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House Transportation and Infrastructure Committee

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Thank you for the opportunity to appear before the Water Resources and Environment Subcommittee of the House Transportation and Infrastructure Committee.

More than 30 years have passed since our nation pledged to make our rivers, lakes and bays clean enough to support fishing and swimming, and more than 20 years have passed since the first deadline for this ambitious goal. Today, thousands of rivers, lakes and bays still remain too polluted to meet the goals of the Clean Water Act. A recent assessment of small streams by EPA found 42 percent of our streams in poor condition.

Our farmers and ranchers can produce far more than food and fiber – they can also produce clean water and wildlife habitat. Farmers and ranchers manage more than half of the American landscape, so it should be no surprise that agriculture is a leading source of water pollution. While there are many sources of water pollution, agriculture remains among the leading reasons that many of America's rivers, lakes and bay remain too polluted to meet state water quality goals. According to state assessments, agriculture is the leading source of pollution among rivers and lakes unable to support designated uses such as fishing and swimming and agriculture is a major reason so many of America's bays feature low-oxygen "dead zones" and face other water quality challenges.

To comply with the Clean Water Act, states have developed thousands of plans to clean up America's remaining polluted rivers, lakes, and bays. It should also be no surprise that many of these plans rely upon significant contributions by agriculture. For example, pollution reduction goals our region set for the Chesapeake Bay in a 2000 consent decree presume that agriculture will by 2010 dramatically reduce the loss of nitrogen and phosphorous. But, the Clean Water Act does not generally grant to EPA or the states the power to regulate agriculture, and very few states direct farmers to install land management practices that reduce the loss of nutrients, sediment, and other pollutants from farms. Unless we provide farmers with the right tools and incentives, we cannot hope to meet the goals we have set for our rivers, lakes and bays.

In general, farmers are eager to solve the nation's water quality challenges. For example, many farmers have adopted tillage practices that reduce soil erosion. About 41 percent of farmers employed "conservation" tillage practices in 2004, up from 26 percent in 1990. The number acres where "no-till" was employed tripled during the same period, from 17 million acres to 62 million acres. As a result, annual soil erosion from cropland fell by more than 600 million tons between 1982 and 1997, according to USDA's Natural Resources Inventory.

Farmers have also expanded the use of buffers of grasses and trees to intercept and filter runoff from farmland, and have expanded the protection and restoration of wetlands. For example, farmers have installed more than 3 million acres of buffers over the last decade. Overall, tens of thousands of farmers are implementing scores of different land management practices that help apply fertilizers with greater precision and that intercept and filter sediment and nutrients intended for crops.

Nevertheless, more than 100 million acres of cropland are still eroding at unsustainable rates, according to the NRI, and significant soil erosion gains have not been in the last decade. Most farmers still do not conduct the basic soil tests that Chairman Oberstar would have mandated a decade ago in H.R. 550, the Nonpoint Source Pollution Prevention Act of 1997. According to USDA, less than 40 percent of cropland is subject

to a test for nitrogen, including just 26 percent and just 24 percent of corn and soybean acres, respectively. Less than 15 percent of farmers have employed "variable rate" technologies that automatically change fertilizer applications to reflect nutrient needs. USDA surveys demonstrate that farmers have made great strides but also demonstrate that agriculture could do much more with the right tools and incentives.

Agriculture is not only a major source of pollution for many of America's rivers, lakes and bays; agriculture also offers the best opportunities to make significant progress on our water quality goals. Adopting soil-conserving tillage practices, applying nitrogen with greater precision, planting cover crops, installing buffers of grasses and trees, rotating crops, building terraces, restoring lost wetlands, adding soil amendments, and scores of other proven land management practices are far less costly and provide many more benefits per dollar expended than upgrading waste water treatment plants or other point sources and can offer other environment benefits, such as habitat for wildlife. Although the benefits of these practices can vary widely – depending on design, location, management and other factors – such practices remain the most cost-effective water quality tools available to policymakers.

| **Percent of acreage with recommended practice, by crop** | | | | |
|---|---|---|---|---|
| Practice | Corn | Soybeans | Wheat | Cotton |
| | **Percent of crop acreage** | | | |
| Crop rotation | 80 | 84 | 57 | 27 |
| Conservation tillage | 43 | 69 | 33 | 11 |
| Scouted for pests | 55 | 58 | 83 | 92 |
| Soil test for nitrogen | 26 | 24 | 30 | 37 |
| Source: USDA's Agricultural Resource Management Survey | | | | |

The benefits of these practices are well understood, in part, because of the addition of Section 319 to the Clean Water Act in 1987. As you know, practices implemented through the Section 319 Program have contributed to the restoration of more than 30 water bodies. For example, installing riverside buffers and removing a small dam with 319 funds allowed Pennsylvania officials to remove 22 miles of Manatawny Creek from the state's list of "impaired" waters. Simply installing a fence

with 319 funds to exclude cattle from a four-mile stretch of Furlong Creek in Michigan was enough to rejuvenate the creek's aquatic life. Installing buffer strip and improving animal waste storage has reduced phosphorous levels in Minnesota's Sauk River by nearly 50 percent. There are many other 319 success stories, but the single most important lesson learned from the program's 20-year history is that the tools to reduce nonpoint source pollution are readily available and are cost-effective.

