Patrick O'Toole President Family Farm Alliance

Testimony Before the U.S. House of Representatives Committee on Agriculture Subcommittee on Conservation, Energy, and Forestry Oversight Hearing on "Formulation of the 2012 Farm Bill: Conservation Programs" April 26, 2012

Good morning, Chairman Thompson, Ranking Member Holden, and Members of the Committee. My name is Patrick O'Toole, and I serve as president of the Family Farm Alliance (Alliance). I am honored to be here today to discuss Farm Bill conservation programs and the challenges and opportunities facing Western farmers and ranchers who depend upon adequate water supplies that irrigate the arid West.

The Alliance is a grassroots organization of family farmers, ranchers, irrigation districts and allied industries in 16 Western states. The Alliance is focused on one mission: To ensure the availability of reliable, affordable irrigation water supplies to Western farmers and ranchers. We are also committed to the fundamental proposition that Western irrigated agriculture must be preserved and protected for a host of economic, sociological, environmental and national security reasons – many of which are often overlooked in the context of other Federal policy decisions.

Today, irrigated agriculture in the American west faces some of the most vexing and complex challenges in addressing crucial water quantity and quality issues. Water is the lifeblood of irrigated agriculture in the West, and the ever growing competing demands for water many times outstrips the available supply, setting up conflict between farmers and cities, the environment and even between other farmers over limited and uncertain irrigation water supplies. Given the increasing importance of growing a safe, stable supply of abundant food for this Nation and the world, we must continue to manage and protect these limited water supplies necessary to adequately and efficiently irrigate Western crops so important to meeting this goal. And, through the conservation programs authorized by the Farm Bill, necessary water and natural resource conservation and management tools and partnerships are made available to farmers and ranchers that can help them to successfully meet these challenges.

The future of American agriculture may very well hinge on policy decisions your Subcommittee and the Committee on Agriculture will address in the coming months. The Alliance believes that, by utilizing the examples of successful American food and fiber producers, private landowners, and on-the-ground conservation practitioners, your Subcommittee has a unique opportunity to make Farm Bill Title II programs more effective, more efficient, and more user-friendly. This is especially important now, with the tough budget times we are facing and will continue to face in the near future.

The Alliance supports incentive-driven conservation programs, more local and state control of the funding for those programs, increased emphasis on deteriorating forested watersheds, and streamlined implementation. We have specific recommendations on how to improve the Agricultural Watershed Enhancement Program (AWEP). And we are concerned that over half of today's active farmers and ranchers are between 45 and 64 years old. We must find ways to encourage young farmers and ranchers to stay with agriculture, and Farm Bill conservation programs that can be tailored to help achieve that goal.

We believe the practical experience of our membership, coupled with the many agricultural water and natural resource policy issues our organization has been involved with over the past several years gives us a unique perspective to provide specific ideas on how conservation programs can be delivered more efficiently and encourage more participation from Western farmers and ranchers. On behalf of the Alliance, I urge you to consider the recommendations included in this testimony to achieve this goal.

Introduction

The most important policy for keeping farms and ranches intact and healthy, while providing the environmental protections sought by society is a strong economy. Farm Bill Conservation Programs fill an essential niche in maintaining a strong quality of life in the rural West. For more than 75 years, American taxpayers have invested in conservation through the Farm Bill. These investments in private lands and waters have delivered cost-effective benefits far beyond the property lines of farmers and ranchers, extending robust returns for every taxpayer who buys food at the market, enjoys fresh air and clean water, and recreates in the great outdoors. These returns include significantly improved fish and wildlife habitat, improved air, soil and water quality, ensured long-term productivity of our agricultural lands, increased outdoor recreational opportunities, and increased financial returns for rural communities.

Rural America faces unprecedented challenges to its competitiveness in crop production and its sustainability as a steward of natural resources and wildlife habitat. Funding provided by Natural Resource Conservation Service (NRCS) programs is leveraged many times over with a multitude of private, state and other federal funding sources – a model of programmatic efficiency. Yet, the real power of Farm Bill conservation programs has proven to be the "boots on the ground" ability to fully realize the potential for innovative and non-traditional partnerships. Such partnerships have yielded measurable and practical results shown to enhance competitiveness and bolster sustainability.

