going to understand them and it's going to be a**

workable **situation.**

One other concern I have is a little bit  
with your crop rental, your own land,  
related  
land.

Where I own **land,**

I have **total control**

over **it.**

I'm responsible for not only ~he --

got to word this right --**my** technique 9rmy

soil testing,

things like that, but I also

control the physical ways I irrigate,

things

like that.

So somehow within this process,

I'd

like to see a setup where on the land I totally

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control, go full-bore on it.

But la~d that I

rent and farm for somebody else,

I may **not**

receive credits for work I do on that; but I

won't receive negative effect on the land I

own, because of **that** --where I can, jlike I

6 said I can do

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irrigation management,

I **can** do the rotation,

the chemical rotations or lack --yo~ know,

limiting use on that, but I can't change the

physical structure.

balance *in* that.

So there needs to be a

I do want to thank you very much for coming out and listening to us. I think this

is probably a key part in this issue.

I also

want to make a statement that I'm not confused

on a higher level.

**There's a lot of things**

that we're going to have to comment on as we go

along,

**and we learn.**

Part of it is learning

each other's language, and things like that.

So I'll be sending in written comments, as time

goes on, **also.**

We're going to hurry on this

go-around, but I think we'll probably end up

doing some adjusting.

MS. BOYER:

Thank you, Mike.

We have

Jerry Rietmann.

And, **again**, I do want to

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remind you. that Jerry's just providing ~he

perfect example:

**If** you do have **writtep**

testimony here,

would you make sure tha~ you

turn it in here at the registration tab~e or to

one of us here,

so that we've got it.

Yo Jerry

Rietmann, and after that,

Larry Ojua.

MR. RIETMANN:

The name is Jerry Rietmann.

**That's J-e-r-r-y, R-i-e-t-m-a-n-n.**

Good afternoon.

My **name** is Jerry

Rietmann.

I'm a fourth generation wheat grower

and farm in both Gilliam and Morrow Counties.

I'm here as a representative of the Oregon

Wheat Growers board of directors.

I serve as

the Federal Farm Program committee chair on

**this** board:

The Oregon Wheat Growers League

board of directors endorsed the creation of the

Conservation Security Program, with the

understanding that the program would meet three

basic requirements:

One,

voluntary

participation by producers; retroactively to

reward the producers who have conducted

conservation practices on their farms before

they new financial remuneration would be

available through the federal program; and

third,

inclusive in nature and scope to entice

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the maximum number of producers to actively

participate in the program.

The draft rules do not meet the basic

tenets established by the league.

Supplemental

rules have been requested; and by my appearance

I wish to resolve the

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importance of the issuance of supplemental  
rules and an extended comment prior to the  
final decision-making process concerning the  
implementation of this program.

The Oregon Wheat Growers League, I after a  
thorough review of the draft regulations,  
provides the following recommendations:

Definition of an agricultural operation.

One

of our main concerns pertains to the definition  
of an agricultural operation.

The proposed

definition of an agricultural operation is

broad in scope and is subject to inconsistent  
interpretation.

This definition is also

inconsistent with any description in any other

conservation or farm program.

It would require

complicated **eligibility** determination! process

**for** the NRCS,

that would be new to the agency

and to the producer.

Under the current definition,

this program

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would only be viable for a few small fa!kners

who own contiguous property.

**Under the current**

logic,

commercial sized farms will not

participate in this program.

**My definition of**

a commercial farm is a farm that the operator

drives **most,**

if not all, of their income from

agricultural activities.

**These are the farms**

that, over the long run, must succeed if

America is to maintain a strong agricultural

sector with the best environmental practices in

the world.

Today,

these commercial sized farms

provide the world with an abundant food supply

as well as the most sustainable environmental

practices being used in the world today.

Let's

make sure that we don't leave out the full-time conservationists in this program.

In most commercial sized farms, producers operate many different units, with multiple land owners.

