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Environment and Public Works Committee
Water and Wild Subcommittee
United States Senate

"Joint Hearing on the Legislative Approaches to Protecting, Preserving and Restoring Great Water Bodies"

Wednesday, February 24, 2010

On behalf of the farm families of New York Farm Bureau, New York's largest general farm organization, I appreciate the opportunity provided by Senator Boxer and Senator Cardin, the respective Chair and Subcommittee Chair, as well as respective Ranking Members Senator Inhofe and Senator Crapo to submit testimony regarding approaches to enhance the Great Lakes and the Long Island Sound. New York Farm Bureau is also grateful to Senator Gillibrand for her strong representation as both a member of the Environment and Public Works Committee and the Agriculture Committee.

My testimony today will focus on the most effective strategies to maximize the contribution agriculture can make in protecting, preserving and restoring our Nation's great water bodies. I respectfully request that these comments be entered in the Congressional record as part of today's proceedings.

In the context of great water bodies being considered today, the New York agricultural community has a strong interest in the approaches that will be developed and implemented. The seventeen percent of the Great Lakes Watershed within New York is home to over 17,000 farms or approximately one-half of New York's total. The five percent of the Long Island Sound Watershed that falls within New York includes the vast majority of the remaining farmland located on Long Island. Additionally, the state is responsible for about ten percent of the Chesapeake Bay Watershed, a water body of strong interest to the Committee. New York farms are active and vibrant in each of these areas, from orchards on the shores of Lake Ontario to lettuce growers along the St. Lawrence River to world-class farm wineries on the North Fork of Long Island, to the shaken, but fiercely determined dairy farms in the Finger Lakes.

Beyond environmental concerns, farming in the watersheds of both the Great Lakes and the Long Island Sound has additional challenges. On Long Island, farms have dealt with encroaching suburban pressures since before Levittown, the father of modern suburban development, was established over sixty years ago. One family farm on Long Island has moved three times during this period, each time further east to avoid continual development pressure. Today farms are at the end of Long Island, with the last 35,700 acres of farmland holding back dramatic development of the North Fork and around the Peconic Bay. Farmers on Long Island deal with an ever increasing suburban pressure on a daily basis.

In the Great Lakes Watershed farmers are continually faced with the changing economic conditions that an ever more competitive global market brings. Our dairy farms deal with a boom and bust cycle which, as members of the committee are very aware, has resulted in the most difficult milk pricing situation every experienced. Apple and vegetable farmers must continually deal with weaker processing markets as many companies focus operations on lower cost imports. Certainly these same conditions are felt by our farm neighbors in New England and throughout the Great Lakes States.

Despite these constantly changing variables, each and every day farmers across New York are working to improve their environmental sustainability. Farming is a long-term business and farmers recognize that appropriate natural resource management is critical to maintaining success of their businesses for future generations. Supporting farmers in these endeavors is how Congress can best aid agriculture in protecting water quality.

Agricultural Environmental Management—A positive approach

Discussions surrounding water quality improvements by private individuals and companies focus on two approaches, a voluntary, incentive based approach and a regulatory approach. While both approaches are needed, when working with agriculture, longstanding experience and numerous studies demonstrate that a voluntary, incentive based approach is the most productive way to achieve long-term water quality improvement. For this reason, states in the Great Lakes and Long Island Sound Watersheds have formalized and developed programs to support farm water quality protection efforts. In New York we have the Agricultural Environmental Management (AEM) program, in Michigan they've established the Agriculture Environmental Assurance Program, Massachusetts Farm Bureau has taken the lead on developing environmental best management practices (BMPs) and in Connecticut, USDA's Natural Resources Conservation Service (NRCS) has worked with many dairy farms to implement water quality protection initiatives.

For over fifteen years, New York's AEM program has aided farmers in protecting water quality. Formalized in New York State law in 2000, the program is a proven example of how government can help farmers be better stewards of our natural resources. The driving principles of AEM's success are what any approach by government should attempt to incorporate when implementing water quality programs that interact with agriculture.

Specifically these principles include:

A farm specific focus. Each farm represents a different environmental system with soil types, crop rotations and management capabilities that are specific only to the individual farm. These unique farm characteristics require a customized plan to address water quality issues. The AEM program achieves this goal by using a farm specific environmental evaluation and nutrient planning process to develop an overall implementation plan.