"Western Water Management Case Studies"

The Family Farm Alliance played an active role in the development of the last Farm Bill's conservation title. In particular, working with a diverse coalition of commodity groups, conservation organizations, and urban water users, we helped develop the framework that ultimately became the Agricultural Water Enhancement Program (AWEP). In 2010, we released a report (*Western Water Management Case Studies*) that describes a dozen real-world examples of water conservation, water transfers and markets, aging water management infrastructure problems, and watershed restoration and enhancement projects. An important objective of this report was to demonstrate that water managers, ranchers and farmers are resourceful and creative individuals who should play an active role in resolving the water conflicts of the West. My testimony today incorporates some of the "lessons learned" from that report and touches on other matters critical to the future of Western farmers and ranchers' ability to provide food, fiber and energy to our nation and the world.

Observations and Recommendations on Water Conservation Programs

In the Western U.S., we need policies that encourage agricultural producers to work together with each other and with many applicable Federal and State agencies in a strategic, coordinated fashion. This is especially true now more than ever before due to the limited financial resources of the Federal government and the need to continue to effectively and efficiently protect our limited natural resources so important to this Nation's food productivity. We have prepared the following observations and associated recommendations that we would like to see incorporated into the next Farm Bill.

Concerns with AWEP

AWEP is a newly-established part of the Environmental Quality Incentives Program (EQIP), a program administered by the Natural Resources Conservation Service (NRCS). The main difference between typical EQIP projects and AWEP projects is that applications for project funding are made directly to the U.S. Secretary of Agriculture from an organization on behalf of a group of agricultural producers who intend to make water conservation improvements in a geographic area.

The Family Farm Alliance was part of a diverse coalition formed during the crafting of the last Farm Bill that focused exclusively on the development of the AWEP concept. Our primary motive for engaging in this process was to provide additional funding opportunities for irrigation districts and other agricultural water delivery and management organizations to solve aging infrastructure and water conservation challenges in a more coordinated and effective manner. The original concept behind AWEP was to focus on cooperative approaches to enhancing water quantity and/or quality on a regional scale. This new program - in tandem with multiple conservation tools (including farmland management practices, easement purchases, and ecosystem restoration assistance) - was intended to provide flexibility to cooperative nontraditional conservation partners to achieve improved water quantity and quality goals.

Some of our members have witnessed firsthand the types of challenges that AWEP advocates were trying to address. For example, the 2002 Farm Bill contained \$50 million of EQIP funding to implement water conservation measures in the Klamath Basin of northern California and southern Oregon. These federal funds were matched by \$12.5 million of local money from individual landowners. While the water conservation measures undertaken undoubtedly contributed to improved water use efficiency on individual farms, the EQIP program was not designed to coordinate conservation benefits to meet specific regional goals, such as conserving water for storage and future use. Irrigation districts and other, larger conservation entities, which many times coordinate conservation projects to maximize benefits, were not eligible to compete for these funds to make the necessary improvements to the delivery system to effectively capture this conserved water to meet unmet demands. We believe this was an opportunity lost, one that could have provided regional water supply solutions to some of the complex problems experienced in Klamath.

Our interest in implementing AWEP, in part, was intended to address these types of challenges. There is a need to fund projects that provide water quality and/or water quantity improvements at a scale that benefits more than just the individual participating producers. In many instances, coordinated regional water conservation efforts can lead to improved water quantities and quality that can only be physically captured and managed by the water delivery organizations to meet overall goals and objectives. We had hoped that AWEP would provide substantial matching grant funding to irrigation districts or other water agencies, which are already in a position to work with multiple producers to achieve locally-generated, measurable objectives and results. If consensus at a regional level can be reached on a coordinated and integrated approach to conserving water to meet unmet needs, there will be a better chance of positive community participation and ultimately, a much larger return on the federal investment.

In our view, the original AWEP proposal was solid from a conceptual standpoint, but by the time the concept made it through the legislative and administrative process, the program that is now in place is not being implemented in a manner consistent with the original vision. In Arizona, for example, state NRCS local working groups came up with a list of priorities and resource concerns at the request of NRCS headquarters in Washington, D.C. While irrigation efficiency was one of the highest priorities listed, local working groups noted that AWEP simply was not being applied in a way that could maximize its potential benefits. Rather than providing funds directly to irrigation districts, the districts instead have been put in situation where they essentially pass the phone number of the local NRCS office on to the individual landowner, and NRCS takes over from there. In essence, this AWEP has simply become an expansion of the existing EQIP program, which was definitely not the intent when this concept was crafted four years ago.

We also have grave concerns regarding recent AWEP spending priorities. Almost 50% of the \$4.7 million in AWEP programs funded in FY2011 in seven Western States emphasized "focusing on the transition of irrigated cropland to dry land agriculture use" or to "permanently retire" irrigated cropland. The original intent behind AWEP was to find ways to help farmers and ranchers improve water conservation, management, reuse and efficiency while keeping their operations viable. Using Farm Bill conservation programs to eliminate irrigated agricultural lands altogether at a time when worldwide demand for food is growing every day defies common sense.

