

TESTIMONY OF
STEVEN HORNING
HORNING FARMS

BEFORE THE:
THE UNITED STATES SENATE
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

REGARDING:
CONSERVATION AND FORESTRY: PERSPECTIVE ON THE PAST
AND FUTURE DIRECTION FOR THE 2018 FARM BILL

THURSDAY JUNE 29, 2017
261 HART SENATE OFFICE BUILDING
WASHINGTON, DC

General Acres EBI >= 292 (49th)

State	Number Offers	Number Accepted	Number Accepted (%)	# Offers Not accepted	Acres Offered	Accepted Acres	Acres Accepted (%)	# Acres Not accepted
TEXAS	1,452	197	14%	-1,255	216,735	28,505	13.2%	-188,230
MONTANA	1,084	138	13%	-946	188,276	17,829	9.5%	-170,447
KANSAS	2,802	498	18%	-2,304	212,939	44,156	20.7%	-168,783
COLORADO	1,093	342	31%	-751	180,921	48,005	26.5%	-132,916
WASHINGTON	1,578	797	51%	-781	227,729	116,452	51.1%	-111,277
MISSOURI	2,649	472	18%	-2,177	121,307	20,867	17.2%	-100,440
OREGON	508	169	33%	-339	110,534	27,812	25.2%	-82,722
NORTH DAKOTA	1,094	69	6%	-1,025	74,059	5,944	8.0%	-68,115
NEBRASKA	1,599	288	18%	-1,311	88,381	25,024	28.3%	-63,357
IOWA	2,310	401	17%	-1,909	63,391	9,725	15.3%	-53,666
ILLINOIS	2,426	160	7%	-2,266	49,330	2,157	4.4%	-47,173
OKLAHOMA	598	139	23%	-459	55,528	12,188	21.9%	-43,340
SOUTH DAKOTA	727	2	0%	-725	42,352	101	0.2%	-42,251
MINNESOTA	1,367	149	11%	-1,218	31,662	2,966	9.4%	-28,696
MISSISSIPPI	622	212	34%	-410	36,419	13,303	36.5%	-23,116
IDAHO	224	57	25%	-167	28,902	10,544	36.5%	-18,358
WISCONSIN	957	124	13%	-833	17,886	1,988	11.1%	-15,898
MICHIGAN	568	30	5%	-538	13,539	923	6.8%	-12,616
WYOMING	33	7	21%	-26	12,155	2,043	16.8%	-10,112
UTAH	54	13	24%	-41	9,302	1,287	13.8%	-8,015
ALABAMA	250	64	26%	-186	9,808	2,193	22.4%	-7,615
KENTUCKY	367	111	30%	-256	9,620	2,790	29.0%	-6,830
INDIANA	365	44	12%	-321	7,638	851	11.1%	-6,787
NEW MEXICO	39	11	28%	-28	8,926	2,175	24.4%	-6,751
TENNESSEE	306	99	32%	-207	8,957	3,665	40.9%	-5,292
OHIO	350	37	11%	-313	5,625	541	9.6%	-5,084
ARKANSAS	108	28	26%	-80	4,971	1,046	21.0%	-3,925
VIRGINIA	211	43	20%	-168	4,236	982	23.2%	-3,254
LOUISIANA	81	20	25%	-61	4,041	811	20.1%	-3,230
GEORGIA	123	35	28%	-88	3,894	1,161	29.8%	-2,733
CALIFORNIA	11	3	27%	-8	2,021	718	35.5%	-1,303
NEW YORK	61	3	5%	-58	1,365	75	5.5%	-1,290
NORTH CAROLINA	152	70	46%	-82	2,263	1,171	51.7%	-1,092
SOUTH CAROLINA	35	11	31%	-24	1,166	443	38.0%	-723
DELAWARE	26	5	19%	-21	458	0	0.0%	-458
FLORIDA	20	0	0%	-20	585	176	30.1%	-409
MARYLAND	20	6	30%	-14	303	130	42.9%	-173
MAINE	5	1	20%	-4	130	18	13.8%	-112
WEST VIRGINIA	1	0	0%	-1	40	0	0.0%	-40
PENNSYLVANIA	3	2	67%	-1	20	9	45.0%	-11
CONNECTICUT								
HAWAII								
NEW JERSEY								
VERMONT								
US	26,279	4,857	18%	-21,422	1,857,414	410,774	22.1%	-1,446,640

