Agricultural Outlook Forum

Presented: February 16, 2006

PARTICIPANT VIEWS OF THE CONSERVATION SECURITY PROGRAM

James O. Andrew President & General Manager Andrew Farms, Inc

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A PARTICIPANTS VIEW OF THE 2005 CSP EXPERIENCE IN IOWA

James O. Andrew President, Andrew Farms, Inc.

My name is Jim Andrew and I am President and General Manager of Andrew Farms, Inc. a 1350 acre family farm corporation producing corn and soybeans with no livestock. We are blessed to own three Iowa Century Farms (must be the same family for over 100 years) and 80 acres of our land was purchased from the U.S. Government in 1855 for \$1.25 per acre. My grandfathers were early participants in filing soil conservation plans with the local SCS back in the 1930's and I was raised in an environment to respect the resources with which we were entrusted. My first recollection of the importance of soil conservation reverts to a coloring book I was given in elementary school by the local SCS office and the pictures portrayed in that small book made a lasting impression.

Graduating from the University of Iowa in business, not agriculture, I entered three years as an Infantry/Quartermaster officer in the U.S. Army during the Vietnam era. Upon my return from the Army in 1974, Dad and I made a conscious decision not to concentrate on acquiring more acres but rather to improve the existing land within our control. The travels that Dad and I had made to what once were garden spots of the world, which because of intensive tillage are now virtual deserts, led us to want to preserve the land farmed by our family for over 130 years. It was then we started an intensive program of annual tile terrace planning and installation, and made many other conservation improvements over the years to enhance our operation and insure conservation was being addressed. In 1993, we still were not satisfied that we were doing all that we could to preserve our soil. The sale of all our large conventional tillage equipment (18 tractors and tillage implements) and purchased the 150 horsepower tractor, new corn planter, new no-till drill, and self propelled sprayer which put us in no-till percent. We did this after three years of planning and were intentional in selling our old equipment so we would not be tempted to slip back into the tillage habit. In addition to the soil savings of no-till, the fuel savings and future carbon credits we gained only added to our bottom line.

In 1998 based on our participation in nitrogen strip trials with Dr. Alfred Blackmer, Professor of Agronomy at Iowa State University, we stopped all fall application of anhydrous ammonia and shifted to spring applied thus stopping the leaching of nitrogen into surrounding tile and streams. We also today, dedicate one-third to one-half of our corn acreage to in season application of liquid nitrogen in conjunction with ISU to try to discover the best rate practices for other producers in Iowa. This ongoing research proved that nitrogen application could be reduced from the previous practice of 150-180 pounds per acre to 100-120 pounds per acre and still satisfies the crops need and provides maximum yields.

We first became interested in the Conservation Security Program when it was included in the 2002 Farm Bill. Because of our involvement in the Iowa Corn and Soybean associations, we were very aware of the provisions as passed and likewise because of our conservation involvement over the years we felt we were naturals for qualifying for a very good position in the evaluation process. Our frustration level

increased as the programs structure and regulations were formatted and time passed while we were very interested in applying as soon as the rules were announced.

With the choice of the watershed program, we missed out on the 2004 application process and had to wait patiently for the 2005 announcement when fortunately the Raccoon River watershed in which all of our land resides was selected for the program. In the year preceding, I had sought out others in the two watersheds selected in Iowa and tried to analyze what had been expected of them in the way of records, soil tests, qualifications, and enhancements. Because of the newness of the program and maybe just based on the individuals' comments whom I contacted, a less than rosy picture was painted and thus I became challenged to insure we did everything to put Andrew Farms in the best possible position to qualify for Tier III.

Because of our over 35 year relationship with our county NRCS office in planning and implementing over 3 miles of parallel tile terraces, grass waterways, dikes along the creek running through our property and many other soil and water conservation improvements, we had come to know our local staff well and they know us. This long term relationship of mutual understanding and knowing of our desire to do all that we could in the conservation area led to a situation where the NRCS knew our land almost as well as we did. This had further been exhibited by our selection to be the host of several local and state conservation field days over the years. Needless to say, this was a big plus in convincing by long-term mutual involvement, our county NRCS personnel of our sincere desire to do the right thing and was not just a flash in the pan.