Recommendations to Improve AWEP

We must create opportunities within the new Farm Bill to further improve upon AWEP's initial concept, such as:

- Provisions should allow AWEP to provide direct payments to irrigation districts to work directly with their landowner member farmers on NRCS-approved coordinated water conservation and management projects. While NRCS should still approve the contracts, we believe more efficient results that provide measurable, coordinated improvements on the ground will occur if the irrigation districts distribute the funds and work with the landowners directly. These districts can provide opportunities for innovative solutions to water management problems that currently cannot be achieved simply due to bureaucratic barriers and narrowly focused programs. Administrative expenses for such partners should be allowed, but capped;
- Irrigation districts and/or landowners should be allowed to implement water conservation or water quality projects outside of the normal projects funded under the EQIP program, given that they can show improvements to either water quantity or quality;
- Irrigation districts or similar entities should be allowed to be the basis for "pooling" arrangements, where the benefits of a project which affects multiple landowners is funded by "pooling" their individual AWEP interests into a larger, coordinated project;
- Direction must be provided to improve how NRCS program administrators deliver timely and accurate information, provide reliable and transparent processes, and set firm deadlines;
- Administrative costs associated with any work performed by the NRCS should be capped at a reasonable level;
- The role of the Bureau of Reclamation in coordinating with NRCS in the implementation of this program in Western states must be well defined, and should compliment the collaborative philosophy (between the Departments of Agriculture and Interior) embedded in the "Bridging the Headgates" initiative endorsed by both the Bush and Clinton Administrations;

- The program should provide assurances that the intent is not to reallocate water away from agriculture, but to help stretch limited water supplies for future regional beneficial use. We do not believe AWEP monies should be used to retire farmland or convert irrigated ground to dryland crops. It must also recognize the traditional deference of federal agencies to state water laws and allocation systems;
- The money obligated for these programs in the Farm Bill needs to be "no year" money, so that it doesn't have to all be obligated in the first year, with nothing left in later years. This has proven to be real hindrance for projects that take more than one year to build. Water managers have also noticed that the NRCS funding levels fluctuate, and so they are never sure what level of funding their farmers will receive. During the application process to secure funding, NRCS should agree how much a district is going to receive and ensure this money will be there. To minimize administrative complications, sharing some of the control over funds with the partnering irrigation districts would simplify the responsibilities of the NRCS. Districts could be held accountable through audits and reports delivered to the NRCS. We would be happy to sit down with committee staff and NRCS leadership to help create a workable and efficient solution to this challenge;
- We have previously shared proposed draft language with NRCS that could address the issues concerning NRCS entering into agreements with irrigation districts on AWEP activities in a manner similar to how NRCS enters into EQIP agreements with Tribes. We would be happy to share this with committee staff to gain additional thoughts on this matter.

We look forward to working with your committee further to help improve this vital program.

The Need to Support Local Efforts to Manage Western Watersheds: A Case Study

We strongly believe that local, regional and state land managers should be encouraged and provided the tools to lead watershed enhancement efforts. The best decisions on natural resources issues happen at the state and local level. The 2010 Family Farm Alliance case study report includes one such example in the Little Snake River watershed of Wyoming, where my family operates a sheep and cattle ranch. Since 1991 numerous agencies, organizations, and NGO's have recognized landowners and the local governmental natural resource agency, the Little Snake River Conservation District (LSRCD), as leaders in natural resource conservation. Numerous articles featuring work conducted by the LSRCD, area land owners, and its partners have been featured in popular publications like the *Farm Journal, Beef Today, Bugle Magazine, Wyoming Wildlife*, and *Range* magazines as well as peer reviewed journal publication in *the Journal of Soil and Water Conservation* (2008) and the *Journal of Rangeland Ecology* (2009).

These successful efforts have all been locally-led. Conservation of natural resources in the Little Snake River Basin integrated with agrarian life style and perpetuation of this culture is the highest

priority for the local community in the Little Snake Basin. In Wyoming, the local residents have passed a conservation property tax to carry on this work. Since 1990 this tax has generated approximately \$8 million dollars in local revenues. These funds have leveraged over \$40 million dollars in project money to implement conservation and development projects in the Little Snake River Basin.

Today, the Little Snake River Basin hosts a myriad of wildlife and robust natural resources while sustaining compatible agricultural uses and natural resource-based recreation businesses. This was accomplished through local leadership and commitment of the Little Snake River Conservation District working collaboratively with over 30 different partner organizations and agencies that have assisted in the conservation of the Little Snake Basin, in a collaborative locally-led process.

