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25 COURT REPORT

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1 BY MR. WILKES: Let's go ahead and get
2 started. What a wonderful day to actually have
3 folks to come in and provide some input as far as
4 public policy is concerned.

5 A couple of housekeeping items I would like
6 to square away early on. First of all, do we have
7 anyone here that actually needs a Spanish
8 interpreter? If you would identify yourself,
9 we'll make sure you have that.

10 (SPANISH INTERPRETER SPOKE.)

11 (NO ONE PRESENT INDICATED AN INTERPRETER WAS
12 NEEDED.)

13 BY MR. WILKES: And also we have an
14 interpreter here for the hearing impaired, and
15 if anyone needs that assistance, I would ask for
16 you to raise your hand so we can make sure we
17 provide those services.

18 (SIGN LANGUAGE INTERPRETER SIGNED ABOVE BY
19 MR. WILKES, AND NO ONE INDICATED AN INTERPRETER
20 WAS NEEDED.)

21 BY MR. WILKES: Being none, I guess we'll
22 move forward.

23 All right, my name is Homer Wilkes. I'm
24 the State Conservationist for the State of
25 Mississippi, and I would like to take this

1 opportunity to welcome you here to our
2 Conservation Security Program Listening Forum.
3 I am pleased that Mississippi, Chief, was one of
4 the sites that was actually designated to hold one
5 of these listening forums here, because I think
6 what the folks will have here this afternoon will
7 add value to what we're trying to do as far as
8 this program, and that is actually hear from the
9 public as far as what type of things that we
10 need to have in order to make these rules
11 available and accessible to them.

12 I want to stop and introduce and identify
13 -- do we have anyone from Senator Cochran's
14 office here?

15 (NONE INDICATED)

16 BY MR. WILKES: I know Joan was going to
17 be here. And do we have a representative from
18 Congressman's Bennie Thompson's office?

19 (HAND RAISED)

20 BY MR. WILKES: Okay, thank you for coming.
21 Would you state your name?

22 BY MR. STOCKSFIELD: Elmus Stockstill from
23 Congressman Thompson's office.

24 BY MR. WILKES: Okay, thank you for coming.
25 And there are some other folks I want to take

1 this opportunity to adhere to and actually
2 recognize.

3 And I'll start - first of all, we have with
4 us the Chief of the Natural Resources Conservation
5 Services, Chief Bruce Knight.

6 We have Dwight Holman, the Deputy Chief of
7 Management of the Natural Resources Conservation
8 Services.

9 We have Craig Derickson here that's from the
10 Natural Resources Conservation Services. You'll
11 hear from him a little later on.

12 And we have Steve Melton, who are our
13 partners from the FSA. The Director could not be
14 here today, but Steve is here representing Mr.
15 Black.

16 And I also would like to recognize some of
17 my counterparts. I saw Mr. Charles Adams here
18 from the National Employee Development staff. Mr.
19 James Ford from the State of Tennessee. Mr.
20 Calvin Price from the State of Arkansas. And do
21 we have anyone here from the State of Louisiana?
22 I know they wanted to have some participation
23 here. I don't see Don yet.

24 (NONE INDICATED)

25 BY MR. WILKES: Thank you all for coming.

1 I hope you have brought your partners here so we
2 can hear from them also.

3 Let's talk about our real purpose here today.
4 Our real purpose for us being here today is to
5 hear from the public about proposed rules, and
6 Craig will come later on, and he will actually
7 roll out how the program is intended to work and
8 we'll be listening to comments from you later on.

9 But before I do that, I want to tell you, as
10 you go out the door to the left, Ladies Room is
11 on the left-hand side. Men's Room on the right-
12 hand side. It may be necessary that you have to
13 get up and attend to some of those types of
14 businesses before we end here today.

15 At this time I'm going to ask the Chief if
16 he would make some comments, and then we'll
17 proceed with the rest of the program.

18 BY MR. KNIGHT: Thank you, Homer. It's a
19 real pleasure being with you all here today.
20 I've been looking forward to this stage of our
21 rule-making process for a long time. We are
22 here for what is one of the more exciting
23 conservation programs that we're going to have the
24 ability and the opportunity to deliver, and that's
25 the Conservation Security Program.

1 Now, with this program, it's the first
2 time around. This program has a different
3 approach to conservation than we've had in our
4 experience at the Natural Resources Conservation
5 Services. It's a different program than you,
6 our customers as farmers and ranchers, have had
7 experience with as well. And so it's very
8 important that this rule-making process be as
9 dynamic as it possibly can be.

10 Now, the official rule-making process
11 consists of a fairly straightforward but a very
12 structured matter. Before publishing something
13 in the "Public Register," the public has a certain
14 amount of days to comment on that, and then we
15 review those comments.

16 Now, how many of you get the "Federal
17 Register" at home?

18 (NO HANDS RAISED)

19 BY MR. KNIGHT: Not a one of you. This is
20 why we're out here today, because while you have
21 access to the "Federal Register" from our website,
22 or you can gain access to it from the library of
23 one of our County offices, we wanted a much more
24 dynamic process. We wanted to be able to come
25 into the countryside and listen to what you have

1 to say about this proposed rule of the
2 Conservation Security Program.

3 Now, this is a proposed rule. It is just
4 that, a proposal. Before we go on and proceed
5 with the final rule, we need to hear comments
6 from the public that we intend to serve as to how
7 best structure the rule, how to make improvements,
8 how to make modifications, and, quite frankly,
9 which things folks like the most.

10 Now, what's the Conservation Security Program
11 about? As I mentioned before, it's new approach
12 to conservation. This is really something that
13 is intended not to replace farm programs or to
14 replace conservation programs, but to augment
15 and fully complete the conservation program which
16 we have. So, it needs to really be able to round
17 out those tools in our toolbox to augment and
18 support what we've got in conservation services
19 programs. And then in that nature many farmers
20 and many conservation leaders have for decades
21 in my conversations with them told me that we
22 really need a program that helps conservation
23 leaders. The folks who are really on the leading
24 edge of conservation. And CSP provides that
25 opportunity. And so this is a program that not

1 everyone in your community, as the rule is
2 designed today, will necessarily get in, but
3 everybody will have an opportunity to get in and
4 be able to participate in based on the historical
5 environmental performance and willingness to
6 commit to additional environmental performance in
7 that aspect.

8 This is summed up best by a phrase that
9 Secretary Ann Veneman uses, which is that
10 "CSP will reward the best and motivate the
11 rest."

12 Now, there are a few things about the CSP
13 and where we've headed with this since the roll-
14 out of this rule itself that I want to mention.
15 First off, with the passage of the Ominous
16 Spending Package Bill, we now know exactly how
17 much will be available in this first year.
18 That's 41 million dollars. We have made a
19 decision within the Department of Agriculture
20 on how to manage this. It was at first the
21 ability to get somewhere in the neighborhood of
22 300 to 3,000 contracts in the first year with
23 41 million dollars. We have chosen to use the
24 path that allows us to write 3,000 contracts in
25 this first year of implementation. That's between

1 now and October 1 of this year.

2 Now, the President also recently announced
3 the '05 budget submission and the '05 budget
4 proposal, which offered about 209 million dollars
5 for the Conservation Security Program. Because
6 of the fact that that only reflects next year's
7 expenditures for CSP, virtually keep in mind
8 that that actually represents a billion dollar
9 commitment to CSP. Because we're talking about
10 a program that will be managed financially the
11 same way as CRP. You sign up in the first year
12 and receive payments over a seven or ten-year
13 period. And so this represents a very, very
14 significant fact. As a matter of fact, this
15 will represent nearly 12,000 contracts nationwide
16 because they signed up through the Conservation
17 Security Program.

18 So, when folks talk to you about this
19 program needs to be modified so that everybody
20 can get in, the fact of the matter is all
21 farmers and ranchers will eventually be eligible
22 to go into the program as we roll it out over
23 several years.

24 With that I've had a chance to kind of give
25 folks an update on the Conservation Security

1 Program. I really appreciate the ability to be
2 able to come here and listen to you all.

3 Now, once Mr. Derickson goes through his
4 explanation, he'll be able to do a few questions
5 and answers. Then, we're going to go into a
6 listening mode. Several of you may find that a
7 little more structured than you would like,
8 because you want us to react or enter into
9 dialogue. And because this is an official
10 listening part of the rule-making process, we as
11 special officials are empowered to do that. And
12 so I wanted you to know that in very simple terms
13 when we enter into that aspect of the process.

14 But with that, I'll turn things back to
15 Homer for his introduction. Thank you.

16 BY MR. WILKES: Thank you, Chief. I just
17 want to reiterate what the Chief has just stated.
18 That when Craig makes his presentation, you see
19 what is programmed in and proposed to be rolled
20 out, there will be an opportunity for you to
21 have some exchange of questions and answers at
22 that particular time. And we'll take up a few
23 minutes to try to explain those things that you
24 may have some concerns about. But once we get
25 into the listening forum, I want to give you

1 ample time to actual make your comment, but in
2 the -- I want to make sure everyone can get a
3 chance to make any statement they want to, so
4 we'll be limiting those comments to five
5 minutes.

6 But I also want to say that if you have
7 written comments, we'll give you a name and
8 address or place where you can actually send those
9 comments to us. There will be people in the
10 audience here that will have a blue tag. Give
11 those to them, or someone here from the Natural
12 Resources Conservation Services will get those
13 comments from you. So, I just wanted you to have
14 that in your mind so when Craig finishes his
15 presentation, ask your questions, and then we'll
16 get into the comment period. Having said that,
17 Craig, I'm going to ask if you would come forward
18 now.

19 BY MR. DERICKSON: Thank you, Homer, and
20 thank you, Chief Knight. We're going to have
21 some help here getting the lights down just a
22 bit so we can take the shine off the screen.

23 (LIGHTS WERE DIMMED.)

24 BY MR. DERICKSON: Okay, I think that will
25 work for everyone. Again, welcome, and with some

1 help here, we're going to go through the power
2 plan.

3 (SHOWN ON SCREEN)

4 BY MR. DERICKSON: This represents a sunrise, and it's
5 a new day in conservation history. And as the Chief lightly
6 touched on, no other program recognizes and rewards farmers
7 and ranchers for ongoing high-levels of environmental
8 stewardship. All the other conservation programs are
9 designed with a specific purpose in mind. A good number
10 of them fixed resource problems. They helped people get to
11 a level where they have a system installed, or like CRP or
12 WRP, they might retire land or provide for easements.

13 CSP is a different kind of program. It rewards people
14 who are already at a high-level of stewardship and they're
15 willing to go further. And CSP helps producers maintain
16 that high level of stewardship and further their
17 conservation commitment.

18 As the Chief also noted, we helped the Secretary craft
19 this statement over a year ago. "CSP will reward the best
20 and motivate the rest." And that says quite a bit just by
21 that being the slogan for this program, because we want to
22 focus on those people who are conservation leaders and help
23 that be an inspiration for others to obtain that level of
24 stewardship. And we will do that by recognizing producers
25 who are stewardship leaders and who provide the

1 environmental benefits wanted by society. CSP provides
2 strong incentives for others to follow that example.

