

Testimony of

Timothy Gertson

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Introduction

Chairman Lucas, Ranking Member Fudge, and Members of the Subcommittee, thank you for holding this hearing to gather input on how the Conservation Title of the Agricultural Act of 2014 is working and hopefully how we can improve it as we start the process of writing a new farm bill. I appreciate the opportunity to offer testimony on behalf of the USA Rice Federation.

My name is Timothy Gertson. I own and operate G5 Farms along with my cousin, Daniel Gertson. We are fifth generation rice farmers and usually grow some corn and sorghum on the side. We first began farming independently from our parents in 2009 and manage land primarily in and around Lissie, a small community in Wharton County, Texas, about an hour outside of Houston.

In Texas, we normally begin planting rice on March 1st; if you take a look at the calendar you will see that is tomorrow. Planting and harvesting are among the most stressful parts of a farmer's year. But here I am, sitting in a suit and tie in Washington, D.C. 1,500 miles from home. That is because the issue of voluntary, locally-led agricultural conservation is all too important for me to hand off to someone else.

USA Rice-Ducks Unlimited Stewardship Partnership

Conserving our natural resources is not something we take lightly and for rice farmers our livelihoods depend on it. Rice is the only major commodity that is 100 percent irrigated with most growers still heavily dependent on ground water for irrigating their rice crop. Because of the necessity to flood our fields during the growing season, we have the option to maintain those floods throughout the fall and winter to benefit the millions of migratory waterfowl that get 40 percent of their food source directly from our rice fields. Ducks dabble in the shallow water for waste grain, weed seeds, and other forms of food and the fields provide resting areas for migratory birds on the move. Winter-flooded rice fields provide many of the same functions for migrating waterfowl as natural wetlands.

Without the voluntary contribution of rice farmers, these birds would lose all of that critical habitat which is exceedingly important for the survival of many species. An industry study in 2012 found that the estimated restoration costs of replacing flooded rice habitats with managed seasonal wetlands would exceed \$2,200 per acre. In total, the replacement cost for wetlands nationwide would exceed \$3.5 billion without domestic rice production to replicate the effects of natural wetlands.

This symbiotic relationship with the waterfowl industry led into a historic partnership with Ducks Unlimited, called the Rice Stewardship Partnership. I would even go as far as to say that we could be used as the model for commodity and wildlife groups working together going forward. While we both have separate missions and methods, we have managed to collaborate and find common ground and develop goals for our Partnership, including work on the Regional Conservation Partnership Program (RCPP).

Regional Conservation Partnership Program is a Success

Our Partnership was awarded \$10 million in 2015 by the USDA's Natural Resources Conservation Service (NRCS) to implement an RCPP project across the six major rice-growing

states. The project directly funds Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP) contracts with rice growers. While the CSP portion of our project is still underway, the Partnership has been able to facilitate more than 200 EQIP contracts with growers throughout the country to further improve rice's environmental footprint.

This year, the same Partnership was able to secure an additional \$15 million through two new RCPP projects, further stretching the reach of the cost-share programs throughout the South and constructing a small reservoir near my hometown in Eagle Lake, Texas to benefit waterfowl and rice farmers when we experience the all too often droughts.

It is important to us that this fiscally responsible program is reauthorized when you are writing the next Conservation Title. Our three projects alone have pulled together nearly 100 diverse partners to help implement their goals, communicate successes, and ultimately share the cost of investment in working lands conservation programs to ensure NRCS gets the most bang for their buck.

The Importance of Working Lands Programs

CSP, and especially EQIP, are referred to by farmers as the “workhorses” of NRCS conservation programs. They are valuable cost-share programs that incentivize farmers to implement any number of conservation practices on our operations that have proven benefits to the environment. The relatively small investment made by the program has no doubt made our land more resilient to extreme weather events by reducing erosion and runoff and improving soil health. My father and his brothers were some of the earliest adopters of both programs. Their first EQIP contract was signed in 2002 and they secured a CSP contract through the old Conservation Security Program following its inception in the 2002 Farm Bill.

EQIP is vital because it is such a straightforward program with an extensive list of practices that NRCS is able to assist farmers with implementing. EQIP's structural practices can help establish the equipment needed to better manage water resources, help with irrigation efficiency, fencing, and erosion control.

CSP has been revised to become more like EQIP but operates with five-year contracts to provide more time for the extensive work to be completed. This program helps to target specific resources using a number of complimentary practices, and has been a great tool for rice farmers to have in our toolbox to pay for expensive long-term management practices.