For federal farm programs, 1

these

**operations are defined within a county, by**

common operators,

who meet **specific** eligibility

requirements, including definitions of active

management.

The definition of an agricultural

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operation, for the purposes of implementing and  
administering the CSP, should be consistent  
with the Farm Service Agency's definition of a  
farm.

This would facilitate the eligibility

terminations for the agency and producer.

6 We are concerned about

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proposed requirements that must **--the**

applicant must have control of the land for the

life of the CSP contract in order fo~

eligibility.

We are deeply concerned that some

operators go from year to year.

**The** new

sign-up **--you** have an annual sign-upl,

that's a

concern.

-

-Water, watershed prioritization.

All

producers have met --**who** have met basic

eligibility requirements should be able to

apply for **the** CSP program, regardless of

watershed in which their operation is located.

This is not supposed to be a watershed program;

this is a comprehensive conservation program

and should be implemented as such.

Categories.

Another confusing aspect *of*

the draft rule is the ranking of enrollment

categories.

This will further limit

eligibility and participation.

The process in

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which these categories are ranked is overly

complex and unnecessary.

The funding priorities.

The proposed

regulation places a disproportionate amount of

rental payments on enhancement activities

rather than base or maintenance payments.

One

of the stated purposes of" the CSP was to reward

producers who were good conservationists and

stewards, based on practices already in place.

However, the proposed regulation provides only

about 5 to 15 percent of the respective tier

payments can be paid base payment.

Rewarding participants for this prior

accomplishment is especially significant in the early stages of the program.

**It** should be

considered, as the program becomes more fully implemented, **that** many conservation practices take multiple years before the rewards of those practices are fully realized.

**If** the producer

is only compensated for those practices in the year in which they're implemented,

they will

not be highly motivated to take on long-term projects.

We contend that this low percentage of

base payment rental will discourage producers

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from participation in the CSP.

The Oregon

Wheat League believes the CSP can be an

effective program to reward conservation and

stewardship, and promote enhanced conservation

and production in agricultur~.

We urge that in

6 order to achieve the maximum investment for. ',

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conservation dollars,

the program mu~t be

geared to commercial sized operations.

Thank you.

MS. BOYER:

Thank you, Jerry.

Larry Ojua, and then Ken Greb.

MR. OJUA:

Q-j-u-a.

Larry Ojua.

L-a-r-r-y,

For the record, **11m** Larry Ojua w'ith the

Oregon Department of Agriculture.

And **thank**

you for the opportunity to provide comments on

the CSP program.

We'll be submitting' written

comments, but I'd like to cover six pbints that

will be the focus of our written comments.

The department is very excited about the

CSP, and we feel it's a good opportun~ty to

combine CSP with some of Oregon's protlucers'

good --**in** marketing Oregon's producers' good

stewardship.

The first point we will comment *bn* has to

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do **with allowing funding for CSP to be bade**

available to each state, and the rule should

allow conservation partners in each state to

**select priority watersheds eligible fori CSp.**

If we truly want to reward the best andi

motivate the rest,

then it makes good sense to

rely on local input and expertise at the state

level, to identify what constitutes a priority

watershed.

In making this determination, the

state technical committee, along with input

from industry and local conservation districts

and other producers, can consider things such

as local capacity, past conservation work, and cooperation of partners.

The second issue has to do with allowing the states to select activities that will receive enhancement payments, even if the selected activities do not fall within the list of national priorities.

The list of practices eligible for existing and new practice payment should come directly from each state's field office technical guide; or, B, considerSd and approve by the state technical committee.

This is extremely important in a state like dregon, where we have a number of specialty crops.

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Third point:

In the final rules, NRCS

should specify which restrictions will be

lifted if the budget cap is lifted.

There

should be a process to make a transition into

full implementation.

For example, if the

6 bud is lifted will the base a ents be

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--the base payments, incentive, and cost-share

payments be increased to a level that will

motivate producers to participate?