Congress has many more opportunities to expand the use of these basic practices and to improve our understanding of their benefits. In particular, renewal of farm and food policies this year provides a rare opportunity to reward farmers when they take steps to improve water quality. Increasing annual USDA conservation assistance to $8 billion by 2012 would dramatically reduce nitrogen, phosphorous and sediment loadings to surface waters. We estimate that national soil losses would fall by 17 percent, phosphorous losses would fall by 16 percent, and that nitrogen losses would fall by 11 percent if Congress made the investments proposed in H.R. 1551, the Healthy Farms, Fuels and Foods Act and H.R. 1600, the EAT Healthy America Act. Expanding conservation programs would also help many more farmers and regions receive a fair share of federal farm spending.

Congress should expand and improve voluntary working lands incentives programs like the Section 319 Program and USDA's Environmental Quality Incentives Program, which shares the cost of land management practices, and the innovative new Conservation Security Program, which links conservation payments to a producer's level of environmental performance. Congress should also improve the delivery of these federal working lands programs to provide "cooperative conservation" grants to groups of farmers working together in small watersheds to meet local water quality goals. When farmers work together, they frequently solve our water quality challenges faster, at less cost, and provide new insights into the benefits of different practices.

Renewal of the Farm Bill also gives Congress the opportunity to reform our land retirement and restoration programs, the Conservation Reserve and Wetlands Reserve

programs, to focus greater enrollment on lands that are best able to intercept and filter farmland runoff. The installation of buffers and the use of Conservation Reserve Enhancement Program (CREP) agreements to target federal and state land restoration funds have been among the most effective ways to address polluted runoff and should be expanded in the 2007 Farm Bill.

Recommendations:

1) Expand Section 319 of the Clean Water Act -- Congress should accelerate efforts to address polluted runoff from farmland through expansion of Section 319 of the Clean Water Act.

2) Expand and improve the Environmental Quality Incentives Program – Congress should expand annual funding for the EQIP program to $2 billion, and should improve the program by rewarding states that identify the most innovative and cost-effective producers of environmental benefits. Congress should also expand the Conservation Innovation Grants program, and should accelerate the transfer of innovative new technologies and practices that improve water quality.

3) Expand and improve the Conservation Security Program – Congress should make the Conservation Security Program available to all farmers meeting high levels of environmental performance and should restructure CSP to require new performance and to better reflect local environmental priorities.

4) Target Land Reserve Programs – Congress should expand the Wetlands Reserve Program to 5 million acres, and should improve the program by making water quality a program purpose; and, Congress should improve the Conservation Reserve Program by enrolling more marginal, environmentally sensitive lands, such as riverside corridors.

5) Promote Cooperative Conservation – Congress should reserve 20 percent of all USDA working lands conservation programs to provide grants to groups of farmers working together to meet local environmental challenges. Conservation districts, cooperatives, water utilities, local governments, producer groups, and others should be encouraged to aggregate groups of farmers to seek multi-year grants to address local challenges, such as cleaning up "impaired" rivers and lakes.

6) Link Income Support to Stewardship – Congress should link farm income support to environmental stewardship. For example, Congress could provide a bonus to a producer's direct payment in exchange for the adoption of basic conservation practices, such as soil testing, stalk testing, and changes in the timing of fertilizer applications.

7) Link Renewable Energy Investments to Environmental Goals – Congress should expand USDA grants and loans to farmers developing renewable energy but should use an environmental benefits index to rank energy development proposals.

Farmers and ranchers are eager to address the nation's water quality challenges. Many conservation practices that improve water quality also reduce input costs, such as better nutrient and pest management. And, many conservation practices are simply changes in behavior that merely require an incentive payment, such as changes in the timing of fertilizer applications. But, many conservation practices pose new costs and risks that should be shared by the taxpayers. Unfortunately, more than 50,000 farmers are annually rejected by USDA when they offer to share the cost of clean water because of our misplaced spending priorities. The 2007 Farm Bill is an opportunity to reward – rather than reject – farmers and ranchers when they seek conservation assistance.

Thank you for the opportunity to testify.