In the South it is not uncommon for most farmers to rent the majority of their cropland, we have a system that works well for us, usually. Many farmers do not have certainty of whether they will hold the lease on a piece of ground from one year to the next so it is often not worth the risk to invest a lot of capital into someone else's land. These cost-share programs are the only thing that help to bridge that gap, allowing land-renters to install conservation measures while footing only a portion of the cost. Improvements in efficiencies benefit the farmer while the environmental perks benefit the landowner by simultaneously raising the land value. Across the country, a great deal of EQIP and CSP contracts are carried out on rented land that would otherwise probably be left untouched by conservation improvements.

My father taught me to be a conservationist as just a kid, and I was so passionate about it that I nearly took a job with NRCS on two separate occasions. Therefore, it came as no surprise to anyone when my operation secured its first EQIP contract in 2010, just a year into farming. We always heard there was a huge demand for the program across the country and we soon learned why, as the results came quickly and our bottom line could feel the difference. We cost-shared the installation of more than four miles of 16-inch underground pipeline to replace irrigation canals, resulting in up to 20 percent less irrigation water needed to grow our crop, providing both instant savings and environmental benefits. It previously took nearly 24 hours of pumping at a rate of 3,000 gallons per minute to build up in my old canals to start just a trickle of water into my fields. Now, with underground pipeline, my water supply is on demand and immediate.

Soon after our first EQIP venture, we were able to secure an additional EQIP contract to begin cost-sharing irrigation land-leveling portions of our operation. Level land results in less water losses when a rice crop is flooded and that was able to provide us with an additional ten to twenty percent irrigation water savings. As beginning farmers, we were also fortunate enough to qualify for prioritized applications and higher cost-sharing percentages to help incentivize our participation.

These programs obviously provide farmers with the resources to implement a lot of effective practices and there is clearly data to back that up. Surprisingly, their true benefits are not so visible on the surface. After we implemented our initial EQIP contracts, we saw the financial returns and the obvious preservation of natural resources and we decided to do more of it, this time on our own dime. I think these NRCS financial assistance programs not only incentivize locally led conservation, but they help farmers develop an appetite to continue the environmental stewardship, making their full value truly incalculable.

Working Lands Programs are Economic Drivers

Throughout rural America, working lands programs serve as economic drivers. It takes more than just one farmer to complete the work needed to implement an EQIP or CSP contract. Think about the outside technicians, engineers, and local soil and water conservation districts needed to help oversee the conservation planning; the scientists, the land movers, the equipment that needs to be purchased to implement these conservation practices.

Not to mention, with working lands programs the land is still in production, so the economic drivers of small communities are still working, unlike some programs like the Conservation Reserve Program (CRP) that pay farmers not to grow a crop. For example, my small town has less than 75 residents and my operation's size ensures that at I'll provide jobs for at least several of those residents. The revenue generated from my farm is then reinvested in inputs for the following year and ends up in the hands of other small, local businesses. Small towns like mine rely on the agriculture industry for jobs and investment or they would disappear; when my business prospers, everyone around me benefits in one way or another.

My town, however, is not unique. More than 75 percent of rice farming operations in the South operate in what USDA considers "StrikeForce counties"—rural counties with more than 20 percent of the population below the poverty line. These communities all rely on vibrant farming operations to stay alive and NRCS working lands programs help to shoulder the burden of high

operating expenses. The practices I have put into place over the years have helped make my land more resilient to the multi-year drought we experienced a few years ago. These conservation practices have helped me stay in business over the course of this depressed farm economy having increased my efficiency by increasing my yields and decreasing my input costs to boost my margins.

When we are not in the growing season and purchasing inputs, we are still growing the local economy. Like I mentioned, rice has this intrinsic relationship with waterfowl and the waterfowl habitats in our fields also serve as a perfect habitat for waterfowl hunters. The waterfowl hunting business brings millions of dollars to the South's local economies during the fall and winter months when work elsewhere is short. Visitors travel from all over the world to hunt in the rice fields and they all need lodging, food, equipment, etc.

Again, I feel like we are doing more than our part to contribute to our local economies and the EQIP and CSP projects we are implementing help to make that all possible. A study released earlier this month by Texas A&M's Agricultural and Food Policy Center drives this point home, showing that every U.S. rice farmer is generating more than \$1 million for their local economies on an annual basis.

As an industry, we see these two programs targeted every year during the appropriations process. Their mandatory funding is cut, reducing the amount of work NRCS can provide in each of your Districts throughout the country and creating a backlog that will take years to catch-up to the demand that is out there. It is important to us that these are not only preserved but codified in a way that they are not always seen as low-hanging fruit when it's time to find savings.