And will be

the states be allowed to transition into more

than one priority watershed?

Number four:

Stream temperatures are a significant water quality issue in the Pacific Northwest and should be included in the definition in the rule under water quality.

Number five:

**CSP cost-share rates are** proposed to be lower than other programs.

CSP

cost-share rates should be consistent with environmental quality incentive programs

cost-share rates,

to ensure program uniformity

and reduce confusion among producers.

Number six:

**Enrollment** subcategories

should be developed to encourage and facilitate

tribal participation in CSP.

Thank you.

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**MS. BOYER:**

Thank you, Larry.

Grieb, followed by John McDonald.

We have Ken

**MR. GRIEB:**

If you try and follow along,

told Bob my --I timed it last night, it was

5:50; and he said something about elect~ic

shock if you went -over 5:00, so I've cut some

out here.

But the written testimony, if you

try and follow along,

that's why you'll get

messed up.

I

But good afternoon.

that's K-e-n, G-r-i-e-b.

My name is Ken Grieb;

And **I'm** a wheat

producer from Morrow County, and I'm here today

representing the Oregon Wheat Growers League,

-  
as the immediate past president.

During my tenure on the executive

committee of the Oregon Wheat Growers League,

the officers and board members of the league

devoted a great deal of discussion and

attention to the structure of the Conservation

Security Program.

The Oregon Wheat Growers

League adopted a position of support for the

Conservation Security Program.

We commend the Natural Resources and

Conservation Service for developing proposed

regulations for implementing a new far-teaching

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and complicated program on a nationa~ basis.

It is recognized that this task was ~ade even

more **difficult due** to a **capped** entit~ement **in**

the initial year of implementation, ~nd with

unknown and changing funding levels.

However,

6 we are concerned the corn osed

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regulations and the limitations on eligibility

to participate will result in a negative

reaction from our producers.

We believe **many**

producers have already concluded the potential

benefits **that** are to be derived from the

program as currently proposed will be offset by

the complex requirements for application and

the inability to determine whether or not their

contract will ultimately be approved.

**In** addition, most producers will simply be

ineligible to participate under the currently

proposed **regulations**.

The challenge now is to

overcome **this discouragement**.

This can be

accomplished by simplifying producers' and

broadening the parameters for participation, as

intended by the authors of the original

legislation.

**In** general, we urge that the

regulations be simplified and less restrictive

as to **the initial selection criteria** or

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eligibility.

Latitude should be given to state

conservationists and their staff,

**to create the**

program to meet the most pressing environmental

and conservation needs in their state or within

their regions of their state, with the active

participation of producers working in that

group.

Also,.

to maximize the benefit of federal

expenditures on conservation funding,

the

program should be applicable to commercial

sized operations.

The program should also be

implemented on a diverse geographic basis,

in

order to give a broad number of producers a good sense of how beneficial the program can be

to their operations.

We are concerned that too much emphasis is

being placed on soil and water quality rather

than addressing other conservation concerns

that may be applicable to various regions.

quality, energy,

wildlife,

and other

Air

environmental benefits should be allowed to be

part of the base practices in enhancement

programs.

While we **understand** the **ini** tilal

reasoning for targeting watersheds, we wlould

contend that CSP should be available to jaIl

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agricultural producers throughout ou~ nation,

as intended by the creators of the l~gislation,

Senators Harkin and Smith, rather th~n just a

few **watersheds**.

A supplemental rule should now ~e issued

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program.

The supplemental regulation should eliminate the watershed priority approach and provide avenues for all producers to qualify and participate in CSP, as well as to allow participation by producers who agree to address any or all of the major natural resources of concern, as spelled out in the NRCS field office technical guide, by the end of the CSP contract period.

The supplemental regulation should provide for the full base payment, cost share, and enhanced payments, as required in the statute.

Finally, these supplemental regulations should eliminate the enrollment categorical ranking system, as there is now no reason to artificially restrict payment eligibility.