3 We believe that CSP will provide some demonstrative
4 environmental benefits. And what I mean by that, as a part
5 of the NRCS planning process we will develop a resource
6 inventory that, in fact, takes a snapshot at the beginning
7 of the contract period, and we will establish a base line,
8 a benchmark condition, of their natural resources and the
9 producer's management of resources used, such as these.
10 Some are organic matter, carbon, nutrients, pesticides, and
11 grazing lands. Any of the issues they're addressing on
12 their farm or range, we will note their beginning condition
13 as a part of working with them through the Conservation
14 Security Program.

15 CSP is all about enhancing resource conditions. As I
16 said earlier, it's not about fixing resource problems. We
17 have other conservation programs that are designed to do
18 that. CSP will improve the condition of America's working
19 farms and ranches and enhance natural resources for the
20 public as a whole. And the emphasis there, on working farms
21 and ranches, is meant to be just that. That it is not a
22 program that retires or puts land away in easements. It's
23 to improve the resource condition on working farms and
24 ranches.

25 Now, beginning with the fiscal year 2004, funding will

1 limit participation the first year. As Chief Knight said,
2 we have 41 million dollars available for the fiscal year
3 '04, and so CSP will be offered to relatively few producers
4 demonstrating high levels of stewardship in selected
5 watersheds. And I will tell you a little bit more about
6 those watersheds in just a moment.

7 So, in 2004, that 41 million is likely to result in
8 about 3,000 total contracts for the entire nation in those
9 selected watersheds. And, as you know, that would be less
10 than about one per county. So, that's the prospective you
11 need to have in mind for beginning in '94, but also, as the
12 Chief noted, in the out years as the program funds wrap up,
13 there were be substantial more people able to participate in
14 the program. Probably more than 12,000 in the fiscal year
15 '05 and then in increasing amounts thereafter.

16 Okay, let's talk a little bit about some of the
17 eligibility requirements for the program. First of all, it
18 must be on privately owned or tribal land, the majority of
19 which must be in that priority watershed. So, what that
20 means is that Federal, State, or other public lands are not
21 eligible. Only private lands or tribal lands are eligible
22 for the program.

23 The applicants to the program must be in compliance
24 with other requirements, such as high erodible land and the
25 wetland provisions. So, they must be in good standing with

1 Sod Buster and Swamp Buster.

2 Also, the third bullet there. The producers who are
3 involved in a contract must have an active interest in the
4 operation, and they must be a part of the day-to-day
5 management. And I will include a little bit more
6 information on that as we go on.

7 In addition, we must have some evidence of control of
8 the land for the contract period so we have some assurance
9 that as we're working with that individual and putting
10 financial resources into that land that's some likelihood
11 that those benefits will be in place over time. And we'll
12 have a little more on that also.

13 The applicant must share in the risk and be entitled to
14 a share in the crops or livestock produced on that
15 operation, and they must meet specific Tier eligibility
16 requirements that I'll discuss in a moment.

17 Because of the number of people that we anticipate
18 having an interest in this program and potentially applying
19 for it, it becomes critical for NRCS that we manage the
20 technical assistance that is required to help people with
21 their application. The Statute itself contains a limit that
22 says not more than 15% can be spent for NRCS and technical
23 service provider - technical assistance to service people in
24 their applications. So, to address that concern, we are
25 working on what we're calling a self-screening process,

1 where we will ask participants to undergo a self-assessment
2 process to determine on their own if their operation meets
3 the basic standards of CSP. And we will do this both in the
4 form of an on-line conservation program available on the
5 internet, and we will also make it available in hard copy
6 format in some sort of workbook that we can distribute to a
7 number of offices, and locations, and places where people
8 like you frequent. So, we'll have it available both
9 electronically over the web, and we hope to have it
10 available also in hard copy.

11 And then we will ask the producer and their operation
12 to first meet that basic eligibility criteria, with the
13 majority of their land in that - of their operation within
14 a priority watershed.

15 And then the last point here. Furthermore, once they
16 complete that, we'll ask them to work on that benchmark
17 condition inventory that I talked about, that will document
18 the existing conservation treatment on their ag operation
19 and the resource conditions and treatment that they have
20 there.

21 As we go on now, there are about six different levels
22 of a sort of a screening process for people to go through as
23 they apply to the program, and I'm going to quickly touch on
24 each one of these six areas.

25 The first one is land eligibility. As you can see here

1 from the slide, that producers on nearly all types of
2 agricultural lands, including crop land, orchards,
3 vineyards, pastures, and range lands may apply for CSP,
4 regardless of their size, regardless of the type of
5 operation, or the crops that they produce.

6 Now, the last bullet is sort of a disclaimer. The
7 first one is meant to be no double-dipping clause. Land
8 that is already involved in the Conservation Reserve
9 Program, the Wetlands Reserve Program, or the new Grassland
10 Reserve Program is not eligible for a CSP payment, because
11 they're already getting a per-acre land payment in those
12 programs.

13 And then there's a sod buster clause that says that
14 land must have been planted in crops for the last six years
15 in order for them to be eligible. That is for crop land.
16 That's so that people aren't sod busting and converting land
17 just to get it into the program at a higher payment rate.
18 And generally forest land is not eligible. The Statute had
19 a statement that said, only small private, non-
20 industrialized forest lands are eligible that are incidental
21 to the operation. That doesn't really define well enough
22 what can be in and what can be out. So, in the proposed
23 rule we provided for a couple of definitions, and you'll see
24 it at the end, and we're asking for ideas and comments on
25 this. But forest land by our definition is a land cover or

1 used category that's not included in CSP by Statute. The
2 minimum area as classification for forest land is one acre,
3 and that acre must be at least a hundred feet wide.
4 Additionally, in order for a tree-covered area to be
5 eligible for a CSP contract, it must be stocked with less
6 than ten percent single stand trees that will reach a mature
7 height of at least thirteen feet and have a tree canopy of
8 less than twenty-five percent for that management area. So,
9 as I said, we're seeking ideas and input on how we should
10 work with this issue of what amount of a forester's land
11 that's small and incidental can be inappropriate, because
12 the Statute did not specify that. So, we're forced to do
13 that on our own.

14 Okay, NRCS also seeks guidance on those tree-covered
15 areas that are going to go into the contract. What level of
16 treatment should be required on those if they're going to be
17 included as small incidental land for the contract. And
18 we're seeking input on whether forestry land should meet the
19 same quality criteria as other specified types or land that
20 we're working on in CSP.

21 Okay, the next screening area is producer eligibility.
22 And there's a couple of definitions here that are really
23 critical to the way the Conservation Security Program is
24 going to work. One is the definition of, who is the
25 producer, and the other is the definition of, what is their

1 agricultural operation. So, in the Statute agricultural
2 producer was defined as such: Producer means an owner,
3 operator, landlord, tenant, or sharecropper that, number
4 one, shares in the risk of producing any crops or livestock,
5 and, secondly, is entitled to share in the crop or the
6 livestock available for marketing from that farm or ranch,
7 or would have been had those crops or livestock been
8 produced.

9 The second definition is that of an ag operation, and
10 this term is significant because it defines the land area
11 that both can be enrolled and that must be enrolled as a
12 condition of the Tiers under the three Tiers of
13 participation. NRCS believes the approach that we've laid
14 out in the rule to defining ag operation will create a
15 cohesive management unit over which these benefits are
16 achieved. In particular, that definition is critical for
17 determining what separates a person from Tier I, from Tier
18 II, and from Tier III.

19 So, let's take a look at the definition now. It's kind
20 of wordy, but it says that ag operation means all
21 agricultural land and other lands determined by the Chief,
22 whether contiguous or non-contiguous, under the control of
23 the participant and constituting a cohesive management unit
24 where the participant provides active personal management of
25 the operation on a day-to-day basis on the date of

1 enrollment. So, what this is meaning to say is that this
2 program is going to consider one ag operation all of the
3 agricultural land in that farm or that ranch that that
4 person is operating and managing. It's not going to be
5 based on farm numbers, or tract numbers, or some other
6 system that is used in other USDA programs. It's going to
7 take a look at the aggregate total of all the land that
8 you're involved in, in terms of an operation, and that will
9 be one contract for CSP.

10 Okay, the next area to take a look at is the use of
11 priority watersheds. And, as I said earlier, CSP will first
12 be offered to watersheds with the greatest potential for
13 improving some important research conditions, such as these:
14 water quality, both surface and ground water, soil quality,
15 and grazing land conditions. We're defining priority
16 watersheds as those watersheds with the most pressing
17 environmental concerns. NRCS is proposing that the
18 watersheds be these eight digit hydrologic unit codes as
19 defined by the U.S. Geological Service and that the
20 prioritization process will consider factors that have
21 science based nationwide data available from our Natural
22 Resources Inventory, which we call the NRI. And, again, it
23 would include such data as vulnerability of surface and
24 ground water quality, the potential for excessive soil
25 quality degradation, and a condition of grazing land in the

1 watershed.

2 We are asking for comments on this in the rule, and
3 we're asking for ideas on other approaches on how to
4 prioritize these watersheds. Because I said initially this
5 will be a key to where we offer the program in this year '04
6 with just that 4 million. Homer and his staff have provided
7 some of these easels that show this map, and I also have one
8 that I'll put up here. Maybe after the meeting you'll want
9 to walk around and take a look at that, and there is staff
10 here to help you understand that.

11 So, looking at this map I start off by saying that it
12 probably looks kind of scary, because there are so many
13 lines on it, but what I want you to see here is that there
14 is 2119 watersheds total in the U.S. But now, let's take a
15 look at what that looks like for Mississippi. I don't
16 recall the number of total eight-digit -- I guess I forgot
17 to ask.

18 BY SOMEONE IN AUDIENCE: There are sixty
19 something.

20 BY MR. DERICKSON: Sixty something. But you can see by
21 looking at that that some of them are as little as about a
22 county in general, and I see some that cover two or more
23 counties. So, that gives you some idea of how they would be
24 - how the program would be implemented on a watershed basis
25 here in Mississippi.

1 Okay, the next area are the treatment requirements.
2 Let's look at that. All CSP producers must meet the minimum
3 treatment criteria for both soil quality and water quality.
4 Now, this is an important point, because that means that for
5 all Tiers participation that eligible CSP applicants will
6 have already met both soil quality and water quality to the
7 minimum quality criteria on those acres that they're
8 providing to enroll. And, as you know, the techniques to
9 achieve these soil and water criteria will vary depending
10 upon your farm or ranch's location and factors such as
11 slope, climate, type of soils, type of vegetation, and
12 others. But they might include managing, nutrients, and
13 pesticides. They might include erosion control techniques.
14 Might be management of grasslands or pasture.

15 Now, let's take a look at this area called Enrollment
16 Categories. And as we go down through these steps, the
17 picture of the filter over here on this side is important,
18 because it lets you see how as we take this total pool, the
19 number of people that are potentially eligible out there, in
20 our trying to result in the right number to use that 41
21 million this first year without breaking the budget. We
22 have data that shows that potentially there are as many as
23 1.8 million producers who might be eligible for the program.
24 And so this is important in having this screening process so
25 we can fairly get down to the number of people who are going

1 to pass through these different requirements that actually
2 result in getting a contract.

