

**REMARKS BY BOB STALLMAN, PRESIDENT  
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NATIONAL GOVERNORS ASSOCIATION  
WASHINGTON, D.C.  
MARCH 16, 2001**

**Good afternoon. I thank the National Governors Association for the opportunity to participate in this panel's exploration of conservation opportunities for farmers and ranchers to put in place to benefit the nation's resources. Too many conferences on agricultural policy are held without input from us, the people who are most affected by any plan or program and are most responsible for caring for the land.**

**Ninety-nine percent of the nation's farms and ranches are family-owned. We of course are in business to raise food and fiber. Converting land, water, air and sunlight into products that benefit people is our livelihood.**

**We recognize our responsibility to conserve resources and our obligation to use them wisely. We want to leave our farms in better condition than they were when we started. And I do not hesitate to say that virtually all farm and ranch families share this deeply held conviction. A primary goal of any agricultural management plan is to limit erosion, to reduce run-off, to farm neighborly and protect air and water quality while conserving wildlife habitat.**

**Agriculture has done a very good job producing wholesome food in abundance and practicing recognized conservation methods. Future gains in resource management will depend to a large degree on the farm economy. With the current farm economy so weak, no farmer is going to spend money he does not have on practices that do not contribute to the financial well-being of the operation.**

**So it is more important than ever that state and federal programs deliver sensible solutions economically and without placing excessive and expensive stress on our operations.**

**So, what do Farm Bureau members think about conservation policy? We believe that private ownership, individual freedom and market-oriented approaches will best serve the conservation of this nation's natural resources.**

**We want program and regulatory consistency. We expect a reasonable relationship between economic and social costs and benefits. Unlike other businesses, farmers and ranchers cannot simply pass costs on to the buyers of their commodities.**

**As we consider future resource conservation programs, agricultural productivity must be part of the discussion. Recognition of the necessity to balance economic and social costs with real environmental benefits is also crucial and the programs must respect farmers' and ranchers' property rights.**

**Over the past 30 years, there has been a marked decrease in soil erosion, dramatic improvements in air and water quality and a significant decline in the rate of wetland loss. Some would say we made the easy gains, the cheaper gains -- if you will. Further gains can be made, but they will be more expensive. If the public wants that benefit, then the public should share in any financial responsibility.**

**This philosophy is gaining acceptance in many circles outside of agriculture and other resource-managing industries. Cost-share to install and annual payments to cover maintenance and operational costs of approved conservation practices will help businesses improve and protect our nation's resources.**

**Several factors are necessary for conservation incentive programs to be effective and accepted. The programs must be voluntary and offer incentives for a wide range of actions. It should encourage implementation and maintenance of conservation practices and be available to all producers. It should forestall some mandates and be WTO legal.**

**A successful conservation incentive program would offer needed support to operations with limited assets and help keep families on their farms and help stabilize rural communities. Many in the ag community believe that such a plan to protect the environment and shore up agriculture would be favorably received by a non-farm majority, and gain support for expanding federal agricultural spending.**

**Past history shows that America's innovative and progressive farmers and ranchers are working conservationists. As a result, cropland erosion is 25 percent less than it was just 15 years ago. Much of the credit can go to producers adopting some form of conservation tillage on almost 40 percent of the nation's cropland.**

**The nation's water resources show similar improvement, when non-biased, science-based data is used. The former Administration's Environmental Protection Agency found other sources to justify stricter and more expensive federal controls. Farm Bureau prefers to work locally with you to implement scientifically sound programs.**

**Voluntary, local and incentive-based approaches with well-defined, measurable and realistic outcomes are key to successful program implementation in the country. Farmers and ranchers will buy in to a program better when they recognize a benefit and are able to pursue it on their terms, without external pressure.**

**Our programs need definite, realistic, field-specific goals. With a realistic target in sight, we can make progress. I can set out to reduce soil erosion on my riceland by a ton an acre, or whatever goal I set. But I won't make near the progress if my goal is simply to reduce erosion.**

**From past experiences with conservation programs, it is evident that education and technical assistance are key components in helping participants establish and achieve conservation goals and objectives. Demonstration projects, information dissemination, education and technical assistance will help promote greater understanding and participation.**

**A key condition of participation in any conservation program should be an assurance of confidentiality for any information we share with those running the program. This is especially true now as talk of whole-farm plans circulates.**