Innovation in Conservation Program Delivery

Direct funding to large umbrella organizations to implement conservation on a landscape, district, or regional scale must be included in the new farm bill. Excessive administration, expensive, and time consuming delays are the norm under the current system, where numerous individual contracts are held with individual land owners. Significant administrative and financial savings could be realized through single contracts with umbrella organizations such as conservation districts, irrigation districts, watershed coalitions, grazing associations, and other nongovernmental organizations that could significantly decrease the cost of program delivery and increase efficiency.

There are over fifty Farm Bill programs, including dozens under the Conservation Title – CRP, WRP, EQIP, AWEP, etc. Some of these programs should be consolidated. Also, under current policies, agency officials in Washington, D.C. allocate these funds - based on federal, national priorities – and the states are handed down specific funding for each of the individual programs. So, for example, one state may receive from Washington, D.C. \$6 million in WRP funds which may not even be needed in that state, whereas EQIP programs which are in high demand in that particular state are under-funded. Our members believe local farmers and ranchers who are interested in implementing conservation projects would be better served if the federal NRCS puts all the conservation money for a given state into just a handful of funding programs. Then – let the states determine which programs get funded.

The present priority system places too much emphasis on whatever national policy is driving current decision-making. In the past, the states local priorities drove 50% of the decision-making criteria. Now, it appears that projects are first evaluated on whether or not they meet national priority, which accounts between 10-25% of the total ranking. In essence, this ends up disqualifying meaningful local projects, and by default drives funding towards those river basins which have the most national political clout.

Local and state priorities should be the drivers of conservation. One size does not fit all. Conservation needs of a rice farm in Arkansas are much different than those of a rancher in Wyoming or a coffee producer in Hawaii. Local control for identification of conservation needs and allocation of funding must be restored. We believe the national priority ranking criteria should be completely eliminated, and instead, a block of conservation funds should be provided to each state, where local and state priorities end up driving how funds are spent on the ground, consistent with each program's authorities and goals. States should be allowed to voluntarily assume primacy for implementation of the conservation title of the farm bill with block grants to the states. This would result in increased efficiency and delivery of conservation needs within each state. Most state have mirror agencies, Departments of Agriculture, Wildlife, Natural Resources, and Engineers that have the capacity to implement conservation programs. This type of approach is already in place for portions of the Clean Water Act. Significant cost saving to the federal government could be realized by reduction in duplicate effort with the states.

Reorganization of USDA

Another concern expressed by many of our farmers and ranchers is that, unlike the situation that occurred prior to the 2002 Farm Bill, Farm Services Agency (FSA) and NRCS are both now staffed to provide financial accounting services. Since inheriting the financial administration of the conservation title in the 2002 farm bill, NRCS has become increasingly a financial administrative agency, with the Government Accounting Office (GAO) continually redirecting the agency to move towards financial administrative compliance and accountability. This has resulted in shifts in expenditures away from providing conservation technical assistance to farmers and ranchers in addition to changes in personnel within the agency from soil scientist and agronomist to contract specialist and accountants. In a nutshell, this can lead to both agencies using precious conservation dollars on accounting duties, when those funds would be better served supporting on-the-ground conservation projects.

We recommend that the next Farm Bill direct that accounting services be placed back into the hands of FSA, where those duties were competently performed prior to the 2002 Farm Bill. We want to see NRCS doing what it does best, which is providing conservation technical assistance to all producers. This could ultimately better position NRCS at the local level by putting more emphasis and funding in support of state and local conservation experts, instead of placing them in a position where they have to crack the whip on program accounting. Streamlining the functions of both agencies would also result in significant savings while having no impact of delivery of the farm bill. Savings would be realized in personnel, equipment, supplies, transportation, and overall overhead expenditures.

Conservation Recommendations from Related Farm Bill Policy Forums

The Family Farm Alliance continues to build coalitions and create alliances to advocate for constructive changes to the Farm Bill conservation title that benefit irrigated agriculture. We are lead partners in the Johnson Foundation national freshwater "Call to Action", the Western Agriculture and Conservation Coalition, and the 2011 blue ribbon panel convened by the Natural Resources Conservation Service. I also serve on the advisory committee for AGree, a new national

high-profile initiative to transform food and agriculture policy. All of these forums will likely have an influence on the emerging Farm Bill. I'd like to summarize below some of the key recommendations derived from two these forums, which I believe fortify the general philosophy contained in our above recommendations.