3 Okay, let's take a look at this. The applications will
4 be prioritized based on some of these conditions. The
5 historical and environmental performance that they have for
6 that land that they're operating and their willingness to
7 undertake additional conservation activities. The
8 applications will be placed in the highest category for
9 which they qualify based on those criteria I just mentioned
10 above. And the categories will be funded in priority order
11 until the CSP appropriation is exhausted. That last point
12 is also important because if you've had a chance to look at
13 the rule, you'll see that we explained that we borrowed this
14 concept from the Veteran's Administration. It's how they
15 deal with an entitlement program for Veteran health care.
16 And what it essentially provides is a sort of a back stop
17 that says when the money is available is gone, the sign-up
18 is finished for that year. The allocation is exhausted.
19 So, that's why the use of categories is included in CSP,
20 because it was originally written on the entitlement
21 program, and we need to have a way of cutting off the
22 program for that sign-up when those dollars are exhausted
23 for that year.

24 Okay, a little more information about what some of
25 these categories might be made up of. It will be resource

1 information such as these: The soil conditioning index, the
2 existence of water quality practices and systems in place on
3 the land, grazing land conditions, possibly at-risk feeding
4 habitat, and a emphasis on limited resource, and beginning
5 farmers and ranchers. That will allow us to have a good
6 cross section of the type of contracts, the kind of
7 participants, and the kind of resources issues that we would
8 be trying to fund for that year.

9 Okay, the last screening process is Contract Selection.
10 The Conservation Security Plan that we would develop with
11 you would address these needs. It would schedule the
12 activities to be carried out in the contract. It would
13 schedule practice maintenance. Watershed schedule of new
14 practices or activities to be completed. And it would
15 document your payment for those activities. That's what all
16 would be in the Conservation Security Plan.

17 Now, a little refresher on the three Tiers that are
18 involved in CSP. As I said, looking under Tier I, the
19 eligibility requirement would be that you have already
20 addressed water quality and soil quality on part of the
21 operation. So, that requirement now is true of all three
22 Tiers. One of the differences is the extent. The number of
23 acres that you've done that on. So, Tier I is meeting those
24 criteria on part of your operation.

25 Tier II is meeting that criteria on your whole

1 operation, plus being willing to address another resource
2 concern through the contract period.

3 And Tier III means addressing all the appropriate
4 resource concerns for the entire operation, plus additional
5 conservation activities, mainly through the enhancement part
6 of the program, and I'll go into that in a little bit more
7 detail in a moment. But you can see the asterisk there at
8 the bottom of the slide, is that all participants agree to
9 address any additional sign-up requirements.

10 The Statute also provides for four types of payments to
11 producers through the program. The first two are annual
12 payments, and the others are -- it can be for one year or
13 more. So, let's take a look at these.

14 The first one is an annual base component for the
15 business part condition on the number of acres that you are
16 eligible to enroll.

17 The second one is an annual component for the
18 maintenance of the existing conservation system that you
19 have that met that eligibility criteria when you came into
20 the program.

21 The third one is the possibility for a new practice
22 installation, what we're calling a one-time practice
23 payment, because we at least have the potential to install
24 an additional practice through CSP, although we would
25 largely be looking to some of the other conservation

1 programs, such as EQUIP or WHIP, to do new practice
2 installation.

3 Now, the last item there is the one that I want to draw
4 your attention to because it is probably the most
5 significant area for CSP, and that's the enhancement
6 component of the program, where we will reward and encourage
7 exceptional conservation effort. That is where most of the
8 performance in CSP is, and that is also where most of the
9 potential payments are for contract holders.

10 As you can see by this slide, the white area and the
11 short yellow bar are meant to represent those first couple
12 of items that I described. They are the smaller components
13 of the contract and they're rather astatic in that you're
14 going to get a practice payment and a base payment in all
15 three programs. Or Tiers. This area here. This sweeping
16 green sail is meant to be an additional conservation
17 performance, as well as the potential for payments through
18 the enhancement provisions. And that is where most of your
19 interest and where most of the performance will be.

20 Now, we've provided for a little summary of some of the
21 limitations here on this slide. By Statute, Tier I is a
22 five-year contract that is capped at \$20,000.00 per year.
23 Tier II and Tier III can be five to ten-year contracts, and
24 they're capped at \$35,000.00 and \$45,000.00 respectfully.

25 The five types of enhancements that are described in

1 the Statute are these: And although there are five of them,
2 I like to break them into two groups to try to give you
3 clarity about this. The first two deal with improving the
4 condition of the resource, and we will do this mainly
5 through our intensive management activities. But the first
6 one is meant to say, improving a significant resource
7 concern beyond the minimum requirements. The second one is
8 approving a priority local resource concern beyond the
9 minimum requirement.

10 The next three then are the more intervative and new
11 ideas. The third one would allow us to make payments on on-
12 farm demonstrations. The fourth one is the potential for
13 enhancement activities as cooperative watershed projects.
14 And the fifth one is assessment and evaluation activities.
15 And I have a little brief example of these last -- well, of
16 these. Let's take a look at those.

17 In this example that's explained as the How, What and
18 Why. I this example we're showing how we would install
19 riparian buffers. And we would do that through the program
20 to improve a priority local resource condition of water
21 quality and wildlife. And why we would do that is to
22 provide shade and cool-surface water temperatures to restore
23 critical salmon habitat. So, that gives you an idea of the
24 way we're going to be working with our States to focus in on
25 some really critical resource issues that the CSP program

1 can address, and then we will develop specific activities on
2 how to accomplish that.

3 Let's take a look at another one. This one is talking
4 about on-farm demonstrations, and this is where we might do
5 something like work with field trials of different types of
6 cover crops, trying to build soil organic matter, working
7 with mulches, and land management practices to improve that
8 soil quality. As far as watershed projects, we might be
9 able to do something with producers in an area to control
10 erosion. Again, boost that soil organic matter and reduce
11 surface water contamination.

12 The last example. In terms of assessment and
13 evaluation activities, we can be involved in activities such
14 as water quality testing at field edges. We could possibly
15 drill monitoring wells, and we could collect and analyze
16 data. This is a pretty exciting area for us and some of our
17 key partners, because it would give us a chance to take a
18 look at what type of conservation activities work in an
19 area, which ones don't work, and what does it depend on.
20 So, we can actually gather some data here that not only
21 would benefit the CSP program, but would probably provide
22 better direction for some of our other conservation programs
23 also.

24 Okay, just a couple more slides here in closing. In
25 terms of how you apply. The Secretary will announce a sign-

1 up period, and we will distribute that information and make
2 sure everyone knows when the sign-up is going to be. The
3 producers will be asked to determine if their farm or ranch
4 is in a selected watershed and if they meet that basic
5 eligibility requirement of having already treated soil
6 quality and water quality on that farm or ranch. The
7 producer will then complete a benchmark inventory of their
8 existing conservation conditions, and all applicants must
9 meet those minimum Tier requirements, as well as any
10 additional contract requirements that the sign-up analysis
11 provides for.

12 And then at that point NRCS will determine eligibility.
13 We will conduct a follow-up interview with the person to
14 validate any information that we need to. We will place the
15 application in a Tier, an enrollment category, and then
16 select the successful applicants. And then NRCS or an Agent
17 Service Provider will complete a Conservation Security Plan
18 with that producer.

19 So, in closing, again, we're in the middle of a sixty-
20 day comment period on the CSP proposed rule. Comments will
21 be accepted through March 2, and there's a number of ways
22 that you can provide those comments. You can leave them
23 with us here today if you have them. We're going to be
24 taking your oral testimony. You can send them in to that
25 address. And the rule is available in a number of places

1 from NRCS or on the web, and your comments can be submitted
2 directly on the web at a prompt, or you can just simply e-
3 mail them to that address of david.mckay@usda.com.

4 So, with that, Homer, I think this would be a time to
5 take a few comments -- I'm sorry. A few questions. If
6 there's something that I explained there that you don't
7 understand or that we need to clarify that, now is the time
8 to do that, because once we get into the listening session,
9 we'll mainly just be taking your ideas and suggestions. We
10 won't be debating or answering questions about what's in the
11 rule. So, let's start with the questions.

12 BY MR. WILKES: As David stated, if you have
13 a question about the program that you want to ask,
14 now is the time to ask it.

15 BY MR. DERICKSON: And please come to the
16 microphone, if you would, so everyone can hear
17 you.

18 QUESTION AND ANSWER PERIOD:

19 BY MAN IN AUDIENCE: I just wanted to know if there's
20 going to be enough money to fund everybody in the nation who
21 signs up for it?

22 BY MR. DERICKSON: His question is, would there be
23 enough money to fund everyone in the nation if they signed
24 up for it. And, no, in the fiscal year 2004 there's only 41
25 million available. And, as the Chief said, that will fund

1 about 3,000 contracts. We're going to ramp up next year.
2 We'll have about 209 million. We estimate that will fund
3 about 12,000.00. So, by the end of next year, we're going
4 to have 15,000 people in the program probably. But keep in
5 mind, you know, we know that there's at least a half or
6 three-quarters of a million people who potentially would be
7 good candidates for the program.

8 So, like a lot of conservation programs success
9 stories, we have to start out with what we have. If you
10 think back to where CRP and the Wetlands Reserve Programs
11 were, you start out small, and as the public demand grows
12 and as we see evidence of the success of the program, we
13 just hope that those needs will be met. So, we just have to
14 work our way up incrementally from where we're at. But I
15 think it would be misleading to say that all applicants that
16 are ever going to apply would be funded.

17 Yes, sir.

18 BY A MAN IN THE AUDIENCE: How will these priority
19 watersheds be selected, and IN future years will they be
20 expanded, or will they remain in these same priority
21 watersheds that you start with?

22 BY MR. DERICKSON: No. That's a good question. What
23 I tried to show here is that for this year we will use some
24 data such as potentials for contamination to surface and
25 ground water, condition of grazing land, condition of the

1 soil quality. There are seven or eight types of data like
2 that that we can use from our nationwide Natural Resources
3 Inventory, and we will score all twenty-one hundred of those
4 watersheds, and we will put them in a priority order. Those
5 will be the ones that we start with to fund this year, and
6 once they're funded, their contract will be good for the
7 next few years, but the next year we will move to another
8 group of watersheds. And what the Chief has described is
9 that we hope over say like an eight-year period that we can
10 rotate those watersheds that are going to be selected to
11 most or all of the watersheds in the nation. That all
12 depends on, you know, the funding that we have and how
13 things work out, but that's our intent, is that we start
14 with a priority selection. Those are funded for the period
15 that they were signed up for, but then we move those
16 watersheds to cover most all of them in the country.

17 This person here.

18 BY A MAN IN THE AUDIENCE: Yes. My question is this.
19 You said private owned land or tribal land was eligible.
20 What about if some institution or administration wants to
21 work with someone of private owned land or tribal lands,
22 would they be eligible?

