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Decker, Denise - Washington, DC

From: Christensen, Thomas - Washington, DC
Sent: Friday, April 17, 2009 4:25 PM
To: Decker, Denise - Washington, DC
Subject: FW: ISA's EQIP comments
Attachments: ISA EQIP Comments.pdf

4/17/09

From: vcarver@iasoybeans.com [mailto:vcарver@iasoybeans.com]
Sent: Friday, April 17, 2009 3:59 PM
To: Christensen, Thomas - Washington, DC
Cc: Parson, Mark - Washington, DC
Subject: ISA's EQIP comments

Tom,
Attached is a PDF of the signed comments I just faxed from ISA regarding EQIP
Hope spring has reached you in DC — beautiful here, today.

Best regards,
Victoria

Victoria Carver
Senior Program & Resource Advisor
Iowa Soybean Association
4554 114th Street
Urbandale, IA 50322
office: 515-251-8640
mobile: 515-988-3767

<http://www.iasoybeans.com>
<http://www.ag-urbanleadership.com>
<http://www.isafarmnet.com/ep>



April 17, 2009

Dave White, Chief
USDA NRCS
1400 Independence Ave, SW
Room 5015A
Washington, DC 20250

Dear Chief White:

On behalf of ISA's nearly 5,000 dues-paying members, the 500 Iowa soybean and corn growers participating in our Environmental Programs, and the 28,000 Iowa soybean farmers whose checkoff contributions, directed by our elected board of farmers, help support ISA's Environmental Programs, we thank you for the opportunity to submit the following comments regarding the Environmental Quality Incentive Program (EQIP) interim final regulation published in the Federal Register on January 15, 2009.

ISA is excited about the possibility of participating in AWEP, a sub-program of EQIP. We believe the partnership concept of leveraging federal and non-federal dollars will result in innovative conservation projects that deliver real benefits to farmers and our natural resource systems. ISA's priority for the type of partnership projects to be funded under the AWEP is targeted nutrient control implementation projects in sub-watersheds (20,000 – 30,000 acre size) of the Upper Mississippi River watershed. Such projects should be multi-year (3-5 year) duration and include: working directly with local Conservation Districts; supporting area-wide plan development and implementation; targeting of resource conservation strategies for outcome-based performance on reducing nutrient loading; providing technical and financial assistance to producers to achieve outcome measures; and leveraging of nonfederal matching funds.

ISA is concerned that the EQIP interim final regulation makes no mention of AWEP. AWEP is a subcomponent of EQIP, similar to the Conservation Innovation Grants (CIG). The CIG is promulgated under CFR 7, section 1466.27 of the Federal code. ISA believes there are aspects of AWEP that deserve promulgation under the federal code. In particular:

- **Technical Assistance for Partners.** AWEP proposals that are able to address water allocation or water quality at the watershed scale will necessarily be multi-year projects. Given AWEP's statutory provision for plan development, including resource condition assessment and modeling costs (section 1240I(a)1(A) of the 2008 farm bill), the EQIP regulation should authorize technical assistance to partners for such activities. In

addition, the current lack of an EQIP cost list for an approved cost share on planning activities hampers the implementation of FY2009 AWEP projects.

- **AWEP projects implemented through individual EQIP contracts or partnership agreements.** AWEP's statutory authorization includes selection criteria that give priority to projects that involve multiple partners and involve the highest percentage of producers in a region or watershed. Much of the discussion around AWEP was devoted to the idea of promoting multi-producer, partnership-based water quality and water conservation projects at a watershed scale. While we want to maintain the NRCS's flexibility to implement AWEP projects through individual EQIP contracts when a manageable number of producers are involved in the project, this approach may become unwieldy with multiple producers. A requirement to only implement AWEP via individual EQIP contracts may limit program efficiency and effectiveness. Indeed, AWEP's statutory authorization explicitly provides for project implementation *either* by entering into individual contracts with producers, or "*by entering into partnership agreements with partners, in accordance with subsection (c) [setting out partnership agreement requirements], on a regional level to benefit working agricultural land*" Section 12401(b)2 of the 2008 Farm Bill (emphasis added). Perhaps in projects where such flexibility is beneficial, a single area-wide plan of operations rather than an individual plan of operations/contracts could be included as part of the partnership agreement.

