



Rebuild Iowa Office

Governor Chester J. Culver
Lt. Governor Patty Judge, RIO Executive Director

To: Committee on Senate Agriculture
Nutrition, Forestry and the Committee on Homeland Security and Governmental Affairs
Ad Hoc Subcommittee on Disaster Recovery

From: Lyle W. Asell

Date: September 24, 2008

Re: Comments on Assessing the Effectiveness of Agriculture Disaster Assistance Programs

Good morning, I am Lyle Asell from the Iowa Department of Natural Resources assigned to the Rebuild Iowa Office. Governor Culver established this office to help Iowa recover from the devastating storms of 2008. Tornados, intense rain, flooding, hail and high winds began in May and still continue. As recently as 10 days ago, Southeast Iowa received over 9 inches of rain which flooded previously un-flooded areas. From an agricultural point of view this has been a difficult year with delayed planting in less than ideal situations, in fact about one million acres will not produce a crop this year. Iowa farmers use risk management tools such as Federal Crop Insurance on approximately 90 percent of their land. However, these tools can not address some of the most serious and long lasting damage to the land itself.

The Emergency Watershed Program (EWP) is one of the most effective programs available to assist Iowa farmers and rural communities recover from such events. Demand for EWP assistance, to date, exceeds \$225 million for Iowa alone. This includes damages to soil and water conservation practices estimated at \$40 million by the Iowa Department of Agriculture and Land Stewardship (IDALS) and the Natural Resources Conservation Service (NRCS). The Emergency Conservation Program (ECP) also provides funding to assist farmers repair these practices; however, Iowa received less than \$10 million which is all committed predominantly to remove debris from farm fields. For example, one farmer has a cost estimate of \$800,000 to remove sand from his land.

In addition to the financial assistance there is a need of \$8 million to provide technical assistance to farmers in repairing this damage. Iowa NRCS staff has been reduced to about 20 percent in the last two years and technical assistance from IDALS has also declined about 25 percent. This is a serious concern and we encourage funding to meet this need.

Another \$36 million in EWP is needed to help repair damages to stream banks and remove debris normally associated with rural roads and bridges, repair levees, etc. With harvest just beginning, protecting the rural transportation infrastructure is important.

The greatest damage was to floodplain farmland. Floodwaters scoured large holes, and in some places all soil has gone down to bedrock. In others, large deposits of sand make it financially impossible to restore to farmable land. Congress made a significant and effective policy change following the floods of 1993 when they created the Emergency Wetland Reserve Program (EWRP).



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For the first time, farmers had an alternative to restoring badly damaged lands to cropland. Success of this change was evident in this years flooding with those areas enrolled having little damage, no cost to the taxpayer and temporarily storing floodwater. The program is still available but now called the EWP-Floodplain Easement.

With record crop prices and high land values, the decision to apply for a flood plain easement could not be easy. Yet about 400 Iowa farmers have applied on lands exceeding 35,000 acres at an estimated cost of \$150 million. The total continues to grow as more realize the damage is so severe or flooding so frequent that continuing to farm is not practical. Sign-up continues through the end of this month and expectations are the total demand will increase.

My experience with farmers is that they are good business people. They want to do what they do best which is raising crops and livestock. They also want to make a profit and provide for their families. These objectives are not met by entering into high risk ventures such as farming flood damaged lands or frequently flooded lands. The EWP easements provide assistance to the farmers by buying a perpetual easement based on the agricultural value of the land. This allows them to receive most, but not all, of the value of the land which they can invest in lower risk ventures thus helping to stabilize their entire farming operation.

Most prefer getting 100 percent of the value of their property and want to eliminate non income generating assets such as land with an easement that does not allow crop or livestock production. They are usually not interested in management for wildlife habitat and prefer not paying property taxes without generating income. In the past; governmental agencies have assisted some farmers by buying the remaining value. This is a symbiotic relationship---there are no winners and losers---everybody wins. The farmer receives full value for their land and the public receives wildlife habitat, carbon sequestered, recreational access, water quality improvement and reduced costs from future flooding. The 2008 Farm Bill has a provision that will prevent governmental agencies from receiving restoration funding which will make it more difficult for them to assist farmers in reaching their objectives. This provision seems to imply governmental agencies are benefiting at the expense of farmers. In Iowa this is simply not true. At a time when farmers are under great stress taking options away from them is not helpful.

Funding EWP completely and soon is critical. The current need of \$225 million will grow. Voluntary applications, by 400 farmers for the EWP floodplain easement program indicates how serious the need truly is. Decisions to apply were not made lightly, they simply have no other viable options and they need to make decisions on how to proceed very soon. Congress has appropriated funding for the program that may not be adequate in view of recent hurricanes. I encourage you to make adequate resources available and that the USDA move rapidly to allocate resources to states so recovery can move forward. Iowa is a relatively small state and we know how to work together for the benefit of the people and our resources. Give us the tools we need and we will put it back together for the benefit of the future as well as current citizens.