

CRP Meeting Comments 9-21-09 Moorhead, MN

My name is Steve Strege and I am the Executive Vice President of the North Dakota Grain Dealers Association. Our membership is the grain elevators of North Dakota and some associated agribusiness dealers.

I've also been asked to speak on behalf of the Minnesota Grain and Feed Association and the South Dakota Grain and Feed Association. Each organization plans to file written comments, but the joint message we have for you today is that too much CRP damages, and can literally destroy businesses like grain elevators and ag input dealers. This adversely affects the entire business climate in those communities, which ultimately detracts from the services available to farmers who stay on the land.

CRP can be a factor in railroad branch line abandonment. In North Dakota the counties with the highest levels of CRP are in the central part of the state. It is more than a coincidence that two lengthy rail branch lines through that part of the state were abandoned about ten years ago, after CRP had been in effect for a dozen years. Those were operated by a short line railroad those past dozen years, but even that lower cost structure couldn't save them in the face of declining production brought about by CRP.

Expansion beyond the 25% limit per county concerns us. Some grain elevator trade areas in high enrollment counties are already impacted 50% or even more.

Putting too much land in CRP is the equivalent of shutting down the food factory. In recent years the biofuels industry has developed, increasing the need for crop acreage. We need these acres back in production for our own use and for the export markets that help us with our balance of payments problems.

A grain elevator manager told me there were about 82,000 acres were in CRP in his county. He estimated those acres would generate \$5 million of agricultural inputs to raise

a crop and produce over five million bushels of grain. The sale of those inputs and handling that grain would have generated economic activity and jobs.

The benefits of hunting have been mentioned here. Several years ago North Dakota State University took a look at how much lost crop production economic activity was replaced by hunting and recreational activity on CRP acres. I couldn't put my fingers on that study, but I know it was less than 30%, 26% I think.

Another factor of CRP is the increase in noxious weeds. Seeds spread to nearby fields and cost that farmer for weed control.

CRP puts the young farmer who wants to expand at a disadvantage. He is in competition with the federal government for land.

Highly erodible acres are good candidates for CRP. But too often we see productive farm land in the program. When a bumper crop is being produced on one side of the road while the same type of soil and topography on the other side of the road is in a CRP, something is wrong.

There is a food security issue in all of this. We cannot afford to let our productive capacity slip and our rural infrastructure erode to the point of being dependent on foreign food as we are on foreign oil.

In conclusion, CRP is fine for fragile acres and some conservation/water quality purposes. But there is a limit to how much supposed benefit coming from this program, as compared to the damage being done to the productive capacity, businesses and society of rural America.