Moreover, the Managers' Report accompanying congressional authorization of AWEP states that: "The purpose of authorizing partners in AWEP is to leverage federal funds and to encourage producers to *collectively address specific water quality or quantity concerns*." Joint Explanatory Statement of the Committee of Conference to the Food, Conservation, and Energy Act of 2008 ("Managers' Report") at 52 (emphasis added). Even though the Managers' Report recommends that any federal funding should be delivered to producers, and that AWEP funding may not be used to "cover the administration expenses of partners," the Managers' Report fully authorizes and supports contracting with partners when multiple producers are involved. *Id.*

- **Definition of "administrative costs"** -- ISA urges NRCS to provide a definition of administrative costs for partners in future RFPs to help delineate what cannot be funded. ISA suggests starting with items such as rent, office equipment, telecommunication charges, clerical costs, accounting, fundraising, and marketing expenses. ISA believes these costs should count towards any non-federal contribution or match. The current AWEP RFP states that all partners' costs are administrative expenses. This is clearly not the case. ISA does not consider monitoring activities, such as water quality sampling, soil sampling, fall cornstalk nitrogen sampling and analysis of these and other monitoring results, as administrative expenses of ISA.

ISA's farmer directors have made significant commitments over the past decade in providing private sector leadership for advancing agriculture's environmental performance. This includes nearly \$3,000,000 to date (most of that over the past 4 years) in state soybean checkoff funding, personal investment by producers participating on ISA's Watershed and CEMSA (enhanced RMS) Programs, and considerable volunteer time conducting public education and advocacy for

support of both private and public sector capacity-building to help agriculture continue to increase its productivity while assessing and reducing its negative impacts on natural resources, climate, and energy use. In this effort, we have worked closely with NRCS at the local, state, and federal levels, partnering our private sector resources, expertise and capacity with those of NRCS to help both of us succeed in helping Iowa farmers use the advances of science and technology to meet the many increasing demands placed upon them. We believe our partnership has demonstrated, on the pilot scale, how partnerships can work to benefit farmers, the agency, and the public. This includes work this year, through a CIG grant and Cooperative Agreements, to help farmers conduct baseline assessments, planning, implementation, evaluation, and documented improvements in the co-benefits of their conservation practices that USDA's programs now are highlighting: energy efficiency, climate change emissions, carbon sequestration, and adaptability to climate change.

Our work together over the years has identified some needs, if we are to achieve measurable results on a significant scale, that we had hoped a program such as AWEP could address:

- multi-year funding commitments to allow a cycle of assessment, planning, implementation, monitoring and evaluation, and adjustment to be completed and then outcomes measured to monitor progress;
- mechanisms for working with groups of farmers, in a watershed or otherwise focused around a local resource concern, such as increased renewable fuel production, so that data collected could be aggregated, learning maximized, and practice changes implemented in a critical mass to improve local and regional conservation effects;
- a mechanism for infusing technical assistance funding for work with groups of farmers in aggregate and individually to conduct the above activities in a consistent and coherent way and report results to the participants and the agency.

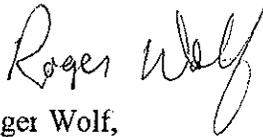
These factors would help our partners at NRCS translate program-centric results to resource-centric results reporting, which is extremely difficult, if not impossible, for them to do at this time with the challenges they face. While we have been able to leverage some additional private funding with our soybean checkoff investment, it is clear not only that private sector funding to bring this TA work to scale is not available, but also that this work is a proper use of public funding and will benefit the agency in achieving its goals, while helping farmers achieve theirs. This work can most efficiently and effectively be done in public-private partnership. Since we have worked with NRCS to develop this model, we see ISA as a candidate for AWEP partnership.

Without TA funding, ISA does not see how partnerships would have the resources to work with a large group of farmers. Moreover, NRCS county offices could not be reasonably expected to conduct all TA activities if a partnership agreement results in a large number of applications in a short time period in a county office. This may especially be true as the statute and RFP give priority to partnerships that work with a high percentage of producers in an area covered by the agreement.

Finally, we appreciate USDA NRCS's commitment to move quickly on this and other innovative Farm Bill programs in order to make the funding available yet this year, and we understand the challenge this presented to the rule-makers. We hope these comments will be helpful and will be

taken into consideration as the rules are further developed. As our working record demonstrates, and as we have often stated in meetings with both farmers and policy makers, the goal of Iowa Soybean Association's Environmental Programs is to help farmers succeed, economically and environmentally, and to help NRCS be successful in assisting farmers. We look forward to a continued productive partnership with our local, state, and national NRCS partners to advance agriculture's environmental performance.

Best Regards,

A handwritten signature in cursive script that reads "Roger Wolf". The signature is written in black ink and is positioned above the printed name.

Roger Wolf,
Director of Environmental Programs