Recommendations of the Western Agriculture and Conservation Coalition

A western coalition of agricultural and conservation organizations has come together to urge that Congress pass the Farm Bill this year and maintain conservation program funding. As a member of the steering committee for the Western Agriculture and Conservation Coalition, we seek to advocate for balanced management of resources in the rural west. Following the 2012 Family Farm Alliance annual conference in Las Vegas last February, we met with representatives of the California Farm Bureau Federation, Trout Unlimited, Wyoming Stock Growers Association, The Nature Conservancy, Arizona Public Lands Council, Environmental Defense Fund, Public Lands Council and the Irrigation Association and announced the formation of this unique coalition, which seeks to advocate for balanced management of resources in the rural west. The goals of the Coalition are to support the common interests of agriculture and conservation through targeted education, advocacy, and outreach and to engage decision makers and resource managers in the spirit of collaboration to further a shared vision for a rural west that is economically and environmentally sustainable. For the 2012 Farm Bill, this Coalition believes:

- Priority Title II programs must receive sufficient funding so that on-farm operational, resource conservation, local economic, and rural sustainability goals are met;
- Enhanced programmatic efficiencies can be achieved, which will facilitate access to program funding, and lead to more effective project implementation and fewer obstacles for landowners and conservation partners. Improving the Agricultural Water Enhancement Program is one such example;
- Program delivery could be improved and yield broader positive impacts if inter-agency cooperation among and between resource management agencies and the USDA was better-defined;
- Local, regional and state land managers should be encouraged and provided the tools to lead watershed enhancement efforts at the landscape level.

From a personal standpoint, working with this coalition has been positive and rewarding, and a refreshing change from some of the tired and worn messaging we constantly hear from more agenda-driven activist groups who use the Farm Bill as a forum to actually denigrate farmers and ranchers. This is unfortunate, because this sort of negativity does not reflect what is truly happening on the ground. Our recent involvement with the Coalition leads us to believe that policy makers and the public appreciate the positive examples of how conservation groups and farmers and ranchers can work collaboratively with government agencies on "win-win" solutions that are

good for agriculture and the environment. We should be thinking of ways to mobilize the public to act favorably on issues that are critical to maintaining economically viable ranching and conservation of resources and to demonstrate the important partnership between land stewards and conservation interests.

The Coalition has emphasized that continued funding of Title II priority programs produces results that are timely, effective, more efficient and jobs-oriented. This coalition continues to urge Congress to preserve funding for USDA conservation programs and to take steps to provide farmers and ranchers with the resources necessary to continue enhancing soil, water quality and wildlife on agricultural land. For further detail on the Coalition's specific recommendations, please see the copy of the Coalition's March 2, 2012 letter to Congressional agriculture committees, which is attached to this testimony.

Recommendations of the Resource Conservation Act Blue Ribbon Panel

In late 2010, I was appointed to a Blue Ribbon Panel established to support the development of the NRCS Program and Policy Statement. The first meeting of the Panel occurred in early 2011 in Washington. Over the next several months, I helped organize and spoke at three Western regional workshops and the National Agricultural Landscapes (NAL) Forum, held here in Washington, D.C. Several other Family Farm Alliance leaders were chosen to speak at the regional workshops, as well. In the end, we supported the following major recommendations that emerged from the NAL:

- *Improve Jurisdictional Flexibility and Share Responsibility* Local state, tribal and regional directors must be allowed to make resource decisions and to innovate based on local conditions.
- *Improve Program Efficiency and Inter-Agency Cooperation* Greater facilitation of inter-agency learning and cooperation is required to improve conservation outcomes.
- *Target Regulations and Reduce Uncertainty* the U.S. Department of Agriculture (USDA) must harmonize regulations to avoid redundant requirements that do not enhance protection.
- Leverage Program Assistance to Maximize Program Effectiveness Partnerships and leveraging state, local and private funding are essential to achieving resource conservation goals.
- *Expand Market-Based Solutions* Government can play a supportive role in developing ecosystem market regulatory and environmental quality standards.

We urge your Subcommittee to review the findings presented at the NAL Forum and seek to incorporate these recommendations and this type of philosophy to improve delivery of Farm Bill Title II programs.

The Critical Need to Incentivize and Encourage Young Farmers

We are in danger of losing a generation of young farmers, and productive farmlands and Western agriculture's traditional water supplies are transferred to other uses as multiple demands for water increase. This is all happening at a time when the United Nations projects that the world will need to produce 70 percent more food by 2050 to keep pace with world population growth and hunger. Nationally, the median age of active farmers in America has never been higher, with the percentage of farmers under 50-years-old continuing to plummet. More than half of today's farmers are between 45 and 64 years old, and only 6 percent of our farmers are younger than 35.

