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Subject: Farm Bill 2007 Official Comments - 12/23/2005 10:07 AM CST
Date Sent: 12/23/2005 10:07:06 CST
Date Received: 12/23/2005 10:07:38 CST

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Question1:

Question2:

Question3:

Question4: The fates of farming and wildlife in the northeast are inseparable. If both are to survive in the states with heavy development pressure, the new Farm Bill must be developed in a way that includes innovative strategies to promote economically viable farm communities and conservation goals. Managing for at-risk species habitat is as just as important ecologically to the quality of life as is conserving our soil and water. Meeting the nation's conservation challenges and improving the economic bottom line of farmers requires a substantial outlay of public money and flexibility of habitat based conservation practices.

The short answer to Question 4 is to reform the payment structure for the conservation programs under the Farm Bill to make enrollment and the conservation practices therein become more lucrative and flexible for the landowner to participate. To achieve this, conservation spending under the new bill must take into account when formulating competitive conservation payment numbers what is being offered to the landowner in the current real estate market for land development potential. This is particularly important when it comes to the conservation programs offering compensation for wildlife creation or enhancement.

The 2002 Farm Bill offered various incentives to landowners through the implementation of conservation programs that provided for soil and water and wildlife improvement. Under this Bill, the USDA allocated more money to establish conservation practices on farmland than any of the previous bills. Despite its successes, particularly in soil and water conservation, the wildlife improvement elements of the 2002 Farm Bill, specifically when it concerns the creation and/or protection of habitat for at-risk species, has not been met with the same enthusiasm in the Northeast (CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VT) then in the rest of the country. Based on current available data from National Resource Conservation Service (NRCS), total contracts for the Wildlife Habitat Incentive program (WHIP) program in the northeast only equate to 0.17% of the total contracts for the nation, Wetlands Reserve Program (WRP) contracts in the northeast only 0.15%, Grassland Reserve Program (GLR) contracts in the northeast only 0.19%, Conservation Security Program (CSP) contracts in the northeast only 0.05%, and Environmental Quality Program (EQIP) contracts in the northeast only 0.05%.

This aversion to wildlife enhancement practices and/or to overall habitat based programs such as WHIP and WRP in the northeast, particular in New Jersey, may be the result of that what is being offered in the specific programs as compensation for conservation is just not enough to the landowner to make it a viable option economically when confronted with the daily pressure of farmland operations and the alluring influence of 'big-money' development offers for their land. Also

limiting types of conservation practices may cause the wildlife enhancement aspect of the programs to fall short of a landowner's expectations. Thus leaving wildlife to make use of a conservation practice installed under a program geared for soil erosion control that possibly has no or limited consideration to the habitat suitability to a particular "at-risk" species in the region.

Furthermore, with the onslaught of development intensity in the northeast on agricultural lands, the landowner is bombarded with the developer's mantra of "a property with an at-risk species has no real value". Therefore, this imposed stigma of devaluing your property for actively managing for at-risk species is a difficult mindset to overcome unless significant compensation can be given to the landowner for doing so.

Agriculture's very existence is dependant upon a stable land base. Over the last several years, the northeastern US, particularly in New Jersey, has shown development trends that indicate a less than stable land base. Using New Jersey (the most densely populated state in the nation with a total land area of just 0.2 percent of the total land area of the United States) as an example, the pace of development sprawl into the agricultural community is at an alarming rate.

Again using New Jersey as an example, many experts projects that build-out will occur in New Jersey within the next 18 years, while NJ's population of 8.4 million is expected to grow by 1 million in the period. Roughly 2 million of New Jersey's 5 million acres are developed and approximately 1 million are protected by various levels of government. Since 2003 NJ had promised to acquire or preserve land, including farmland to bring the number of protected land to 2 million by 2009. Therefore, the rest of the state's acreage approximately 1 million acres is either unsuitable for development or will be left to be fought over for development or preservation. That leaves farmland as the primary target for potential development and according to State conservative estimates; New Jersey is losing 50 acres of land a day to development.

New Jersey is home to more than 9,000 farmers and according to the USDA, National Agricultural Statistics service, "New Jersey agriculture is at a critical crossroads as farmland in the state is disappearing at an average rate of 10,000 acres a year."

New Jersey is also the home to 90 mammal species, 79 reptile and amphibian species, more than 420 bird species and numerous invertebrates. Of these referenced species over 70 species are classified as threatened or endangered in New Jersey and an additional 58 are species of special concern. Thus, bringing a total of 128 species in New Jersey alone to be considered "at-risk" species.

According to the New Jersey Department of Fish and Wildlife, "Most rare species (at-risk species) in New Jersey can be found on -- and depend upon -- privately owned lands. In fact, in New Jersey many plants, animals and habitat types are in serious decline. As development pressures increase, we are losing much of what makes New Jersey so beautiful." This statement also rings true for much of the nation in general. According to information provided by the nonprofit organization Environmental Defense, "Nearly three-fourths of the lower 48 states is privately owned and that's where most of our rare plants and animals live."

Much of the remaining habitat for these "at-risk" species, particularly the grassland habitat dependant species, is almost entirely embedded within agricultural landscapes of the northeast. Therefore, under the practices and compensation structure of the current Farm Bill programs, the incentive for a farmer to implement enhancement or creation of suitable habitat for at-risk species is not economically viable compared to performing other conservation practices geared more towards soil

erosion and water quality.