With the first informational meeting of the watershed, I was somewhat let down in that the program left me with many questions. I realize that this is a huge undertaking to develop a new program that covers such a vast area and addresses so many conservation needs. However I felt the preparation of the initial staff sent out to present it could have been better. Many questions were unanswerable until further guidance was received from state and national NRCS. The junior staffers assigned to explain it were sent into combat without the ammunition they needed to confidently explain the program. But, we, persevered with a positive attitude and upon filling out the very simple self-assessment workbook and seeing we were very qualified, we sought the first appointment to submit our records and be interviewed in the application process. As we went along, I realized that the NRCS personnel were learning just as I and that they were very helpful and cooperative in making the entire process painless.

I commend my local office for doing such a good job of integrating the temporary duty personnel assigned from adjoining non-watershed area offices to assist in the paperwork demanded to reach a fair and equitable evaluation of each farm. Since I was the first interview in our county, I particularly admired the local county conservationist inviting all the personnel who would be conducting future interviews to participate in mine so that they might get a feel for the questions to ask and become uniform in interviewing all future applicants on a one on one basis. Being first also allowed fellow farmers to contact me who had subsequent interviews so that I could calm their concerns that the interview might be some kind of inquisition. This was very helpful to those who came after me and made for a more productive session for all concerned. Overall, the role of the local NRCS personnel in administering the program was a very positive experience and they receive my highest compliment for their skill and cheerful patience in implementing this entirely new program.

In my opinion, the entire program was very well received by those who were already conservation savvy and who were flexible in the amount of documentation it takes to qualify for the program. Those who don't care to maintain excellent records or lacked a conservation ethic ingrained in their operation, chose to not participate either out of apathy or just knowing they were not prepared to qualify. While those of us in the conservation community rush to enroll in the CSP incentive based program, I am afraid human nature dictates that some will not participate unless threatened with fines or punishment in order to get them to address conservation issues in their operations. Thus CSP truly rewards the best but short of declaring some operations Federal lands, I don't know that some could ever be enticed to enroll and participate.

We are firm believers in the reward system involved in the Conservation Security Program. It is particularly rewarding to be recognized and financially credited for the work we were already doing without expectation of acknowledgement. This only strengthens our resolve to do all in our power to preserve our conservation efforts and try to influence our fellow farmers to adopt practices not only good for themselves but for the country as a whole. I personally will have given five speeches on CSP around the nation this winter and at each one, I gauge the level of interest from fellow farmers to be unbelievable. The biggest concerns seem to be when will my watershed be selected and will the program have enough dollars to ensure it is still viable by the time I am able to participate. While I recognize the realities of the current Federal budget scenario, I also believe that CSP serves as a good practice for the possible transfer of current farm program payments to a greener, WTO acceptable form of supporting U.S. agriculture while at the same time addressing the soil, water, and environmental concerns so demanded by the citizens of the United States. CSP allows us to adopt a new way of addressing other issues in the Ag sector such as the future expiring Conservation Reserve Program contracts which will bring thousands of fragile lands back into production. Wouldn't it be wonderful if we could take some of the savings from the present contracts and offer a no-till or strip till incentive payment to farmers with expiring CRP if they were to bring these lands back into production using these tested soil saving tillage techniques? This is just one possibility and I am sure many others could be addressed using the CSP model as a replacement for the current farm program as we know it.

Overall, the entire CSP experience was extremely rewarding and satisfying in retrospect. My father and I in the course of our combined lifespan have never experienced a program that was so well received by our fellow farmers and the urban citizens of our local community. It was unbelievable the positive and heartfelt congratulations we received from all especially in view of the financial reward we received. This only strengthens my belief that soil conservation is beyond partisan politics and is really a key issue not only to the farm community but also to the society at large. NRCS personnel on every level and over the years are to be commended for the work they have done bringing conservation to the forefront of our society. We must and should continue to take every advantage of this broad based support in advancing the conservation incentive/reward system in the future if we are to preserve our ability to feed the hungry of the world while at the same time not fouling our environment. For those fellow producers not yet selected to participate, take this time to get your land and records in order, keep a positive attitude, and take every advantage to lobby your congressmen for the continuation and expansion of CSP or its predecessor in the future.