In addition, the regulations should allow for a

continuous, year-round sign-up.

Prog~am

payments should be made through the F~rm

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Service Agency, and these payments should not  
interfere with existing landlord/tenant  
arrangements.

The Oregon Wheat Growers League, under  
separate note, in correspondence to the INRCS,  
requests supplemental regulations be drafted

and made public prior to the final adoption and implementation of the program.

To date;

the

league has not been advised of the release of supplemental regulations or NRCS's intention to draft such regulations.

The Oregon Wheat Growers League

respectfully reiterates its request for the release of supplemental regulations and

existing **--and an extension of** the comment period,

to write producers interested in participating in the program, an opportunity to review the regulations **and** comment.

If the

grassroots does not have an opportunity to understand the program,

**the outcome** may be

undesirable.

Thank you for the opportunity to provide

the perspective of the Wheat Growers League

today.

If

together with the entire board of

directors for the league,

look forward to

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working cooperatively with the NRCS,

to create

a dynamic, **useful**, and visionary program to

reward the farmers in our state for their

conservation practices.

Thank you.

MS. BOYER:

Thank you.

We have fJohn

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Taylor.

MR. McDONALD:

My name is John McDonald.

J-o-h-n, and McDonald is M-c-D-o-n-a--d, as in

hamburger.

**I'm** the executive director of the Oregon

Association of Conservation Districts-- a

district director, and a hazelnut farmer, a

hazelnut grower.

So thank you for including us

when you --when you put in orchards.

I have set back here and listened to the

testimony of other individuals and have

consequently **decided** to throw my note away **and**

just talk about one **thing**.

I've turned in

written testimony to Sarah and also to Bob, so

you will have those.

I want to make one statement and just

reiterate what's already been said:

please

make this as local as possible.

It comes down

to what are the resource concerns?

There are

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things, for example,

**that** if we did all we

wanted to do on water quality and soil quality,

we would not expect much change, because there

are few other resource concerns out there that

are either going to reverse what you're trying

to do or prevent you from making much progress.

Let me tell you one experience I had.

I

was privileged to be a member of the design

team for the workload analysis that NRC did a

couple years ago.

We learned a **lot**; next time

we're going to do it better.

**But the one thing**

that I had trouble with,

as the one on soil

and water conversation district outside of person

sitting in a room with 11 federal technicians,

was that they don't understand the west.

They

kept saying,

"Well, we developed this model in

Texas, and then we innovated it in Ohio~"

And we developed a thing that says:

Tell

me your **typical unit**.

And they said,

That's easy on some places."

"qkay.

And I **said**,

"In my county alone, iry

Oregon, I've got a hundred commercial c~ops.

What's the typical unit?

There's a 5-acre

place over here making \$75,000 raising

blueberries; and there's a 2000-acre fa~m over

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there, barely making a living.

typical unit?"

What 'Is **the**

**It** even took some people coming lout here

for three days, driving around orego~,

to find

out we have two **things:**

Complexity ~nd

9 Qi". "e~sit2F. :Ale a,~Q the GReS tha,t kI=1G~" tIle land

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best.

We are the ones that know the Iresource

concerns best.

We are also the ones Ithat know

probably what practices will do good,1 and

probably what **it** costs and what it's Igoing to

take.

Now, **I**m not saying I am the onel that has  
the answers.

I am saying that we, as! a system

here in Oregon,

which we **call** the Orelgon

Conservation Partnership, have workedllong and

hard to develop a system whereby we tlake this

kind of information, from the very lorest

point, the landowner, up to a watersh~d,

up to

a district,

up to a basin, up to the Istate.

And the leader sitting next to you is! a guy who

understands that the top is driven by! the

bottom, and then he leads us back down, kind of

like a percolator:

**It** starts up, flofs up, and

then comes back down'.

We **like that** slystem.

It

works **well**.