23 BY MR. DERICKSON: Okay, his question is, recognizing
24 that I said private land or tribal land is eligible for the
25 program, he was asking if another institution, like a public

1 institution, wants to work with a producer on private lands
2 -- did I get you right?

3 BY MAN: Private or tribal lands.

4 BY MR. DERICKSON: Are they eligible? Yes. If we have
5 a person who is selected for a CSP contract on their land,
6 and if one of the options they want to consider is on-farm
7 demonstration, and if they get the input and the cooperation
8 of another party, such as a land grant institute and working
9 through us, I see flexibility to do that. We don't have the
10 details worked out on that, but just logically answering
11 your question, I would say that's a possibility.

12 Okay, this person here, and then back to you, sir.

13 BY A MAN IN THE AUDIENCE: Going back to funding.
14 Correct me if I'm wrong. You do have a congressional
15 funding cap of 41 million dollars for the fiscal year 2004?

16 BY MR. DERICKSON: Yes, sir.

17 BY SAME PERSON IN AUDIENCE: But didn't the Ominous
18 Funding Bill remove any cap in '05 and in the future, and
19 the 209 million is just the President's budget?

20 BY MR. DERICKSON: Yes, that's correct. The annual
21 outlays of the money that comes to us is for that amount.
22 Chief, do you want to comment on that?

23 BY MR. KNIGHT: Yes. The President's budget recommends
24 209 million dollars for '05, which would constitute nearly
25 a billion dollar commitment over the life of all those

1 contracts. As a matter of fact, the ten years expenditures
2 for CSP reflected in the President's budget is a 10 billion
3 dollar commitment towards CSP. This just reflects the
4 assumptions of taking the entitlement cap off that were
5 proposed by the Ominous Bill.

6 BY MR. DERICKSON: Sir, would you mind stepping to the
7 microphone.

8 BY A MAN IN THE AUDIENCE: I don't know where I heard
9 anything about the small timber in that amount, but I
10 believe I did. That it was covered in that. And I believe
11 you said the majority of them already had the CRP program or
12 drawing money on it. Some of us fell through the crack. I
13 was a timber farmer - I mean a cattle farmer, and of course
14 I had quite a bit of land that was in timber. Well, mine
15 was highly erodible land, and when I cut the timber, I
16 decided I had done got a little old anyhow and I would just
17 put it all in pine timber. And at the time they said there
18 was a program that probably would help me on this high land,
19 but there was no funds for it. And I went ahead and I got
20 a little help out of the Forestry Commission in planting it,
21 and so I planted it all back. And, therefore, I don't have
22 anything on this land to help me out, and this Social
23 Security is getting kind of thin on all that upkeep.
24 Really. Because you've got to keep up your roads and your
25 fire lanes, and all this. That's what the Forestry

1 Commission asks you to do, you know. And also they let me
2 leave out a certain amount for my wildlife, which I don't
3 have anything other than that Social Security check to
4 upkeep my wildlife program. And I was wondering if there's
5 a possibility that we might come up with a little something
6 for the small farmers under these conditions.

7 BY MR. DERICKSON: Well, and one of the reasons that we
8 included that bit about forestry land in this overview is
9 because we specifically asked for some ideas on how we might
10 supplement what is currently in the proposed rules which
11 address that. What I meant to say earlier was that the
12 Statute says that only small incidental areas were eligible.
13 Well, that doesn't clearly tell us what's in and what's out.
14 So, we have proposed what we did that's in the rule, but we
15 would like your ideas on what that should say, and whether
16 you deliver those comments today or you send them in, in
17 writing, we would like all your ideas about them.

18 BY SAME PERSON: I'm going to send them in, too,
19 because I've got some more.

20 BY MR. DERICKSON: Okay.

21 BY MR. WILKES: I want to make sure that the
22 comment period is a question about the various
23 parts of the program, and you may be doing some
24 of that now. But I would hope that if you have
25 some particular comments on the rules that you

1 would like to see incorporated into the proposed
2 rule that you would wait until that time. Because
3 what I really would like to get from you now is
4 just general questions about this program. But I
5 think I would like to get with you a little later
6 on, sir, with the rest of your comments, if that's
7 okay. If you have any particular comments about
8 the program itself right now, if you need some
9 clarification of some of the things that was said,
10 we'll take those now. But later on we want to
11 hear what your concerns are. So, if we could hold
12 those comments about how the program should work
13 until a little later, I would appreciate that.

14 BY MR. DERICKSON: We have one in the back. Go ahead,
15 sir.

16 BY MAN IN AUDIENCE: Yes, sir. How will you determine -
17 will it be on the State level or on a county level as who
18 will decide if you're eligible and how you can qualify?

19 BY MR. DERICKSON: As part of that sign-up process that
20 I described where people do that self assessment to
21 initially see if they meet criteria, then that will be a
22 part of an actual application to the program. And NRCS will
23 determine which people meet those eligibility requirements
24 and select the final contract holders.

25 BY SAME MAN: Will that be each county NRCS

1 individually?

2 BY MR. DERICKSON: You mean where a watershed goes
3 across State or county lines?

4 BY SAME MAN: Well, I'm just wondering if they will
5 ever change the rules to apply to each county. Will
6 everybody have the same guidelines?

7 BY MR. DERICKSON: Yes.

8 BY SAME MAN: Okay, thank you.

9 BY ANOTHER MAN IN AUDIENCE: You've used a lot of terms
10 now that I'm sure you don't even have a grasp of what you
11 mean by them right now, but there are a couple -- give me a
12 feel on you've used the term water quality and limited
13 resource. Give me some idea of what your concept of that
14 is, please.

15 BY MR. DERICKSON: Okay. When we're talking about
16 meeting the criteria for water quality, that would be having
17 in place practices that ensure that the water quality
18 resource concern is being met; such as, nutrient management
19 planning, pesticide management, the presence of filter
20 strips and buffers. Both practices and management
21 activities that you would do as a farmer or a rancher to
22 ensure that the nutrients, and pesticides, and the sediment
23 from your operation stay in place. And those would be
24 typical field office technical conservation practices.

25 BY SAME MAN: And limited resources?

1 BY MR. DERICKSON: Limited resource producer and
2 beginning farmers and ranchers are terms that we use in
3 other USDA programs where we give preference to people who
4 have certain levels of income and certain amounts of
5 available resources at their disposal. And I can't recite
6 for you right now what all of those terms and conditions
7 are, but I think if you have an interest in that, some of
8 the USDA people in our offices can help you take a look at
9 what that specific criteria are. Homer, do you want to say
10 anything else on that?

11 BY MR. WILKES: Well, let me make sure you
12 know what I would like to see happen. And that is
13 we will have folks in all the counties of
14 Mississippi and all the counties probably
15 throughout the United States that will have a feel
16 for those kinds of questions you may want to ask
17 here. And I'm going to ask you if you would
18 actually look on the home page that I'm going to
19 give you, and that is NRCS.USDA.gov and, you know,
20 read the comments and really sit down and see
21 what's in those particular rules as they are now.
22 And then upon reading that, contact your local
23 service center, NRCS or FSA and maybe talk to
24 those local folks about some of these general
25 questions that we have here. I think you would

1 probably get a little bit more out of this. I
2 know we could go on and on with the questions -
3 the general questions, but in the interest of time
4 or trying to make sure that we get the comments in
5 order to get good rules out there, I'm going to
6 just maybe take one more question, and then we'll
7 get into the comment period. But I would
8 encourage you to actually make sure that you look
9 at what these proposed rules are, discuss them,
10 visit with your local folks in your local county
11 offices out there, and call upon those folks and
12 say, what does this mean. And if they can't get
13 you an answer, they'll send you on up to folks
14 like myself, and we'll make sure that we get the
15 answer to the questions that you ask. And having
16 said that, Frank, I'm going to take your question,
17 and then we'll get to the comment period.

18 BY MAN IN AUDIENCE: I would like for you to define a
19 little bit better the size of the watersheds that you're
20 speaking of. Are they Mississippi River size or creek size?

21 BY MR. DERICKSON: Well, the acreage of the watersheds
22 vary across the country.

23 BY MR. WILKES: Let me see if I can answer
24 that. The bottom line is that the actual size of
25 the watershed will vary. But in the State of

1 Mississippi we have maps that will primarily
2 identify them. We have some sixty watersheds.
3 And one of the things that -- this will be at a
4 minimum eight digit hydrologic unit watershed
5 that we'll be dealing with. So, you know, based
6 on that, that's a minimum, but the normal size
7 watershed that we'll be dealing with. But in
8 each State those watersheds have been identified
9 based on those hydrologic units, so they will
10 vary from State to State.

11 I saw Joan Fox come in from Senator Cochran's
12 office. I would like to recognize her here.
13 Joan, thank you for coming.

14 Craig, thank you very much.

15 Okay, now we're going to get into the part
16 of the program that I think is going to be very,
17 very interesting to all that's involved. And
18 what I want to say is that the Conversation
19 Security Program is one of the most exciting
20 provisions of the 2002 Farm Bill. So, these are
21 exciting times. And you folks that are actually
22 here today, we hope that you will begin to provide
23 public input, and out of public input, I hope from
24 that input that we can come out with good public
25 policy.

1 A couple of things I want you to do. We have
2 a comment sheet here, and if you have not filled
3 this out and you want to make comments and you're
4 not going to come to the mike to speak, if you'll
5 fill this out, as Craig stated, you can give your
6 comments to anyone here. Any of the USDA folks
7 that are actually here. Or give it to me. We'll
8 make sure it's in the hands of the right folks.
9 Or anyone that's got those little blue stickers
10 on them. Make sure they get it.

11 The second thing I'm going to ask you to do
12 is that when you come to the mike, if you will,
13 state your name, your organization that you're
14 representing, and your location. Because we want
15 to make sure that the Recorder gets that
16 information, because, again, it's going to be
17 very, very important that that person get and take
18 down the things that you're actually saying so
19 we can actually in put that into the policy once
20 it comes out.

21 Having said that, I'm going to ask Mr.
22 Grady Carpenter to come forward and make his
23 comments. Now, Mr. Carpenter.

24 COMMENTS BY GRADY CARPENTER:

25 I think I've done made most of them. But another thing

1 that I was very interested in is we don't have any
2 insurance, as I understand, for small people.

3 BY MR. WILKES: Excuse me. I've got your
4 name here, but if you'll state your name so the
5 Recorder can get your name.

6 BY MR. CARPENTER: It's Grady Carpenter. I was
7 interested in -- we have a very small amount in Carroll
8 County. I understand about three percent. But when that
9 three percent is used, that's a hundred percent. And I
10 don't know of any insurance that, you know, but we probably
11 couldn't afford it if we did. And I was wondering if
12 there's a possibility of my getting something through the -
13 through your program to see after that.

14 And I was - had down here to talk about kudzu. But if
15 you'll give me some money, I'll take care of the kudzu. I
16 mean, really. That there is just a small thing. I have
17 thirty acres of kudzu that they tell me will really go over
18 -- I've got 933 acres of pine - planted pines. And they
19 tell me that thirty acres of kudzu is going to cover quite
20 a bit of timber land if it's not, you know, took care of.
21 If there's a possibility. I ain't going out of business
22 whether you do or don't, but if it's a possibility I would
23 appreciate a little help in some sort of form to help me
24 over - to raise this crop of timber. Because I'm planning
25 on raising it whether you do or not, but it certainly would

1 be appreciated, and it would be a lot easier to handle with
2 a little help. Thank you.