EQIP Provision Limits Long-Term Effectiveness

Current EQIP rules place an arbitrary three-year limit on funding annual management practices. As strong stewards of the land and staunch advocates for migratory waterfowl, we support a change in this limitation for projects implemented "purely for the benefit of wildlife". This is necessary in order to sustain these beneficial practices and demonstrate long-term benefits. While these annual management practices benefit water birds, some of them ultimately reduce farm profitability because of their expense to the farmer. Therefore, producers will most likely stop implementing them if cost-share assistance for these proven, effective annual management practices is terminated after three years.

SAM/DUNS is a Barrier to Conservation Adoption

Currently, farmers who want to participate in Farm Bill conservation programs have to wade through an annual registry process called the System for Award Management (SAM) and Data Universal Numbering System (DUNS), designed for transparency for multi-billion dollar federal defense contractors. This complicated process to comply with SAM and DUNS typically ties up hours of my time and that of our local soil and water conservation district or NRCS office. It is disincentive for many us to sign-up for these important conservation programs. Immediately following a successful registration using SAM, my inbox, mailbox, and phone are flooded with solicitors who have just been provided my information, a serious breach of my privacy. The rice industry is supportive of efforts to exempt NRCS programs from complying with this burdensome reporting process.

Sustainability is Necessary for Future Generations

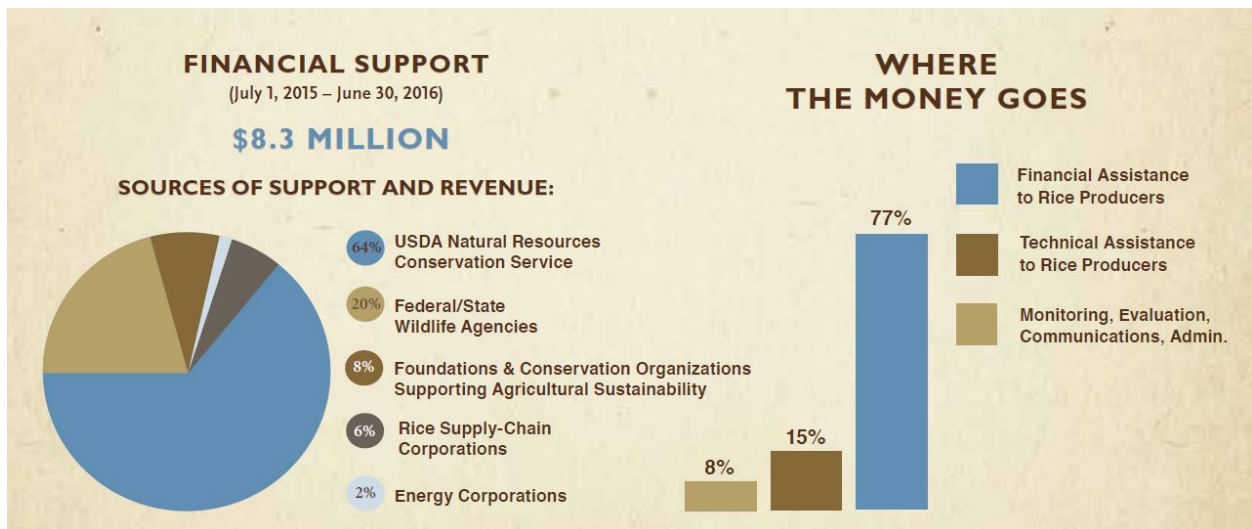
I have talked a lot about what the industry is doing, the benefits working lands conservation bring to our local economies, and why the investment really pays off for taxpayers, but now I want to talk about the real reason I am here. I have three sons under the age of 10. My boys want to be farmers just like dad and someday farm the same land we have been working for the last 108 years. But without being able to make a living for my family and maintain the natural resources to keep my land in production, there won't be anything left to hand to the sixth generation. That is why I am here: to ensure that this Subcommittee fights to maintain Conservation Title funding and important working lands program investments so that my children can play a part in feeding this great nation.

I thank this Subcommittee for holding this important hearing on the Farm Bill's Conservation Title. And I appreciate, as a farmer, as a conservationist, and on behalf of the USA Rice Federation, the work you have done to ensure that farmers have the tools they need to implement conservation practices on the landscape and feed our growing population. While conservation may not necessarily be the most controversial issue in the Farm Bill, it is a vital part of our industry and a necessary investment if we want to leave our land and operations as a legacy for our children.

Again, thank you for your leadership and for the opportunity to offer my testimony this morning. I look forward to working with you and your staff and will be happy to respond to any questions you might have.

Attachments:

Sustaining the Future of Rice RCPP Project Financial Breakdown July 1, 2015-June 30, 2016



Source: 2016 Rice Stewardship Partnership Annual Report