An educational component. Only by inspiring constant environmental awareness on a daily basis can we improve long-term water quality. To develop this recognition it is critical to achieve farmer buy-in of new management practices. This can only occur if programs have a strong educational focus. Under the AEM program, farms environmental knowledge is increased through a tiered planning approach that includes an ongoing evaluation component, ensuring continual improvement.

Locally Coordinated. Addressing water quality in an agricultural setting requires knowledge of specific environmental issues within each local watershed. Having local soil & water conservation districts lead efforts, such as they do in the AEM program, means limited resources are targeted to areas that will make the most impact in water quality improvement.

Participant Confidence. Regardless of the amount of cost share available for BMP implementation, there will always be a contribution by the farmer, whether in financial resources or even just focusing management time on the project. As business owners, farmers must have confidence in the technical assistance being provided or they will not view recommended water quality improvements as a wise and worthwhile investment. In New York's AEM program, technical assistance is provided by local soil & water conservation districts that have a long history and significant trust with farmers.

Farmers want to protect the environment and they are very proud of their responsibility as the caretakers our lands and waters. This is clearly demonstrated by farm participation in programs such as AEM which is currently working with over 12,000 of New York's approximately 35,000 farms.

Farmers are also the first to recognize that, while currently doing a tremendous job, more can be done to protect the environment. While many BMPs, such as the development of nutrient management plans (NMPs) make economic sense, higher-cost projects often cannot provide the payback necessary to make them financially viable. In an economic environment where income is already limited, this financial fact severely limits the ability of farms to implement new BMPs.

We clearly see this conflict of wanting to do more, but not having the financial ability to accomplish further BMP implementation, in data from current funding requests. Congress has been very gracious in supporting the Environmental Quality Incentives Program (EQIP), including new funding for both a Chesapeake and Great Lakes focus. Farmers in

New York and throughout the great water bodies are so very grateful for this support. Further enhancing this support would dramatically improve water quality and help maintain our family farms.

In New York last year, farmers requested over $51 million in support from EQIP funds, only $13 million of which was funded. In our New York State Agricultural Non-Point Source Abatement Grant Program, farms in the Great Lakes requested support for over $22 million in new BMPs beyond what was funded and on Long Island over $800,000 in funding requests could not be fulfilled. In the New York's portion of the Chesapeake Bay, only sixteen percent of requests were able to be funded under the new enhancement program. The will of farms to do more to protect water quality is there but we need Congressional help to accomplish these goals.

Beyond being effective on the farm, voluntary, incentive based programs are also the most effective way to utilize government funds to protect water quality. Regulatory agencies simply do not have the man power to have a constant presence on farms across watersheds. Education and assistance based programs result in an approach that achieves fundamental buy-in from the participating community. This strengthened knowledge about protecting our resources lowers the overall risk of involved sectors, allowing regulatory agencies to dedicate their limited resources to other higher-risk areas.

Technical Assistance Infrastructure

As business owners, farms recognize that spending must be done in the most effective way possible. With that in mind, we firmly believe that supporting local technical assistance is of vital importance to helping farms protect water quality. Having knowledgeable NRCS employees and strong local soil & water conservation districts means the ability to quickly and efficiently deploy green infrastructure projects. Aiding our land grant universities in developing and researching new BMPs and expanding the applied knowledge of nutrient management techniques helps ensure that farms continue to use the latest sound science to push the boundary on superior water quality protection. To this end, we strongly encourage increased support for local agencies involved in water quality improvement and enhanced funding for programs like NRCS's Conservation Innovation Grants.

Market Based Approaches

Encouraging farms to implement BMPs may in fact be the most cost effective mechanism to ensure water quality. However, while representing the lowest cost to society, these projects are not, in any way, a low cost investment to the farmer. In fact, forcing farms to adopt these practices will weaken their financial stability and may result in a termination of the farm business. This is particularly true given that farmers are "price takers" and cannot simply pass increased costs onto the consumer. The end consequence of farms leaving the business is often a decline in water quality as stormwater and impervious surfaces such as parking lots replace hay fields and forest land.