3 BY MR. WILKES: Thank you, Mr. Carpenter.

4 Okay, the next person that I have on my list
5 that's signed up is Mr. John Kimbrough.

6 COMMENTS BY MR. JOHN KIMBROUGH:

7 I'm John Kimbrough, Holmes County, representing our
8 Soil Water Conservation District. I'm a private land owner
9 and farmer. Also do contract consulting work with farmers.
10 And one of the concerns that I have with this program, and
11 EQUIP, and some other programs is the funding of TSP. And
12 I see from dealing with farmers, as well as talking to ag
13 consultants who may be involved in TSP, that the funding
14 levels for TSPs are so ridiculously low that I can see that
15 many of my cohorts are not commenting on the minimum/maximum
16 or whatever rate that is being posted, and have lost
17 complete interest in the program.

18 BY MR. WILKES: Thank you, sir, for your
19 comments.

20 Mr. Jack Winstead.

21 BY MR. WINSTEAD: Mr. Wilkes, I'm going to
22 pass at this time and let other districts go
23 ahead.

24 BY MR. WILKES: Mr. Harold Fitts. F-I-T-T-S.

25 COMMENTS BY HAROLD FITTS:

1 I'm Harold Fitts. I'm with Farmers National Company.
2 My comments here may not represent my company's concerns but
3 mine. And one of those is, as Mr. Kimbrough brought up, is
4 the limited funding and in the distribution of those funds,
5 which appears to be based on a first come/first served
6 basis. Those that are eligible to receive the funds being
7 limited to the first ones who have signed up under the
8 application rather than those funds being distributed on a
9 prorated basis to all eligible recipients.

10 BY MR. WILKES: I know this is a comment
11 period here, and I'm going to make a comment
12 from the standpoint that the CSP program is
13 probably -- I'm trying to understand a little
14 clearer what you really were saying as far as
15 -- are you talking about this particular
16 program, or are you talking about the traditional
17 programs that NCRS is administering?

18 BY MR. FITTS: I'm specifically speaking about this
19 program, but in relating it to similar distributions of
20 funds that you've done in the past. It appears that you've
21 got 41 million dollars worth of available capital in 2004,
22 and it's going to be distributed to the priority watersheds.
23 For example, if 10 producers or a 100 producers, because
24 it's \$45,000.00 for a Tier III, if a 100 producers signed up
25 and were all eligible for the Tier III, then only 99 of

1 those producers would be funded, because you've made comment
2 -- or the hundredth producer would only be partially funded.
3 But if there were 200 producers that signed up and were all
4 eligible, then the last 100 would not receive any funds even
5 through they were eligible. Rather than prorating those
6 funds, you've done it on a first come/first served basis.

7 BY MR. WILKES: To follow up on your comment
8 there. You know, we are in the rule making
9 piece there, so it would be interesting to hear
10 some dialogue from you or some comments as to how
11 you propose that this action will take place. I
12 think that would be very, very important to the
13 group here as far as some ideas and some things
14 of that nature. What would be workable in a
15 situation of this nature? That's really what we
16 would like to hear from you. You know, you were
17 saying like the other programs that we have out
18 there, and it may not be working in all cases,
19 but I think it's very, very critical that we
20 get comments based on, okay, how to build a better
21 mousetrap, if you will, in order to make sure
22 this program - or these people think that it's
23 being administered on a more fairly and more
24 distributed basis. I think that's very, very
25 important during this process, so I would welcome

1 you to provide those comments of what may work,
2 because we are here trying to make this process
3 work the best we possibly can. So, if some
4 people like yourself will provide some recommended
5 solutions as to how best address some of those
6 concerns, I think that would be very, very
7 appreciative. So, I would encourage you to do
8 that.

9 The next person we have on the list is
10 Mr. Tommy Hayward.

11 COMMENTS BY TOMMY HAYWARD:

12 I'm not a professional speaker, so y'all may have to
13 apologize for me. Tommy Hayward, Grenada, Mississippi. I'm
14 a farmer. I really came down here to make sure all farmers
15 are treated equally, and it looks like we're not going to
16 have the funds to do it. I will just start with this.
17 We've all heard that these Federal farm policies are
18 basically a cheap food policy. That the reason that we have
19 it is - we even go so far as to say we subsidize the
20 consumer. But the reality for a lot of farmers out there,
21 the reason that food is cheap is because that's all they got
22 for it. They get a direct payment. They didn't get
23 payments for cost reduction. They took what the market
24 allowed, and a lot of times those farmers did subsidize the
25 consumer.

1 And our whole system of government is based on the fact
2 that everybody is created equal. Everybody had to be
3 treated fairly. Yet, we've never had a farm bill that
4 treated all farmers fairly. Even conservation security
5 programs that did so much good discriminated against farmers
6 that were doing a good job.

7 So, why are all farmers not treated fairly? Well, we
8 could blame it on the Good Lord. He could have gave us all
9 that flat bottom land that's capable of making those high
10 yields, but he didn't. He made that gumbo dirt, and he made
11 that light, chalky soil. He made those rolling hills. But
12 he did give us the ability to go out there on that other
13 land and produce products the consumers could use. We can
14 put catfish ponds on that gumbo. We can put sweet potatoes
15 on some of that other. We can put beef and dairy cattle on
16 those rolling hills. So, he did treat us fairly, and all he
17 asks us to do is take care of that land and feed his people.

18 So, why can't the Government do it? Congress finally
19 saw fit that lot of folks are not being treated fairly, and
20 one of the programs they come up with was this Conservation
21 Security Program. For once there was going to be a program
22 that would benefit everyone, regardless of what he raised.

23 So, what is conservation security? We all know that
24 we've got to conserve this land to keep it in production for
25 the future generation. Well, what does the security part of

1 it mean? The security of our food supply depends on keeping
2 the American farmer on that land producing. There's no
3 other way around it. That's the only way we'll ever have a
4 secure food supply. And we're doing so much to leave that.

5 There's a lot of talk going on right now about threats
6 to our food supply. If terrorists attack and bring some
7 disease. The biggest threat to American agricultural right
8 now is that we're fixing to break that generation gap.
9 We're fixing to lose those farmers. If you could just come
10 up with a fair farm policy that would benefit them all.

11 There was an article in a magazine not too long ago
12 that showed that only 4% of a half million kids were going
13 to stay on the farm. If the farm population is already 2%,
14 how is 4% of 2% going to keep our food supply secure?

15 You know, really, we're here talking about spending
16 money. It's not my money. It's not USDA's money. It's the
17 American taxpayer. So, what does he think he's getting for
18 these tax dollars? He obviously thinks he's supposed to get
19 that Thanksgiving feast every day of the year, so we won't
20 have his support the next time there's a farm bill and he
21 realizes that his catfish came out of Viet Nam; his
22 vegetables all come out of Mexico; his meat is out of
23 Argentina; his fruit come out of Costa Rico; his dairy
24 products are coming out of Australia. Are we going to have
25 him on our side when it's time for the next one?

1 What I want us to propose -- the price of program crops
2 has done a good job of keeping those farmers in business.
3 Those commodities are secure because they will be produced.
4 What I would like to see is the conservation security go to
5 the non-program crops, people who don't have that price
6 protection. If we can do this, I think we can keep our food
7 supply secure. Thank you.

8 BY MR. WILKES: Thank you, Mr. Hayward.

9 The next person we have making comments will be
10 Dr. Pennington.

11 COMMENTS BY DEAN PENNINGTON: Thank you, Homer.

12 I'm Dean Pennington with the Yazoo- Mississippi Delta
13 Joint Water Management District at Stoneville, Mississippi,
14 and I just want to make a few comments about some of the
15 choices of how the priority watersheds might be selected.
16 One of the things that Craig mentioned was NRI would be used
17 to help to find which watershed would have the greatest
18 potential for improvement. He also mentioned that part of
19 the goal was to find watersheds that had the greatest
20 potential for making improvements. Although NRI does
21 contain a lot of useful information, there are lot of other
22 types of consideration that would really have a lot to do
23 with potential success you would have on a watershed scale
24 for planning, and I wanted to mention a few of those that I
25 think might be considered. And co-incidentally they might

1 be some that we're very strong in, in this part of the
2 country.

3 Some of the things, to start with, is that there is
4 already a history of documenting water quality in the Clean
5 Water Act 303(d) listing. That there's already a list of
6 streams that are considered to be impaired. And either
7 fortunately or unfortunately the Mississippi Delta the four
8 of eight digit watersheds in the Mississippi Delta contain
9 about a 170 listed screens on the 303(d) list. By
10 comparison, that is more than the entire State of Texas has.
11 It's more than the entire State of Iowa or Nebraska, so that
12 already Mississippi, and the Delta in particular, has
13 demonstrated a real interest and commitment to recognizing
14 the need to improve water quality and recognizes a
15 commitment from our State Agency to progressively pursue
16 that. That type of assistance, I think, could also be
17 helpful in selecting where you have already some targets
18 laid out that need to be met.

19 Also, in some areas a history of working together on
20 the watershed level would be very important. That's kind of
21 a new concept in a lot of places. It's something that's
22 been operational in other places, including here, for quite
23 some time. The Mississippi Delta has quite a history of
24 working together with different agencies through watershed
25 planning. Some examples. We have watershed advisory groups

1 operating already in the Delta. Some on the Cold Water
2 River; some on Deer Creek. And these are advisory groups
3 that have come out through cooperative efforts between the
4 State agencies, the local agencies, the Soil and Water
5 Districts, NRCS, and Corps of Engineers. This is the type
6 of planning that shows - that allows us to make a transition
7 from our historical prospective on resource planning to a
8 watershed planning. And this region already has some
9 background in that and ready to capitalize on that some more
10 if additional resources come along.

11 Also, some of the things we've seen is the Delta region
12 has done some watershed planning already, and what I just
13 handed you shows some of the ways that some of the EQUIP
14 funds were used in the Mississippi Delta last year that were
15 made available to Homer through some of their programs. And
16 those funds are actually allocated based on the interaction
17 of ground water and surface water problems. And
18 demonstrated again where we have an opportunity to work with
19 Conservation Districts, NRCS, and State Agencies to develop
20 the progress or approach the dealing with water resources
21 where we allocate financial resources based on the needs
22 that are identified.

23 And another thing we're able to do with the cooperation
24 primarily in working with NRCS is document those benefits in
25 a little more progressive way. It's one thing to have a lot

1 of good things happen on the ground, but if we don't get
2 that information organized in a way that we can show the
3 people who either provide the funds or who are either going
4 to be looking at other regulatory approaches or solutions,
5 we've missed an opportunity . And NRCS has found a very
6 good way to work that out with some of the planning they've
7 done in some of examples in the past.