In closing, let us all remember the words of a man the Encyclopedia Britannica credits with coining the term conservation, President Theodore Roosevelt: "In any moment of decision, the best thing you can do

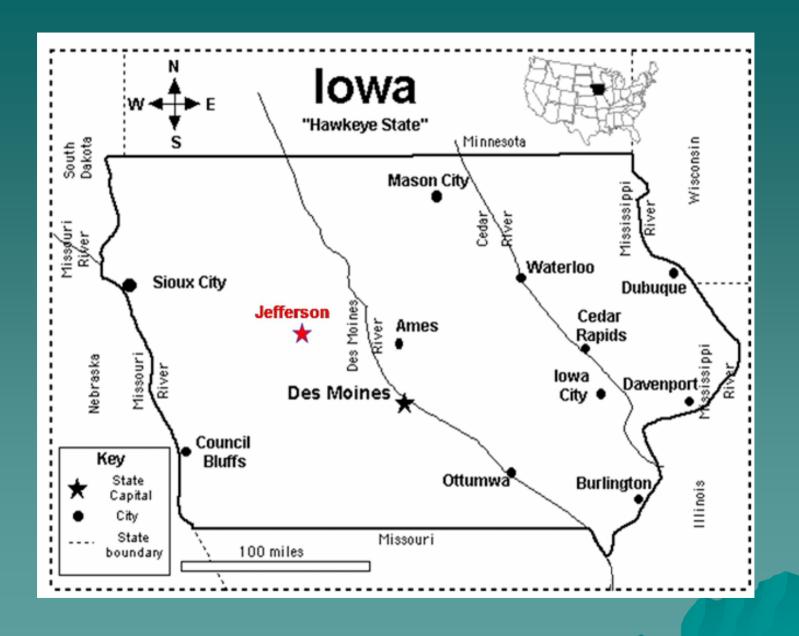
is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing." Let us continue with the expansion of the Conservation Security Program to do the best thing.

A Participant's View of the 2005 CSP Experience in Iowa

James O. Andrew Andrew Farms

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Andrew Farms, Incorporated

- 1275 acres corn and soybean operation in west central lowa
- Family farm corporation formed in 1975
- 3 Iowa Century
 Farms-each owned
 by same family for
 100 years
- 80 acres purchased from U.S.
 government for \$1.25/acre in 1855.



Annual tile/terrace installation, 3 farm ponds built and nurtured with surrounding wildlife areas; built surface drains, grassed waterways, and practiced conservation tillage.

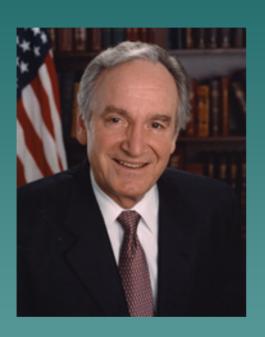




After 3 years of extensive study and planning including NNTC attendance, we went 100% no-till and sold most of tillage equipment to avoid backsliding into tillage habit.

- -Stopped fall AA application
- -Started liquid nitrogen in-season strip trials with Dr. Fred Blackmer, ISU agronomy prof
- -Fall nitrogen stalk tests
- -Strip till fertilization and planting
- -Effect of calcareous soils on bean yields
- -Strip test poly-coated urea surface spread over planted corn in spring





Senator Tom Harkin, Chairman of U.S. Senate Ag Committee and "founding father" of the Conservation Security Program, a part of the 2002 farm bill

Be proactive!



ISA DIRECTOR and soybean grower Jim Andrew (left) attended the CSP meeting.

Photo by Mick Lane



SEN. TOM HARKIN, D-IOWA, (left) is a champion of the Conservation Security Program and recently held a meeting to ask farmers for their input.

Photo by Mick Lane

Harkin, Farmers Voice Concerns About CSP

"I've been waiting three years for my chance to sign up for the program," Jim Andrew told Sen. Tom Harkin, D-Iowa, March 13 at a meeting called by the senator to get farmer feedback on the Conservation Security Program. Andrew, an ISA director, farms in the North Raccoon River watershed near Jefferson, so is eligible to sign up for the 2005 CSP.

March 2005

Applied for Conservation Security Program-North Raccoon River Watershed.









Financial breakdown for Andrew Farms

Stewardship Payment\$14.35 per acre \$13,	500
No-Till \$15,	284
Enhancement-soil conditioning indices \$ 7,	746
Enhancement-minimum use pesticides	
with resistant varieties \$ 2,	035
Enhancement-no fall anhydrous \$ 2,	038
Enhancement- <u>S</u> oil <u>T</u> illage <u>I</u> ntensity <u>R</u> ating	
(STIR)-soybean rotation to reduce nitrogen \$ 1,000	
Existing Practice Payment \$ 3,	377

Total \$45,000



A Grateful Nation Thanks You!