There are existing models that have demonstrated how society can install on-farm BMPs without mandates on the farm community. In New York, a landmark approach resulted in

New York City funding the installation of on-farm BMPs across its watershed region. These BMPs were installed at a fraction of the cost a new filtration plant would have cost the New York City and in addition aided family farms throughout the Catskills.

This cost-benefit approach, along with a nutrient trading approach is something we strongly urge Congress to consider when discussing efforts to improve water quality. Whether it be through authorizing interstate compacts within watersheds or supporting intrastate efforts, nutrient trading can allow market forces to aid in efficiently providing clean water. We would encourage that these nutrient trading discussions not just look at BMP implementation but also at purchase of development rights programs, provided lands remain as active farmland. The one point of caution on this issue is that establishing goals or even regulations that are based on expectations of "everything, everywhere from everyone," dramatically limits the opportunities nutrient trading has to help farms.

Appropriate Regulation

In any sector, there will unfortunately be individuals that are not actively involved in protecting the environment. In these situations, we recognize there is a role for a regulatory approach. What is concerning to us is an emerging discussion about increasing the regulatory oversight and authority of the Federal Government to address this small segment. We are opposed to this approach of increased Federal authority. Necessary tools are already in place to allow states to comprehensively enforce water improvement efforts.

We mentioned above that appropriate assistance programs for water issues should be locally focused. Similarly, regulatory programs need to be designed based on local conditions and management practices. One need only look at the disastrous attempt by EPA to regulate CAFOs in order to understand the inherent fault of having increased Federal regulatory oversight of farms. For the past year, New York has struggled with EPA's mandate that would bring New York dairies and our Department of Environmental Conservation to a standstill. This approach is counter to everything that's been discussed about effective use of government resources and targeting areas of higher environmental risk. Again each individual farm is an environmental system unlike any other. This necessitates a targeted approach that Federal regulation simply cannot provide.

Having regulatory flexibility is important not just for local conditions, but also to allow for continually improving practices to be implemented on farms. The current Clean Water Act permit system focuses on wastewater treatment plants and chemical factories. Farms, as environmental systems, are much more dynamic in nature than these fixed structures. This means farms must have the ability to adopt new and innovative technologies as they continually undergo business change and face environmental variables. Unfortunately, regulation is not flexible enough to rapidly incorporate new technologies, hindering on-farm environmental improvement. This rigid approach certainly increases, the more broadly a regulation is applied.

Finally, existing Federal regulatory paradigms cannot take into account the variability in price received by farmers. The current dairy farm crisis is, unfortunately an example of this.

Congress provided important support last year as part of the Dairy Economic Loss Assistance Payment program and farmers are so very grateful for those funds. However, as you all know too well, dairy farm families are making tough discussions about health insurance coverage and electric bills. Having a Federal regulatory program that doesn't recognize these difficult conditions and impose further mandates would simply add to the burden faced by these families and encourage further loss of vital farmland in watersheds.

We recognize that there is a desire to create accountable standards that every jurisdiction in a watershed must obtain. From a regulatory perspective, EPA already has this authority through its Total Maximum Daily Load (TMDL) establishment capabilities. Our understanding is that a multi-state TMDL has already been used as part of the restoration efforts of the Long Island Sound. We believe an even more effective approach to encourage higher standards is to reward water quality improvements. Each state can then balance an assistance based approach with its regulatory tools, including SPDES/NPDES permits, to achieve higher standards and gain even more support.

As the Senate moves forward in considering approaches to address the quality of great water bodies across the United States, we believe efforts to support farmers through increased funding and financial allocations are the initiatives that should be pursued. Increasing Federal oversight and expanded regulation will ultimately fail to provide the necessary attitudes needed for long-term changes, particularly in the agricultural sector. Further, this approach may have a negative impact on water quality by promoting loss of farmland, something we strongly oppose.

New York farmers believe in protecting water quality. Clean water is a critical resource to the long-term success of farm businesses. Adopting an approach that rewards farmers is the most effective way to encourage the environmental, economic and social sustainability of our family farms. Many thanks again for the opportunity to comment on this issue. New York Farm Bureau stands ready to assist in any possible way as the Senate moves forward on these important considerations.