8 Something else that would make a difference, too, is
9 how a CSP program would interact with other programs that
10 would help make it sufficient or make it successful by
11 supporting it. In some of the ones that we've seen, one,
12 obviously would be CEAP, the Conservation Effects Assessment
13 Program, where there is an additional need to better
14 understand what the benefits of conservation practices are.
15 And one of the questions we all run into is that millions
16 and billions have been spent for conservation practices, but
17 can you really tell us what the benefits have been? And
18 there is an effort to continue a CEAP program in the
19 Mississippi Delta that would provide better documentation of
20 what those benefits are. Is doing some work - some
21 continued work with the Sedimentation Lab at Oxford. It may
22 not be in the Sunflower River, but it would be in possibly
23 the Cold Water River watershed, which has a similar land
24 use.

25 We also have something the Corps of Engineers is

1 looking into developing watershed management plans that are
2 basically on the eight-digit level in this part of the
3 State. We hope to get it expanded to other areas with
4 planning.

5 And also we have a very valuable tool, which is a
6 demonstration farm in Greenville. DCPC. It's going to be
7 also a very valuable tool to help present and promote the
8 type of activities that the Conservation Security Program
9 would be willing to address.

10 So, I would just like to ask that you just keep in mind
11 that NRI makes an excellent starting point in terms of
12 evaluating the natural resources around the ground, but
13 there are a number of other tools that really have another
14 aspect. Will have a major impact on the success of the
15 overall program to meet some of the goals. Also, even if
16 you do have priority watersheds selected and you have the
17 information in the right place, the definition of farm
18 operation and farming operation does place some limitations,
19 especially in some areas like in the South where you have a
20 lot of rented land. And you may have land rented by several
21 people that have different types of lease arrangements that
22 result in different pieces of land having very different
23 conservation implementation that may be under one
24 individual's control but don't limit themselves to all
25 meeting the same level of conservation implementation. If

1 some concepts of the definition of a farm operation takes
2 that into account, I think that would be a big asset to the
3 program.

4 Thank you, Homer.

5 BY MR. WILKES: Dr. Pennington, thank you.

6 and I'm going to ask that not only you, but all
7 of the presenters, that if you have your comments
8 in a written form, I would appreciate that,
9 because I heard a lot in those comments, and we
10 really need to take those and dissect them and
11 pull those pieces out. I still would like to
12 know from you, one, two, three, four of these
13 particular things that you said we might want to
14 look at as far those priority areas. So, I
15 think that's the type of feedback and input that
16 we're really looking at, because I feel the
17 decision needs to be made to how these watersheds
18 are going to come about. You talked about the
19 NRI data. You talked about other things. You
20 just gave a litany of things that might be
21 available to us, but I want to make sure that we
22 get those so the Chief and others working on those
23 can really look at those things. And that's from
24 all of the presenters. You can send your written
25 comments to us, because I think that's a lot of

1 food for thought there.

2 The next person that I'm going to ask is
3 Mr. Sam Newson, if he would come forward.

4 COMMENTS BY MR. SAM NEWSON:

5 Thank you, Homer. Sam Newson with the Delta Area Soil
6 & Water Conservation District. I would like to touch on
7 four points, if I could, real briefly. Dr. Pennington has
8 already mentioned the Delta area watersheds. This has
9 worked extremely well in identifying priority areas and
10 needs in the Delta. I know we're dealing with water quality
11 issues, but water quality and water quantity go hand-in-
12 hand. And this has worked very well with our local Soil &
13 Conservation Districts in identifying and prioritizing what
14 we need to do in the Delta.

15 I also would like to touch on one thing in regard to
16 the Tier I, II, and III, the base-line establishment. In
17 the use of water quality and soil quality, I specifically
18 request it be considered that we emphasize no-till and
19 limited tillage in some of our discussions, because if
20 there's one particular thing in regard to water quality and
21 soil quality we need to do, especially in the Delta, is
22 focus more on this, and I think by better defining those two
23 points, we would probably do a better job there.

24 I think there's a potential problem with this program,
25 as well as other problems, and I think it's been referred to

1 as the NRCS black eye, and that's where we have a limited
2 number of growers participating with an unusually amount of
3 limited -- well, too few growers participating across the
4 board, is probably a better way to say that. I would like
5 to recommend that we do everything possible to bring in as
6 many people as we possibly can under this umbrella, because
7 I think that not only would the conservation benefit from
8 it, but also we will continue to be able to work
9 conservation programs as we allow more and more people to
10 participate in them.

11 And then the last point I would like to make is I would
12 just like to ask that we continue to utilize the local Soil
13 & Water Conservation Districts and NRCS as partners in a
14 program like this and ask that we not sell this
15 responsibility as we consider ourselves public officials as
16 Soil & Water Conservation District Commissioners. We ask
17 that we not sell this responsibility off to some third
18 party, because we support the TSP portion of this program,
19 but we really think that this is a perfect example where
20 Soil & Water Conservation Districts and the local NRCS
21 office can identify, prioritize, and work a very good
22 program for the betterment of soil and water conservation.

23 BY MR. WILKES: Thank you, Sam. The next
24 person I'm going to ask to come forward is Mr.
25 Sidney Branch.

1 COMMENTS BY SIDNEY BRANCH:

2 Thank you, Homer. I'm Sidney Branch from Montgomery
3 County. I've been farming there since 1954. Farming on two
4 - basically two farms that belonged to my grandparents on
5 both sides. I'm the fourth generation from one and the
6 third generation of the other to farm this land. I received
7 basically the responsibility for it around 1954, and I have
8 been very interested in soil conservation and conservation
9 of all types since that time. I've served since 1960 up
10 until present, with just a few years out, as a Soil
11 Conservation District Commissioner from Montgomery County.
12 I served two years as President of the Mississippi Soil -
13 MACD, Mississippi Association of Conservation Districts, and
14 eight years on the District Soil & Water Conservation
15 Commission. So, I have done a lot on these farms over these
16 years and want to continue to do and am in the process of
17 doing some now.

18 Now, I have taken the time to read in this Federal
19 Register the rule proposed in it. It took quite a while to
20 do it. And I am going to make some written comments, which
21 I will send in by the deadline of March the 2nd, but a few
22 comments I have now.

23 Number one is I have been really excited about this
24 program since it's inception. In fact, here lately I'm
25 beginning to get really disappointed because it's going to

1 be so limited. And then when I found out it's going to be
2 watersheds - specific watersheds, what's going to happen to
3 the rest of us? You're saying that maybe only one out of
4 thirty will be funded. That would be great if it happened
5 to be my watershed, but right now I'm not sure if I'll ever
6 quality for anything or not.

7 But I think a lot of real good conservationist are
8 going to be left out if go strictly by the watershed
9 concept. I think there are some alternatives in there that
10 was suggested in your proposed rules that you've made some
11 arguments against to come up with your preferred rule of
12 taking the watershed. Now, I can see why taking the
13 watershed would make it much, much easier for you, NRCS, to
14 oversee and to work with, but I do not think that that is
15 necessarily fair and equitable to those farmers that have
16 done an outstanding job out there that are probably going to
17 be left out. And the purpose of CSP is to reward those
18 farmers who have done a good job of conservation. It's
19 stated over and over and over throughout the rules.

20 But there's some contradictions in your rules, too.
21 And some contradictions in what you said today. For
22 example, you said you're going to give where you see the
23 greatest need, the greatest need to put the practice in.
24 But that might not be the place where you're going to reward
25 the ones that have done that. And I'm not sure that I agree

1 with either one of those. I think that we should go into
2 the idea of rewarding those farmers that have done the job.
3 That's what the law says. But not limited to these
4 watersheds.

5 Now, I really have some trepidations about this, too,
6 and I don't want to step on Sam Newson's toes or anybody
7 else's toes, but I do want to point out that are some areas,
8 and Montgomery County is one of them, that has been left out
9 of EQUIP almost. Two years we got no money. Two years we
10 got - two or three years after that we got a very, very
11 small of money. We have some real needs over there. The
12 watershed that I'm partially in, the Hayes Creek and Hayes-
13 Lewis Creek, we've tried since 1955 or '60 -- my daddy was
14 a Commissioner -- tried to get a small watershed program.
15 We couldn't do it simply for the reason that the City of
16 Winona sits on top of the creek. The IC Railroad and the
17 C&G Railroad sit on top of the creek. I-55 goes down the
18 creek. 82 goes across the creek. 51 Highway goes down the
19 creek. We couldn't get enough land behind retention dams to
20 get a small watershed put in. We never got it. And I would
21 like to see this watershed looked at very strongly if we're
22 going the watershed route. But let's try to be equitable
23 with this and get some funding into some places where you've
24 got some good strong conservation programs for people who
25 have been doing a good job.

1 And I do appreciate the opportunity to be here today at
2 this forum, and I will give comments in written form by the
3 deadline, March the 2nd. Thank you.

4 BY MR. WILKES: Thank you, Mr. Branch. I
5 see a name here, and I'm not sure this person
6 is going to speak or not. It's kind of crossed
7 off. Michael McNair, are you? Okay, he says
8 no; we'll get written comments.

9 I'm going to ask Mr. Will Long if he would
10 come forward.

11 COMMENTS BY WILL LONG:

12 First of all, I want to compliment NRCS. Over the
13 years my personal connection with them has been one that I
14 -- it's been a good Agency that's been easy to work with and
15 has done a lot of good. And our local people here, I've got
16 a lot of respect for them.

17 BY MR. WILKES: Would you state your name?

18 BY MR. LONG: Will Long. What has happened here is
19 I've got in a position where after listening just basically
20 amening Dean's comments and Mr. Newson's comments. And I'm
21 tickled to death whenever I see a chance for an agricultural
22 community to recapture the environmentalist term. We should
23 never have let the people that currently have it, have it.
24 I mean, we should have it. And I don't know of a man in
25 this room - or anybody in this room, a man or woman, that

1 really doesn't have environmental concerns at the top of his
2 list, because that's where our livelihood comes from and
3 what we're going to pass on to the next generation. So,
4 there are two things I would say.

5 First of all, Dean -- something that has been brought
6 up more than once is our inability to document, but
7 agriculture has changed immeasurably in the last few years
8 in this part of the country, and we don't have any means of
9 documenting a number of the positive things that NRCS has
10 overseen and that we've accomplished here in the Delta. I
11 would hope, first of all, we've addressed that problem
12 behind us, but certainly in the future that whatever we do
13 is that we keep some kind of inventory, or benefits, or
14 something to present when we - when we need to.

15 The second thing that I would amen is that I would like
16 to recommend to you, you have this whole idea set up on
17 watersheds, which I personally think is probably a good
18 idea. But there's no mechanism. You're funding the thing
19 directly to a given farmer in that watershed. I don't see
20 any mechanism by a group of farmers getting together in a
21 watershed, utilizing some organization in that area, or
22 maybe even start one, to address a common problem in that
23 watershed that is really larger than could be addressed on
24 an individual basis. Is that enough comment about that? Am
25 I making myself clear about it?

1 And the last thing I would say is that you're trying to
2 feed about 700 dogs with one sack of dog food, and if you
3 don't want your dog to starve to death, you probably need to
4 get some more food.