Good morning chairman Roberts, ranking member Stabenow, and members of the committee. My name is Steve Horning. I am a Certified Public Accountant and owner of Horning Farms in Watertown South Dakota. Because of my love of hunting pheasants, I started to buy farmland in 1990. I now own ten thousand acres of farmland. I produce corn, soybean, and wheat and rent out my pasture to local farmers. I follow the model of "farm the best and conserve the rest". Before I would consider purchasing land, I would see what I could do to improve the land for conservation. If I could not improve it, I would not buy it.

The primary program I have used is the Conservation Reserve Program. My CRP practices include: restoring grassland, implementing buffers, planting tree wind breaks, and restoring wetland areas. More recently I installed pollinator practices. I have also utilized WRP and WRE for long term easements. I depend on technical and financial assistance from USDA, NRCS, FSA, GFP, USFWS, and PF. All of these conservation practices provide for optimal habitat for wildlife. Pheasant hunting is a major economic driver for small rural communities bringing in over 230 million dollars annually to small mom and pop businesses.

South Dakota Game Fish and Parks started a new land owner recognition award in 2010. I was extremely honored to be the first to receive the "Habitat Partner of the year Award". Along with this, I have been recognized by the South Dakota Chapters of Pheasants Forever as their conservationist of the year 2009.

My purpose to meet with you today is to inform you of the need to increase the CRP acreage cap. I have had good success in past general CRP signups. I have had about 75% approval on my applications.

Then there was signup 49 in 2016. I was zero for six in my applications. In fact, the whole state of South Dakota only had two contracts approved for a total of 101 acres. There were over 43,000 acres offered. This was one of the worst acceptance rates in the country (see attached table). I would ask that you take a serious look at the CRP cap and how landowners can sign up.

Another concern of mine is the mid management on CRP contracts. Every 4 to 5 years you must either have a prescribed burn or mow, bale and destroy the grass. I suggest instead of you paying me cost share to waste the grass, you let my hay it and use it for livestock feed. I have utilized the haying and grazing option with my CRP. During 2012, because of emergency, I was allowed to hay some of my easement ground. My livestock neighbors call me annually requesting to hay my CRP. If you would allow me to mid manage 1/5th to 1/3rd of my CRP grasses each year, it would save the government two fold. First by not paying me to waste the grass, and second, I would receive a reduction in my CRP payment for the value of the grass.

We must be cautious about the impact to soil, erosion, and wildlife. Timing of haying and grazing is also critical and we should keep nesting season in mind as to minimize the impact to wildlife.

Another area I'd like to address is crop insurance. Since most of crop insurance claims come from marginal ground, I have taken this out and put into CRP programs. Marginal ground either burns up or is to wet, thereby, creating the most crop insurance claims.

I have switched from optional unit (where you account for each unit separately) to enterprise crop insurance (where each crop in the county is treated as one crop) by taking my marginal ground out I have reduced my claims to zero for 2014, 2015 and 2016. I have been on Enterprise crop insurance since 2014, where the premium is approximately 30% of the optimal unit.

Below are my crop insurance results:

Year	Total Premium	Subsidy	Steve's Premium	Acres
2014	\$115,000	\$84,000	\$31,000	2660
2015	\$90,000	\$70,000	\$20,000	2807
2016	\$58,000	\$46,000	\$12,000	2582

I also like Senator Thune's new Soil Health & Income Protection Plan (SHIPP). This program allows for shorter contracts. This will appeal to most farmers as they are reluctant to put it into a 10 or 15 year CRP contract.

In closing, please consider the recent demands from farmers, ranchers and landowners for these programs.

Thank you and I look forward to any questions.