

2002 Farm Bill Implications to the Fertilizer Industry

Good Morning again. This part of my presentation on farm bill implications will focus on the Environmental Quality Incentive Program (EQIP) and the Technical Service Provider Program (TSP).

The EQIP program was designed to promote agricultural production and environmental quality as compatible goals. There are cost share monies available under EQIP for structural practices and incentive payments for land management practices to farmers. In addition, there now are additional “technical assistance” payments available to farmers and those assisting farmers in preparing plans.

In fiscal year 2003 approximately \$195 million was available in EQIP technical assistance funding. If fully implemented, the program would cover about 63 million acres. The farm bill established the TSP program to help write those plans and advise farmers.

TFI has been very active in the process. We submitted comments in March 2003 and promoted the use of retail dealers and certified crop advisors. However, USDA continuously stated the potential for “conflict of interest” with private sector TSPs. TFI commented to USDA that there should be an equal playing field and it should be the farmers choice. TFI also supported a national certification with uniform criteria in comments to USDA. However, it has become apparent after several meetings with USDA that USDA’s Natural Resource Conservation Service (NRCS) wants to control the program with no private sector TSPs.

Earlier this month, TFI met with NRCS Chief Bruce Knight to express our concern over the direction of TSP implementation. As the rules are currently written we believe it would effectively exclude private sector participation. TFI would urge everyone to become very involved in the state process through the NRCS State Conservationist as they hold all the power in the state to direct the program.

The reasons we feel NRCS is trying to exclude the private sector is because the rules for certification are very complex, there are ridiculously low proposed “not to exceed” TSP payment rates, and USDA has proposed the exclusion of the private sector in contribution agreements, and there are excessive liability insurance requirements for TSPs.

As a result it is anticipated that less than 5% of EQIP technical assistance dollars will go to the private sector. This jeopardizes nutrient management planning service profitability and jeopardizes the need for certified crop advisors.