5 BY MR. WILKES: Will, we can always count
6 on you. What I want to do now is, I have one
7 other person that is signed up that I'm going to
8 save for last. I'm going to ask anybody that have
9 not signed up that wants to speak, will they come
10 forward now. I will recognize you.

11 (HAND RAISED)

12 BY MR. WILKES: Thank you. I want to say
13 that we are serious about getting input. I think
14 the things we've heard today is going to be
15 very, very valuable to the group as they
16 formalize and finalize these rules. And we also
17 have a unique opportunity here. A lot of these
18 forums are going on around the United States, but
19 the ultimate decision maker in this Agency is the
20 Chief, and he's here. So, if you want your voice
21 heard, you can tell it directly to him. So, you
22 have an opportunity today to say what you want to
23 say. Everybody doesn't gets this opportunity, but
24 we in Mississippi got it, so let's take advantage
25 of it.

1 Okay, come forward, sir. Just state your
2 name and so forth.

3 COMMENTS BY CHAD GRAY:

4 I'm Chad Gray from Grenada County. I have farms
5 located in Grenada and Tallahatchie County, and I just want
6 to thank y'all for this opportunity to be here. Really, all
7 you can speak of is your personal experience with programs,
8 and farming, and what not. I'm primarily a cattle farmer.
9 We do have row crop land, but we lease it out. I went to
10 the first EQUIP hearing we had about seven years ago as a
11 young farmer. Of course, I've been in it all my life, like
12 most of us here. And at that time that program was there to
13 help remove marsh farmland, restore food for our
14 environment, and my wife and I had just bought a farm. It
15 was the epitome of exactly everything they said they wanted.
16 We wanted to take it out of row-crop land, put it back into
17 pasture. Bottom line, it was too sandy for row-crop land,
18 but it was perfect for Bermuda grass and grazing cattle.
19 But because -- and this is why I want to talk to y'all on
20 this project. Because the majority of my farm lies West of
21 a certain highway, it was excluded. But it was the epitome
22 of what y'all wanted to put in for the EQUIP program. So,
23 I didn't get anything. Well then, the next year, they
24 opened it up where I could compete, put in a bid on the
25 State level. They came down there. We looked at

1 everything. All I asked for was a little bit of lime and
2 fertilizer. I didn't go whole hog and ask for cross fences.
3 See. I just wanted a little bit of assistance. I didn't
4 get any, but yet and still the people that got the money
5 from our area were well - already well-to-do farmers, if
6 there is such a thing. I don't know what I'm trying to say.
7 But people that already had deep roots in the farming
8 industry, and they got money to put down additional wells,
9 even though both of them farmed probably 3,000 plus acres in
10 the Delta. But they got money, and a young farmer couldn't.
11 Everything -- and I'm just trying to caution y'all. Let's
12 be sure we distribute the money equally.

13 And I would also have some comments that kind of backs
14 up what Mr. Branch said, as well as Mr. Hayward. Let's be
15 sure that we don't get too hung up on just a right-of-way.
16 Let's assess where we're going with this thing.

17 And another thing, and it's like Tommy said, I think we
18 need to look at the security of this deal. And our main
19 security has being able to sustain ourselves in
20 agricultural. And let's just don't get so hung up on a
21 certain one topic, such as a particular waterway, that we
22 exclude some young people out here, or even well-established
23 farms, that truly need this.

24 One last comment, and I don't want this to sound
25 selfish, but I've just seen it in so many things. Y'all

1 Q. All right, sir. So, your secretary copied the
2 files and brought them to ==

3 A. Brought them to Mr. Rideout, and they were picked
4 up by your firm.

5 Q. All right, sir.

6 A. And Mr. Nutt's firm - Mr. David Nutt.

7 Q. All right. And so let me show you what I have as
8 a stack of documents, that I represent to you that these are
9 the documents that were produced to me by Mr. Lee Abraham
10 and Rideout. Does that appear to be your files?

11 A. I know there were some 877 pages, estimated. I
12 will have to look here just a second, but it appears to be,
13 yeah.

14 Q. Appears to be?

15 A. Uh-huh. Let me just see one second.

16 Q. Sure. Take your time.

17 (PAUSE)

18 A. Because it should be five ==

19 (PAUSE)

20 A. This appears to be.

21 Q. And I believe they are rubber banded together?

22 A. Yeah.

23 (PAUSE)

24 A. There seems to be some correspondence missing.
25 No, here they are.

1 have limited factors due to erosion. In other words, they
2 own poor land to start with. So, you might have some
3 consideration to see the overall picture to be sure you get
4 a representative percentage according to the numbers you've
5 got in the total State.

6 BY MR. WILKES: Mr. Patton, thank you.

7 Anyone else that is not signed up that would like
8 to make a comment?

9 COMMENTS BY MORGAN SMITH:

10 My name is Morgan Smith. I'm from Monroe, Louisiana.
11 And I suppose I am representing the Louisiana rice farmers
12 as I'm President of that organization. I'm a poor boy from
13 Texas and so when you start talking about water, I remember
14 windmills that wouldn't make a hundred gallons a day. And
15 that's - that's cow water.

16 I did have a chance last week to speak with Carol Pitt,
17 and so when she was on the phone on Tuesday, and she was
18 talking to the Chief, now I know who he was. But I think you
19 were in Hawaii or something.

20 BY MR. KNIGHT: It wasn't by my choice.

21 BY MR. SMITH: Well, I just wanted everybody here to
22 understand because we were cold, and it was real cold in
23 D.C.

24 I think there are some misconceptions by this whole
25 group right now as to the way that these funds are set out

1 and the time period that we're really looking at. I
2 understand that y'all are putting together in the State of
3 Mississippi the framework of a program that will continue
4 over time. Frankly, the 42 million, and you take you what
5 you're calling the TA of that and you've got about 35 to
6 spend. Am I correct there?

7 BY MR. WILKES: Yes.

8 BY MR. SMITH: Okay, if you're going to spend 35
9 million, and you take it to the United States as a whole,
10 and you just average 5 million for a watershed, that's only
11 seven watersheds in the United States. So, the first year
12 is kind of trial cow, so to speak. Hopefully, she's not
13 mad. The next year you've got 209, and you've got about -
14 I don't know a 180 million to spend, and we're really
15 talking that until you get to 207 and have about half a
16 million dollars to spend for this to actually expand down
17 into our part of the world, so to speak. The farming part
18 of the world. The community as a whole, that we are.

19 But conservationists, by being farmers, landowners, and
20 all you good men that's raising those catfish, I mean, I
21 feel sorry as the dickens for you because the guys in
22 Louisiana are losing just as much money as y'all. But the
23 reality is that we as a group need to understand that in
24 here right now this 41 million dollars is just a - I mean
25 that's like penny on the side of a brick wall. We're just

1 going to get started, but the formality of how this program
2 should work is what we're really looking at. Trying to put
3 together.

4 The thing that I think makes sense is the watershed
5 concept, because it takes in a whole area of land that maybe
6 you can change what's coming out of the mouth of it. The
7 problems that I see are how many dollars y'all have to
8 spend. That's the main one. It's just really limited,
9 Craig. I appreciate y'all's time and thank y'all for having
10 us to be at least in ten places, I think, in the U.S.

11 BY MR. WILKES: Thank you, sir. Darryl

12 Burney.

13 COMMENTS BY DARRYL BURNEY:

14 Okay, thank you, Homer. I'm Darryl Burney from
15 Yalobusha County. Chief Knight, it's good seeing you, and
16 we're going to make a Southerner out of you yet.

17 What I want to address is my concerns for CSP on Tier
18 I, Tier II, and Tier III. Eighty percent of our farmers
19 farm their land no till, and most of it is cotton, soybeans,
20 and corn. They are no-till farmers that have been
21 practicing good conservation practices. This Tier I, I want
22 to make sure that these people are not penalized when it
23 comes to Tier I. Say you have a farmer come in there and he
24 has not been practicing no till, and he's not been using the
25 best conservation practices available, and he qualifies for

1 Tier I. But these people that are already practicing, they
2 didn't qualify for Tier I, and they're left out. That's
3 what I want to address. That if they are already practicing
4 good conservation measures, that they automatically qualify
5 in Tier I.

6 BY MR. WILKES: Thank you. Do you have any
7 comments about, okay, they're already doing
8 those type of things, where they should start or
9 anything on that, or do you want to just re-
10 comment on how you see those rules as far as
11 working on the various Tiers based on the things
12 that you just stated that a person is already
13 doing?

14 BY MR. BURNEY: Well, he ought to be in Tier I, and
15 automatically other provisions that he does would
16 automatically kick him up to Tier II.

17 BY MR. WILKES: Based on those three things
18 that Craig talked about?

19 BY MR. BURNEY: Yes.

20 BY MR. WILKES: I just wanted to make sure
21 about that. Anyone else before I bring the last
22 speaker I selected to bring on? Going once.

23 (MAN IN AUDIENCE RAISED HAND)

24 BY MR. WILKES: Jack.

25 COMMENTS BY JACK WINSTEAD:

1 My name is Jack Winstead, President of the Mississippi
2 Association of Conservation Districts. And, Chief Knight
3 and Homer, I appreciate you having us here.

4 The primary thing that I would add to what the
5 conservation leaders have already said is, our dependence
6 upon NRCS as being our primary partner when it comes to
7 conservation districts, and NRCS and all other Federal
8 Agencies and State Agencies are our partners, but it's very
9 important that we work to make sure that there's adequate
10 technical assistance out there through NRCS and through the
11 technical providers. And I just want to go on the record as
12 supporting and encouraging any way we can to make sure
13 there's adequate funds. Many times farmers are willing to
14 do something on their own if they just had someone to help
15 give them a little guidance. So, we as the Conservation
16 Districts would urge you to do everything you can to make
17 sure that we have adequate technical assistance out there.
18 Thank you.

19 BY MR. WILKES: Thank you, Jack. Anyone
20 else?

21 (NONE INDICATED)

22 BY MR. WILKES: Mark, it's your turn. Mark
23 Curtis.

24 COMMENTS BY MARK CURTIS:

25 Thanks, I think, Homer. I don't know about your

1 selective process. I am Mark Curtis from Washington County,
2 and usually when I get up to a microphone, I'm representing
3 somebody, but not today. I'm representing myself as a
4 farmer.

5 I am coming from the fact that I had the opportunity to
6 work with Senator Harkins' staff -- you know, Senator
7 Harkins was the reason there was a CSP -- long before this
8 Legislation ever reached the Congress to make sure that
9 Southern interests were represented in his legislation. I
10 claim a little bit of ownership, a very small part of
11 ownership, in the program because of that, and I know some
12 of the philosophy that went into the program.

13 The sunset - or sunrise that we had on the screen is
14 very appropriate. This is a new day in conservation with
15 this program. For the first time, we have a program that's
16 dedicated not to remedial action, but to a proactive
17 mechanism that will put conservation on the ground before it
18 becomes a problem. Every conservation program we've had up
19 to this time in the history of conservation has fixed
20 something that's already occurred because of bad
21 conservation. That's what EQUIP and ACP did. We have been
22 fixing our problems. CSP is intended to keep those problems
23 from occurring. So, we do have a new day in conservation.