**There have been several attempts by several agencies of the federal government to get their hands on what we consider confidential information. In fact, Farm Bureau had to go to court to get restraining orders to protect our members' privacy. This is no way to create a fruitful working relationship.**

**Farm and ranch families would be happy to work with government officials face-to-face, before they develop regulatory plans. But too often, our experiences show that some agencies are much more comfortable declaring a problem and immediately creating a regulatory solution independently, without landowner input, sometimes without scientific fact. This approach stifled farmer enthusiasm for and participation in many federal programs. Confidentiality must be assured.**

**Three months ago, during a meeting in Austin with the leaders of many agricultural groups, President Bush said EPA and USDA will work together, with input from all stakeholders, before regulations are developed and programs implemented. Ann Veneman and Christy Todd Whitman both nodded in agreement.**

**Conservation programs we have now are too good to be jeopardized by inter-agency warfare or by misguided policy direction by agency mismanagement. Conservation programs have accomplished much for agriculture and for the environment.**

**That's not to say they can't be improved. The conservation reserve program has enjoyed farmer support since it was created and we support its expansion. We appreciate its purpose of improving soil and water resources and secondarily, to provide wildlife habitat.**

**Reasonable limits on participation should be included to protect the economic stability of individual counties or regions. As land is taken out of production, local "mom and pop" businesses suffer.**

**There are two other very significant concerns caused by a high level of enrollment. Beginning producers are hindered in their attempts to start farming. Less land available means higher rental costs, pure and simple. And in an industry where the average age is in the 50s, we need more young people in our ranks.**

**The other effect of a high level of enrollment is a competitive advantage granted to our foreign competitors. Farmers in America are retiring millions of acres of farmland. Our competitors in South America, Europe, Australia and elsewhere are gearing up, producing the commodities to fill the void we created. So we must be careful.**

**The Environmental Quality Incentive Program is another great program, accomplishing much even though it suffers from a common federal flaw. E-Q-I-P is too cumbersome and complex. There are just too many hoops to go through before the ultimate benefits may be realized.**

**One problem that E-Q-I-P suffers from also affects many other federal programs that farm and ranch families support. It is inadequately funded. In fact, E-Q-I-P hasn't been fully funded for the past several years.**

**The Grazing Land Conservation Initiative similarly suffers. Adequate funding is necessary so ranchers can get the technical assistance and expertise the program promises.**

**Inadequate federal funding of our conservation programs is a major failing and of great concern to us. Farm Bureau will continue to work for more favorable appropriations that will provide the maximum benefits possible.**

**One other area that needs mentioning is the idea of caps. Participation in a federal program should not be dependent on the size of a farm or on a person's wealth.**

**Big does not mean rich. And a large bank account doesn't mean that money is no object if a farmer must follow federal suggestions to implement conservation practices.**

**Participation in federal conservation programs should be based on environmental need. Means and size testing are counterproductive to attaining conservation goals.**

**So, in future federal conservation program considerations, Farm Bureau will be looking to eliminate caps, get rid of some of the complexities built into the programs, obtain adequate funding, and assure confidentiality.**

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**Nationally, farmers and ranchers have suffered low commodity prices for three years and we are probably looking at a fourth. In some areas, weather has limited production severely. Having a small crop to sell at a low price is an equation for disaster. Pressures to save the environment when you are worrying how you can save your farm are likely to go unheard.**

**In these difficult times, farmers and ranchers will need additional assistance if we are to successfully pursue the many goals set by society. Although not part of the farm bill, another effort that would greatly assist in the conservation of farmland and the nation's natural resources would be the elimination of death taxes.**

**I think killing the death tax would be a great boon for our nation's resources. Keeping a farm in the family almost always assures that previous conservation practices and philosophies will be maintained.**

**There is no such assurance when land must be sold, frequently to developers who will dramatically alter its habitat capabilities. Even if land is sold to another farmer to keep in production, management and conservation practices could change drastically.**

**Any issue that would promote overall profitability in agriculture is suitable for discussion because a stronger ag economy will make implementing new conservation practices easier.**

**Reducing taxes, expanding trade or cutting the cost and paperwork of unnecessary and burdensome regulations are all worthy goals.**

**Working together, we can achieve our goals -- whether they are economic or environmental. We recognize that conservation is not preservation. A vigorous and vital agricultural economy and a healthy, productive environment are compatible. I look forward to working with you to build a more profitable agriculture, a healthier environment and a stronger world.**

**Thank you.**

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