While there is renewed interest among young people to enter farming today, unfortunately the larger trend is an increase in the average age of the American farmer. To reverse this course, our country must take bold action to ensure that aspiring farmers have access to land, health care, capital, education and training. Congress should invest now in a farm bill that helps young Americans enter into and succeed in farming, and that creates incentives for diversified and sustainable agriculture.

The next Farm Bill should create policies that can attract and retain young farmers to benefit the future of American agriculture, as well as the stability of America's food supply. One specific action that would help would be for Congress to reauthorize adequate funding for the Beginning Farmer and Rancher Development Program (BFRDP). More generally, another means of bringing new faces into agriculture and keeping young people in the business is to create a more certain, relaxed and reasonable regulatory environment. Increasingly, we hear reports that level of Federal regulations affecting American agriculture has reached such a magnitude that family farmers and ranchers fear regulations more than most other stressors in their profession. These conversations are often about the frustration they feel over the amount of time they spend dealing with regulations and bureaucracy in managing their business. All of these regulations hit small family farmers the hardest, since they often do not have the resources at their disposal to deal with the maze of the required paperwork and regulatory recordkeeping. These sometimes daunting requirements could be moving young people to choose careers other than farming, at a time when there aren't many young people left in this line of work.

Today, our own Western farmers and ranchers are being subjected to potentially restrictive and duplicative federal regulations on many fronts. Many of these rules have cropped up in just the past two years. The related uncertainty that comes with all of this increased regulatory scrutiny will make it much harder for these farmers to survive in such a harsh economy. Eliminating just a few of these farmers could impart huge limitations on our future ability to feed our country and the world.

Western family farmers and ranchers need to be shown – through leadership and development of common sense agriculture and water policy priorities – that what they do everyday really does matter to this country. The Family Farm Alliance has spent much of the past decade developing specific, common-sense recommendations for more effective regulations that would protect the environment, human health and safety in a more streamlined and effective manner. While we understand that the focus of today's hearing is on the conservation title of the Farm Bill, this issue is critically important to the future of Western irrigated agriculture. At the appropriate time, we would be happy to share those recommendations with you and other members of the Committee on Agriculture.

Conclusion

Throughout the western United States, family farms and ranches have facilitated the conservation and stewardship of the region's natural resources while anchoring our rich cultural heritage and identity. It is a landscape and a way of life that works for rural economies and resource conservation. Here, private land stewardship is the key to continued conservation innovation, resource and habitat enhancements, and sustainable working land partnerships. It is a region in which farmers and ranchers have been finding ways to successfully balance resource stewardship and their bottom line, thanks in part to the availability of Farm Bill conservation programs.

We need federal land and water policies that are based on sound science and that reward producers who care about the environment in providing affordable food and fiber and bringing economic health to our rural communities. We need to encourage young agricultural producers, rather than litigious, anti-agriculture activist groups. Properly managing watersheds and encouraging federal agencies to work with the agricultural community to solve local water problems are imperative.

Thousands of water and land conservation projects have been completed across the Western United States, and these efforts should continue. We urge this Subcommittee and the Committee on Agriculture to continue to make Farm Bill conservation programs a priority and to fund these programs accordingly.

We stand ready to further assist you in your efforts to more effectively utilize Farm Bill programs to the benefit of both agricultural production and natural resource conservation results.

Thank you for this opportunity to provide testimony to you on this matter, which is very important to the family farmers and ranchers of our membership.

Attachment: March 2, 2012 letter from Western Agriculture and Conservation Coalition to Congressional Agriculture Committees.

Committee on Agriculture U.S. House of Representatives Information Required From Nongovernmental Witnesses

House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.

- 1. Name: <u>Patrick O'Toole</u>
- 2. Organization you represent: Family Farm Alliance
- 3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee: <u>Mr. O'Toole is owner of a western ranch which raises irrigated hay and alfalfa.</u> <u>The ranching operation has territorial water rights and utilizes flood and sideroll irrigation.</u> The ranch has done extensive fishery enhancement on Battle Creek, with grants from the U.S. Fish and Wildlife Service, the Natural Resource <u>Conservation Service (USDA) and the Wyoming Department of Game & Fish.</u> <u>Battle Creek is a showcase for a thriving fishery, productive irrigated meadows, and a teeming wildlife habitat.</u> Mr. O'Toole has extensive experience at placing a <u>shovel in a ditch.</u>
- 4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee: <u>Mr. O'Toole served in the Wyoming House of Representatives from 1986 to 1992. He served on the Select Water Committee, which was responsible for studying, selecting and funding water projects within the state of Wyoming.</u>

Mr. O'Toole served on the Presidentially - appointed Western Water Policy Commission from 1996 to 1998 (the life of the Commission). This group studied and reported on Western water issues and recommended policy. Mr. O'Toole authored the minority report, which was attached to the main Commission Report. Mr. O'Toole presented the report to various interest groups and governmental organizations, including the Western Governor's Conference and the Council of State Governments. These groups subsequently supported the minority report.