Conservation and economic success of farms are tied to the quality of the land. Production of crops or livestock and the preservation of habitat for wildlife can exist in harmony and are essential in providing the public with not only food, but an improved quality of life.

Therefore, under the next Farm Bill, by possibly expanding the "annual rental payment" and "signing incentive payment" benefits currently offered under the Conservation Reserve Enhancement Program (CREP) to more wildlife improvement based programs such as WHIP and WRP, and also increasing the overall "rental rates" for retirement of land for habitat creation or enhancement for at-risk species to a more competitive rate with that of a typical land development offer, participation in these programs may be more palatable to the farmer who is looking for an alternative to having to possibly sell off land to development to maintain economic stability.

Also under the new Farm Bill, consideration should be given to a 100% cost share under WHIP or WRP for habitat creation or enhancement for an at-risk species since there is really no economic benefit to the average farmer trying to make ends meet to concentrate his time and money to provide for an at-risk species as well as his family.

In the past, the Farm Bill also provided technical, educational and financial assistance to forest landowners. This includes the Forest Land Enhancement Program (FLEP). Our forests also provide numerous benefits to our communities in terms of economic value, natural resource protection, recreational opportunities and quality of life. Since many wildlife species rely on a forest - farmland relationship to provide suitable habitat components, forestry assistance programs must also be amply funded to ensure they remain in the Farm Bill.

Furthermore, a modification from the "practice-production" based approach in the various conservation programs to a more "performance" based approach may also be applicable under the new Farm Bill. Under a performance based approach farmers could be compensated for not only the rental of the retired land to create the habitat, but be compensated for the actual stewardship of the habitat for at-risk species, such as a "land steward salary" benefit. The Conservation Security Program (CSP) touched on this concept however it falls short by limiting enrollment to only selected watersheds and requiring that all practices have a soil and water quality improvement component regardless of the intended need for the practice such as habitat enhancement for an at-risk species.

A similar conservation program in Europe that has been met with great success and is currently utilizing this concept of paying a "land steward salary" is the "Environmental Stewardship" program in Great Britain. Under this program, British farmers can earn points for performing specific "environmental management options" (i.e. conservation practices) that address the program's primary objectives of conserving wildlife (improving biodiversity) and maintaining and enhancing landscape quality and character. If they earn enough points, the government pays them an annual "salary".

The same kind of "points" system could work under the new Farm Bill with a land steward salary benefit under a program like WHIP or under a reformed CSP, paying farmers for the public service they provide by their performance of environmental and social benefits (maintaining - enhancing/creating at-risk species habitat, etc.) produced on their farms. This benefit could be promoted on annual salary schedule, and/or provide graduate payments (i.e. raises to the annual salary "tiered") according to increasing levels of stewardship or if the farmer reached a specific measurable goal (i.e. a specific number of increased species abundance / diversity, etc.) on his lands through a stewardship practice. Again this "tiered" payment was touched on under the current CSP, but the restrictions under the current CSP limit potential wildlife

habitat enhancement to only localize areas (i.e. selected watersheds and certain practices in those selected watersheds). A tiered program could be implemented under a revised CSP (i.e. including more enrollment areas and removing the mandatory soil and water quality component) or under WHIP which currently does not have a stewardship type payment. Finally, more consideration must be given to the farmer who leases property, specifically when it comes to payments for retirement of cropland for use in a conservation practice. In the Northeast, many farmed tracks are not farmed by the actual landowner, but are in fact leased to a farmer in order for the actual landowner to qualify for farmland tax assessment. Thus leaving the lessee farmer to work the land not just for the more typical farming activities, of seeding, application of fertilizer, harvesting, etc., but also performing economically burdensome activities to maintaining the land's suitability as useful tillable land. This could mean the clearing of brush, installation of waterways, drainage diversion, fencing, etc. Although many Farm Bill conservation programs would be applicable to a lessee farmer to aid in these types of farming activities, the problem comes down two major concerns; (1) the unpredictability of a landowner to sell off or change the property's use; and (2), conservation programs such as CREP that pay a rental rate on land retired from production do not compensate the lease farmer for loss of the acreage enrolled by the landowner into a program.

In a real estate market such as the one in the Northeast which is under constant assault from development, a farm could be here today gone tomorrow, therefore any conservation program considered by a lessee farmer for enrollment is seen as having significant risk factor, primarily because of the length of the program contract and/or the fact a rental payment goes only to the landowner and not to the person actual farming the land. In many cases the lessee farmer is also the one who is used (i.e. his equipment, time, etc.) by the landowners to meet the landowner's in-kind cost-share portion of the particular conservation contract such as CREP or WHIP.

With average farm rental rates in the Northeast being anywhere from \$40 to \$70 an acre, and in some cases zero so that the landowner can qualify for the farmland assessment tax break on the land, programs like CREP can easily become more lucrative to a landowner than it would be to lessee his land for farming. Therefore, under the new Farm Bill provisions in the various programs should include options of shorter contract lengths (i.e. less than 5 years) for lessee farmers that want to participate and more importantly it should incorporate an option for split land rental payments (i.e. split between the landowner and the lessee farmer) when land is retired from production for a conservation practice.

Along with other incentive programs available to farmers, the next Farm Bill can serve as a chief mechanism for making conservation on farmland economically realistic for the landowner, however without making conservation highly lucrative for the farmer the survival of some of our most treasured wildlife species in the agricultural landscape is suspect at best. At the very least, a doubling of the current conservation spending is most applicable in the next Farm Bill.

Question5:

Question6: