

June 15, 2004, 2004

The Honorable Frank Lucas, Chair
House Subcommittee on Conservation, Credit, Rural Development and Research,
Committee on Agriculture, Nutrition and Forestry
1301 Longworth House Office Building
Washington D.C. 20515

Dear Mr. Chairman:

On behalf of the National Pork Producers Council's (NPPC) 44 state pork producer organizations and the interests of about 85,000 U.S. pork producers nationwide, thank you very much for today's hearing on the implementation of the conservation title of the 2002 farm bill. Your leadership and support during the development of this bill helped result in tremendous and important changes to programs like the Environmental Quality Incentives Program (EQIP). These EQIP changes were among our top priorities in the farm bill since our producer members are facing tremendous regulatory challenges to protect water and air quality and since we were convinced that EQIP could be of real assistance. Unfortunately EQIP's implementation last year was a bitter disappointment to pork producers and many are angry and now unwilling to invest the time and effort necessary to participate. EQIP, agriculture and the environment all lose if we cannot make EQIP work for pork producers. We very much again need your and this Committee's assistance to see that this situation is corrected immediately. We are grateful for the leadership you continue to show on these issues and welcome this hearing so that our views and concerns can be voiced and so that you can provide the Department of Agriculture with further direction and oversight.

NPPC has joined with several other livestock and poultry organizations to provide you with joint testimony for today's hearing. We are in agreement with that testimony but because of some critical and overwhelming EQIP concerns specific to pork producers we feel it is essential to provide you with the additional views and statements discussed below. We ask that this letter be included as part of the official hearing record.

Our producer members invested a tremendous amount of time, resources and effort into the 2002 farm bill process to help create an EQIP program that had the funding and authorities it needed to provide real and effective assistance to pork and other producers facing costly and significant regulatory challenges. We were enormously excited as we entered the first full year of implementation in 2003 and many of our producer members engaged with their State Technical Committees and local USDA service centers to start our participation in the program. You can understand then how deep our disappointment when we encountered program limitations, confusions, and ranking procedures and priorities that almost ensured we could not get contracts for the assistance we needed. We also encountered a general lack of understanding and familiarity with modern pork production operations that made it very hard for Natural

Resource Conservation Service (NRCS) staff to work effectively with our members to even prepare applications for assistance.

These concerns are more than purely anecdotal—they are borne out by the hard numbers that NRCS has provided for 2003 EQIP contracts and are available on NRCS's website at http://www.nrcs.usda.gov/programs/eqip/PieCharts/2003_LVSTCK_Pies.html.

The total cost share assistance provided by EQIP in 2003 was almost \$483 million, of which \$314 million went to livestock producers. Of this latter figure only 3.5 percent, or \$11 million, was provided to pork producers. Pork producers received less cost share assistance than all other categories of livestock for which NRCS has reported data, including the category representing "Other Livestock" (Goats, Elk, Bison, Emu, Ostrich, etc.). Of this \$314 million that went to all livestock, about \$105 million was clearly identifiable as going to animal feeding operations with confinement facilities. But again, pork producers received only \$7.6 million of these funds, or about 7.5 percent! This is the case even though according to NRCS estimates swine operations represent about 22% of all confined livestock operations in the U.S.

Figure 1 in the attached represents the share of 2003 EQIP funds received by selected species relative to that received by all livestock species in selected states. In your own state, Mr. Chairman, pork producers received approximately 2% of the EQIP funds made available for livestock species. Among the top 3 hog producing states in the country, Iowa, North Carolina and Minnesota, pork producers received only 8% of the funds.

Pork producers do not begrudge any other farmer getting assistance from EQIP. But our producer members have been repeatedly characterized by policy makers, the environmental community, agency personnel and the media as having some of the most important water quality and other environmental issues of any sector in the U.S. Pork producers take these concerns very seriously and as an industry we have made a deep, real and concrete commitment to addressing these issues. We have done this through our active support and participation in the National Environmental Dialogue on Pork Production, in the development of the recent US EPA CAFO rulemaking, and through numerous other initiatives like the On-Farm Assessment and Environmental Review program.

How is it possible that given the intense scrutiny and emphasis on our industry's environmental challenges that pork producers could receive only a minor fraction of the EQIP dollars that went to livestock producers in 2003? While we believe that some of the environmental concerns attributed to our operations are off the mark we can and should do a better job of managing and protecting environmental resources. Our producers need and want assistance to get comprehensive nutrient management plans (CNMPs), to upgrade our manure storage and treatment facilities, conform to more stringent nutrient constraints by applying manure to more land, and to adopt odor reducing and air quality enhancing measures. There are thousands of pork producers with operations of all sizes that are not excluded from EQIP's help by the farm bill's

Adjusted Gross Income restriction – and a large proportion of these producers need EQIP’s help if they are to adopt these measures in a timely manner, consistent with the time frames called for in the applicable regulations, and without incurring debt levels that could place their operations and families at considerable financial risk.

We have discussed our specific concerns with EQIP’s implementation with NRCS, most recently in a meeting along with other livestock groups with Chief Bruce Knight and his Advisory Team on April 6, 2004. We provided NRCS at that time with a list of recommendations that we thought needed to be adopted to correct this situation. Those recommendations are included in the attached document, and these recommendations are also reflected in the joint testimony provided you by the livestock groups today. We are very encouraged to learn that NRCS headquarters has developed a set of twenty-two action items that have been sent to the NRCS State Conservationists, and that this will be followed up with an agency plan, with specific items, responsible individuals and target dates. We appreciate very much the seriousness with which NRCS has taken our concerns and we look forward to working with NRCS and the State Conservationists to help make these changes a success.

We ask for your and this Committee’s continued and focused attention to our concerns by signaling your intention to closely monitor and oversee the implementation of the agency’s plan that NRCS will develop shortly in response to the concerns we have voiced. Your oversight will help ensure that these concerns and needs will in fact be addressed in a timely manner. Pork producer willingness to even try to participate in EQIP is at stake, and as stated earlier agriculture, EQIP and the environment will suffer if the program does not work.

Again, we are most grateful for your past an ongoing leadership on these issues of such importance to pork producers and agriculture, and we look forward to working with and supporting you in these efforts.

Sincerely,

Keith Berry
President

cc: Members of the Subcommittee on Conservation, Credit, Rural Development and Research

Figure 1: 2003 EQIP Livestock Funds, Selected States and Species