Mr. O'Toole currently serves on the Advisory Committee for AGree, a new national high-profile initiative to transform food and agricultural policy. I represent the Family Farm Alliance as a lead partner in the Johnson Foundation national freshwater "Call to Action", the Western Agriculture and Conservation Coalition, and the 2011 blue ribbon panel convened by the Natural Resources Conservation Service. All of these forums will likely have an influence on the emerging Farm Bill.

5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold: <u>President, Family Farm Alliance</u>

PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF TESTIMONY.

Committee on Agriculture U.S. House of Representatives Required Witness Disclosure Form

House Rules* require nongovernmental witnesses to disclose the amount and source of Federal grants received since October 1, 2008.

Name:	Patrick O'Toole	
Organiza	ation you represent (if any):	arm Alliance
y e te	Please list any federal grants or contracts (including subgrants and subcontracts) <u>you</u> have received since October 1, 2008, as well as the source and the amount of each grant or contract. House Rules do <u>NOT</u> require disclosure of federal payments to individuals, such as Social Security or Medicare benefits, farm program payments, or assistance to agricultural producers:	
Source:_	<u>N/A</u>	Amount:
Source:_	<u>N/A</u>	Amount:
2. If you are appearing on behalf of an organization, please list any federal grants or contracts (including subgrants and subcontracts) <u>the organization</u> has received since October 1, 2008, as well as the source and the amount of each grant or contract:		
Source:_	<u>N/A</u>	Amount:
Source:_	<u>N/A</u>	Amount:
Please ch	neck here if this form is NOT applicable to you	1:
Signatur	e: Patrick 7. O'Joole	

* Rule XI, clause 2(g)(4) of the U.S. House of Representatives provides: *Each committee shall, to the* greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof. In the case of a witness appearing in a nongovernmental capacity, a written statement of proposed testimony shall include a curriculum vitae and a disclosure of the amount and source (by agency and program) of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) received during the current fiscal year or either of the two previous fiscal years by the witness or by any entity represented by the witness.

PLEASE ATTACH DISCLOSURE FORM TO EACH COPY OF TESTIMONY.

Western Agriculture and Conservation Coalition



March 2, 2012

Chairwoman Debbie Stabenow Ranking Member Pat Roberts Senate Committee on Agriculture 328 Senate Russell Building Washington, D.C. 20510

Re: Farm Bill conservation priorities for coalition of western agriculture and conservation groups

Dear Chairwoman Stabenow and Ranking Member Roberts:

Throughout the western United States, family farms and ranches have facilitated the conservation and stewardship of the region's natural resources while anchoring the region's rich cultural heritage and identity. It is a landscape and a way of life that works for rural economies and resource conservation. Here, private land stewardship is the key to continued conservation innovation, resource and habitat enhancements, and sustainable working land partnerships. It is a region in which farmers and ranchers have been finding ways to successfully balance resource stewardship and their bottom line, thanks in part to the availability of Farm Bill conservation programs. Managing water quantity and quality is a key resource concern for the undersigned groups.

Unfortunately, these constructive partnerships and the environmental benefits they generate will disappear if we cannot find ways to bring more farmers and ranchers into the fold and encourage young farmers to stay in the business. Nationally, the median age of active farmers and ranchers in America has never been higher, with the percentage of farmers under 50-years-old continuing to plummet. More than half of today's farmers are aged between 45 and 64, and only 6 percent of our farmers are younger than 35. The next Farm Bill needs to reflect a philosophy that can

attract and retain young farmers for the future of American agriculture, and the stability of America's food supply.

The most important policy for keeping farms and ranches intact and providing the environmental services sought by society is a strong economy. Farm Bill conservation programs also fill an essential niche in maintaining a strong quality of life in the rural West. For more than 75 years, American taxpayers have invested in conservation through the Farm Bill. These investments in private lands and waters have delivered cost-effective benefits far beyond the property lines of farmers and ranchers, extending robust returns for every taxpayer. These returns include significantly improved fish and wildlife habitat, improved air, soil and water quality, ensured long-term productivity of our agricultural lands, increased outdoor recreational opportunities, reduced regulatory burdens on farmers and ranchers, and increased financial returns for rural communities. Farm Bill activity should be enhanced by further encouraging the development of private markets that reward landowners for good actions on the ground while creating environmental benefit.