We're able to deal with [the issues

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as they are, in reality.

So, please,

when you

say "we know best," make sure the "we know

best" is us out here.

Make **it** as local as

possible, put it as state as you have it, and

**let us do the job.**

Thank **you.**

MS. BOYER:

Okay.

Next testimony from

Bruce Taylor, followed by Jack Hay.

MR. TAYLOR:

That's B~r-u-c-e,

My name is Bruce Tayl~r.

T-a-y-l-o-r.

I wish t could

throwaway my notes like John, **but** I pr4bably

wouldn't be as organized or as eloquent~

**I'm** Bruce Taylor~

**I'm** here of Def~nders

of **Wildli£e.**

Defenders is a national "nqnprofit

organization **that's** had a longstanding ~nterest

in conservation incentives for private

landowners and was a strong supporter o~ the

Conservation Security Program.

Defenderrs **is**

also a member of the Sustainable Agricu~ture

coalition, which will be submitting comments --

**I'm** sure,

very detailed comments --on his.

And **I'll** perhaps spend a **little** as well.

I just wanted to offer my perspective as a

member of the state technical committee and a

member of a **CSP** subcommittee **that's** been

struggling with this program, and based on my

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ten years of working with NRCS conservation  
programs here in Oregon.

And I think the bottom line at this point

for me is that this proposed rule has put --

**created an impossible situation both for you**

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to develop local implementation guidelines for  
this program, without a final rule --I which is  
really complicated.

**It's** further complicated

by the fact that the proposed rule is largely  
inconsistent with the legislation that created  
the program.

And I fear that where we're

headed is that we will end up with a lawed

final rule that's going to lead to rushed

implementation, with Bob trying to get money

out the door in the final month of the fiscal

year.

We'll be looking at revisions, again, next

year --continuing chaos --and I think, as

several people have alluded to, a loss of faith

in the program by a lot of people out! there who  
are already doing it, and perhaps som~what  
skeptically, but I think started out rery  
optimistically.

So as many of the ot~er people  
have said, I think I would suggest th~t we're

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probably better off looking at taking allittle

more time coming out with a supplementat rule

than starting over again, perhaps.

**My conclusion so far,**

**though**, is that,

based on what I can figure out --which I've

had some difficulty with this as well --{ it's

I  
not at all unclear to me that the program, as

now structured, is adequate to get really good

stewards to sign up; and part of it, as people

have said, is the base payments are way too

low.

The enhancement payments, which, you

know, I think really should have been viewed --

or were intended to be an incentive, are really

cost share; and the cost-share rates that are

proposed are too low to really induce people to

take on those things.

I think the most significant thing to me

is standing back as an outsider --**and** I will

defer to my associates here who make their

living in this every day --**but** I don't see a

lot here that's going to contribute to an

improved bottom line for the producer, which,

for me, says:

**If** you're a good steward row,

why are you going to get into this, unelss it's

actually going to help you?

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So I think, as everybody has reqognized,

the program does have tremendous pot~ntial; but

it really does need to be done right,! from the

beginning, starting with an approach!and a

structure that was designed, primarily, I

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cost that the federal government will incur,

which is, **not** the right approach.

I think most

of us recognize that the problems here are not  
NRCS's problems alone; a lot of this came out  
of the Office of Management and Budget.

I certainly wish you luck in trying to  
rationalize this, in coming up with a final  
rule or a new supplemental rule, that addresses  
the concerns you hear here today.

Thank you.

MS. BOYER:

**Thank you, Bruce.**

Now we have

Jack Hay, followed by **Bill De Jager.**

MR. HAY:

My name is Jack Hay.

J-a-c-k,

H-a-y.

I barely got through that one.

My concern today centers on program  
flexibility.

**Compliance flexibility** Ifor

long-term agreements is my primary concern.

This is magnified by whole farm contract.

Agreements that exceed five years can

become a problem for producers with limited

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