24 Also on the screen, we talked about rewarding
25 conservation leaders and motivating the rest, and that is

1 the philosophy behind CSP. Always has been. The hang-up
2 comes in implementation.

3 Let's talk about funding a little bit. A lot of people
4 have come up here and talked about lack of funding, and
5 that's true. 41 million dollars isn't going to do anything.
6 It's a drop in the bucket. We talked about 209 million
7 dollars that's in the President's proposed budget for '05,
8 and that's true. However, In the Ominous Spending package
9 that was passed a few weeks ago, the cap of 4.77 billion
10 dollars for the ten-year program that had been in place was
11 lifted. Right now, as far as Congress is concerned, there
12 is no cap on expenditures. It's only the President and the
13 administration that is proposing to cap this program at this
14 time. After the '04 fiscal year. Whether this program is
15 capped or not is up to us in this room and how willing we're
16 willing to pick up the telephone and call our
17 representatives in Congress and say, no, we can't go along
18 with the President in this funding cap; leave it as an open-
19 ended program as is passed at this time. That takes care of
20 the funding part.

21 Second of all, and the way this program is put together
22 and the rules, there are a number of ways that the program
23 has been attempted to be capped, and I understand that. It
24 was put together in a completely different scenario. It was
25 put together and proposed under a scenario where we did have

1 caps. If that is removed now, then we need to look to the
2 future, amend the rules by some method; I don't care how we
3 do it; so that we have a program that will work the way it's
4 intended, without caps in the future. It's very difficult,
5 once you get rules for a program and the program on the
6 ground and begun, to go back and then change the rules.
7 Let's get it right before we start. Let's get it right on
8 the front end.

9 There are a number of ways that have been proposed to
10 be capped. The watershed is one way to cap it, but there
11 are other provisions. All those caps need to be taken out.

12 On the Tiers - on the Tiers and the way they are
13 funded. It's always been proposed that for producers
14 sitting out there doing nothing, that if you can get him to
15 do something, it was going to benefit conservation in the
16 long run. Maybe it takes three steps to get him up to being
17 a good conservationist, but it's better for him to be doing
18 something than sitting out there on the sidelines doing
19 nothing, where too many of us are sitting there today.

20 The proposed rules and the way you fund Tier I puts
21 such a minimal funding on Tier I that I don't think we can
22 pragmatically expect anybody to have any incentive to take
23 the first step. All the emphasis on this program has been
24 to get people into Tier III, and that's fine. That's a
25 great long-range goal, but it's not going to happen, to take

1 somebody that's out there doing absolutely nothing today and
2 expect him to make that gigantic leap from 0 to Tier III.
3 It's not going to happen. It's going to take him too much
4 mental -- it's just too big of a mental leap for him. It's
5 most likely to be a financial leap for him. Let's go back
6 and restructure the Tiers and the finances that go along
7 with them, and let's step folks up. Let's get folks to make
8 that first step first before we make them make the third
9 step.

10 And, finally, going back partly to what I just talked
11 about. The way the program is structured now and the
12 philosophy behind it is to get people to invest their own
13 monies to make that big leap to Tier III. Once again,
14 that's not a bad objective, but it's not going to happen.
15 Let's structure the program where you make regular steps and
16 go ahead and assist people to make those steps. Step them
17 up gently, but give them the financial resources and the
18 reason to take that first step, and let's start doing
19 something, and let's get all these folks that are standing
20 on the sidelines off the sidelines and into the program.

21 BY MR. WILKES: Mark, thank you. And I said
22 that was going to be the last speaker, and I
23 usually say amen on that, but there's a person
24 that's probably more appropriate to say amen on
25 that in this room than me on the comment

1 standpoint. I'm going to ask Bro. Sparks if he
2 would come forward with some comments, and then
3 I'm going to reserve that final comment for the
4 Chief. Bro. Sparks.

5 COMMENTS BY CLARENCE SPARKS:

6 I'm Clarence Sparks from DeSoto County, and I'm pleased
7 to be amidst of friends here today in Mississippi. And I'm
8 encouraged by the comments that I've heard. I'm especially
9 encouraged by the opportunity of this new program, the
10 Conservation Security Program, and I look forward to the
11 Chief and those who work with him to laying out the plans
12 and providing the initiatives.

13 I'm concerned about two or three aspects of it. I
14 certainly wanted it not to be a short-range but a very long-
15 range program. I realize as well as you can that what has
16 made our country great is its land and its people. And our
17 people are increasing rapidly; rapidly. The demand for
18 food, and shelter, and fiber is increasing as well. Our
19 land is that resource which is capable of producing that
20 food and fiber for the well being and strength of our
21 nation. I'm grateful for these privileges that we have,
22 personal and private ownership of land. And I think with
23 that privilege comes the measure of responsibility that
24 causes each one of us to use and manage that land resource
25 most effectively and delicately for all who are dependent on

1 it. Not necessarily just the landowners, but all of us who
2 are dependent on it for food, fiber and shelter. And so I
3 can see that this program, as it develops, has certain
4 provisions. Money is always a limiting factor to anything.
5 I don't care where you're living. Money is a limiting
6 factor or it's an encouraging factor. Even in Church
7 programs, money is a limiting factor.

8 And if you will excuse me just a second. I came across
9 an amusing little occurrence with regard to a church group.
10 They had decided that they needed to improve their facility,
11 and the first thing they needed was a better carpet. And so
12 they appointed a committee to handle the carpet for the
13 church, and so the committee just went all out. They got
14 the best carpet that could be had. They got the best people
15 to install it. And consequently, they spent the most money
16 beyond their resources that they could imagine. And so they
17 found themselves in sort of a tight situation at the end of
18 their project. And the congregation reviewed it. The
19 minister looked at it, and on that particular Sunday he said
20 from the pulpit, he said, if there is someone, an
21 individual, who wants to do something on the carpet, let him
22 come by the pulpit and get a piece of paper.

23 (LAUGHTER)

24 BY BRO. SPARKS: We want to do something that's very
25 worthwhile and beneficial to our State, and, of course, one

1 of the ways that we can realize the success of it is to have
2 an equitable program that will embrace all of our lands.
3 When we begin to talk about a program, maybe on the front
4 end we need some limitations, but we need to talk about a
5 long-range program that will embrace all our lands across
6 our country. And if we find in the fulfillment of our
7 program that we have all our people involved, I think that
8 we'll find the funding part.

9 And I compliment those who are taking the lead, and I
10 would certainly encourage you to go forward with it, and may
11 you enjoy the success of it.

12 BY MR. WILKES: Thank you, Bro. Sparks.

13 Chief, I'm going to ask you to come forward.

14 COMMENTS BY CHIEF BRUCE KNIGHT:

15 Thank you, Homer. I want to say thank you to the
16 sixteen folks who stood up and expressed their commitment
17 here today and their interest in the ways to improve this
18 program. For any of you that didn't feel compelled to come
19 to the microphone, either write comments in and file them by
20 the March 2nd deadline or provide written comments to some
21 of the NRCS folks here. I also want to say thank you to
22 Homer Wilkes and the entire NRCS team for putting this
23 together so that we're able to come out and do this, this
24 listening session, because it's a very important part of the
25 process, as I mentioned before.

1 Now, I took several pages of notes, and it's difficult
2 -- especially, for those of you who know me well -- sitting
3 there quiet and not debating or dialoguing with folks. It's
4 extraordinarily difficult for me. Mark Curtis will testify
5 to that. We go around and around at times.

6 But I want to be able to clarify a couple of things
7 that I think I can within the scope of what was the intent
8 of the rule and process that may help folks on some of these
9 issues. I believe one gentleman said it would be really
10 nifty if we take into account cooperative action and joint
11 efforts under watershed. That can be done under those
12 enhancements. It is very easy when you're in the stage of
13 writing a contract with an individual producer to take into
14 account existing cooperative action that's been going in the
15 watersheds, and that belong in the enhancements.

16 I think I sense a perception by some folks today that
17 the enhancement only belongs on Tier III, and they do not.
18 They belong on Tier I, Tier II, and Tier III, and that's
19 where the majority of the payments are intended to be made
20 in that particular effort.

21 One of the other things that came forth -- shucks, I
22 can't even read my own notes when I'm standing up here. One
23 of the other things that came forth was whether most of the
24 payments would go at Tier I, or Tier II, or Tier III. When
25 this is designed to use these categories, it's going to be

1 a lot more complex. This will be a more complex program
2 than just Tier I, Tier II, and Tier III. It may, in fact,
3 be possible for an individual producer to propose a contract
4 where they may start at Tier I and by the end of seven to
5 ten years out be at Tier III. And in that context you would
6 be receiving a payment commensurate with the Tier and the
7 enhancement that you've delivered on each of the individual
8 years. You may start at I and end at Tier III, and it's a
9 very important component of that.

10 I recognize that many of you are very concerned about
11 where is the money, and we're making the best out of a cap
12 that was imposed by Congress for this particular year.
13 Then, we're building a program that has flexibility to be
14 able to go with as much financial resources as may be
15 available to this program as it grows and matures.

16 But I would be remiss if I did not remind every one of
17 us of something that I am reminded by the directions that I
18 receive from President Bush repeatedly. This is not my
19 money. This is your money as taxpayers. And what we have
20 to have from this program is a high return to the taxpayers
21 for the investment that they're making in your land and my
22 land and the return that is supposed to be coming from that
23 as far as environmental returns. It is the taxpayers
24 dollars that we're being asked to invest in this particular
25 program and we're meaning to look at. So, yes, Congress has

1 said it is an uncapped entitlement, but there still has to
2 be certain constraints on spending. Just as on my own farm
3 operation in South Dakota, I can't spend anymore money than
4 I've got in the bank account or I've got a line of credit
5 on. And you know we've got the same constraints on how
6 we're able to manage this.

7 With that, I want to say thank you again, Homer, for
8 hosting and say thank you to all the folks who chose to be
9 here with us today. You've got a lot of NRCS folks that are
10 here that you can talk with one-on-one. They'll be able to
11 answer any of your questions. Thank you very much for
12 attending today. I'll turn things back over to Homer.

13 BY MR. WILKES: Thank you, Chief. The
14 bottom line is that this is an ongoing process.
15 You have until March 2nd to get your comments in.
16 I strongly encourage those who made public
17 comments and those who have comments they want
18 to make, make sure you get those in, because in
19 order to get good public policy, we need to have
20 a lot of public input. So, I strongly encourage
21 you to provide your comments, because we are
22 trying to make this user friendly, and we want
23 the program to be implemented the way it was
24 intended to, and it needs to be a program where
25 people will respond and respect what we're trying

1 to do. Will it be all things to all people?
2 Probably not, but we want to try to make it the
3 best we can.

4 I want to thank you folks who actually came
5 out to this forum today. I want to thank the
6 panel. Give the panel a hand.

7 (CLAPPING)

8 BY MR. WILKES: I also give thanks to the
9 Interpretations, the Recorder, the members that
10 came from both Congressman Thompson and Senator
11 Cochran's office. Thank y'all for coming.

12 This concludes the program. Drive safely and
13 make sure you get those comments in before March
14 2nd.

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