For these reasons, a western coalition of agricultural and conservation organizations has come together to ask you to pass the Farm Bill this year and maintain funding for conservation programs important for the West.

This coalition urges Congress to preserve funding for USDA conservation programs and to take steps necessary to provide farmers and ranchers with the resources necessary to continue enhancing soil, water quality and wildlife on agricultural land. With this letter, the coalition outlines a set of principles that lawmakers should observe as they seek ways to trim the federal deficit and proceed with writing the Conservation Title of the 2012 Farm Bill. While many of the undersigned organizations have additional priorities for the 2012 Farm Bill, the following recommendations represent the priorities on which we have reached consensus.

- 1. Agriculture Water Enhancement Program, Cooperative Conservation Partnership Initiative, Wildlife Habitat Incentive Program, Farm and Ranch Lands Protection Program, Grassland Reserve Program, Environmental Quality Incentive Program are particularly important to achieving conservation and rural economic and social goals in the West. These programs in Title II must receive sufficient funding so that on-farm and on-ranch operational, resource conservation, local economic, and rural sustainability goals are met. Some specific policy changes to consider:
 - Strengthen conservation programs to increase accessibility and ensure they work better for more producers.
 - Maintain current funding levels for the priority programs.
 - Eliminate \$50K payment limit for WHIP.
 - Allow third parties to hold GRP easements directly after execution, without requiring the easements to first be held by USDA.
 - Ensure that EQIP remains available for use across all land ownerships.
- 2. Enhance programmatic efficiencies to facilitate easier access to program funding, more effective project implementation and fewer obstacles for landowners and

conservation partners (for example, improving the Agricultural Water Enhancement Program). Specific recommendations include:

- Strengthen NRCS Technical Assistance capacity for both program implementation and non-Farm Bill conservation planning.
- Consolidation should enhance conservation outcomes.
- Consolidation of conservation programs must be structured appropriately so as to increase flexibility for USDA while maintaining purposes of priority programs like EQIP, GRP and WRP.
- In AWEP and CCPI, allow qualifying partners to help producers address resource issues in a more flexible and efficient manner so they can maintain profitability and avoid potential future environmental regulatory actions.
- Maintain current provisions in AWEP and CCPI requiring partners to commit resources to projects while providing USDA with discretion to prioritize proposals from partners who offer the most additional resources for project implementation.
- Continue and expand applicability of WRP Reserved Rights Pilot Program where determined by the USDA to be consistent with existing conservation plans and as a tool by which to achieve resource conservation objectives.
- Remove seven-year ownership requirement for WRP.
- Changes to CRP to provide more flexibility for adjusting grazing frequency so long as the ecological functions of the land and water are maintained. Additionally, allow wild horses owned by the Bureau of Land Management to graze CRP acres consistently with maintaining ecological integrity. BLM would make payments to landowners for this service.
- Changes to WRP, GRP, and FRPP to allow increased flexibility regarding third party involvement including management of easements and meeting non-federal matching requirements.

3. **Program delivery could be improved and yield broader positive impacts if interagency cooperation is better defined.** Additional recommendations:

- Throughout the conservation title, ensure that priority be given to projects that address the greatest resource concerns most effectively. Provide for greater interagency coordination at federal, state and local levels in the development and delivery of conservation.
- Ensure that the long tradition of partnerships among USDA, private landowners, and conservation partners is continued, encouraged and expanded.

4. Local, regional and state land managers should be encouraged and provided the tools to lead watershed enhancement efforts.

• NRCS at the State level should be encouraged and provided the resources to more effectively engage with partners in watershed planning, enhancement and restoration efforts.

- Strengthen partnership-driven programs such as AWEP and CCPI, which allow partners including local, regional and state land managers to lead watershed enhancement efforts.
- Provide for greater flexibility within such partnership programs, including making the funding approved for such projects "no year" money, thus enabling large and complex watershed-scale conservation initiatives to be leveraged to their greatest potential.

5. Support Beginning Farmers and Ranchers

Reauthorize funding for the Beginning Farmer and Rancher Development Program (BFRDP).

We appreciate your consideration of our interests and look forward to working with you to put together the strongest conservation title possible that is responsive to western as well as national interests.

Signed,

The Western Agriculture and Conservation Coalition

Steering Committee: Trout Unlimited Family Farm Alliance The Nature Conservancy Public Lands Council Environmental Defense Fund California Farm Bureau Arizona Public Lands Council Wyoming Stock Growers Association Irrigation Association

Affiliates:

The Freshwater Trust Montana Stock Growers Association

Cc: Chairman Frank Lucas Ranking Member Collin Peterson House Committee on Agriculture