February 8, 2023

IL CORN GROWERS ASSOCIATION P.O. Box 1623 (61702) 14129 Carole Drive Bloomington, IL 61705 **P** 309.557.3257

Dear Senators Duckworth and Durbin:

The IL Corn Growers Association (ICGA) would like to express our concerns about certain stipulations on funding being distributed by the USDA via the Partnerships for Climate Smart Commodities (PCSC) funding opportunity.

1. The requirement to follow NRCS practice standards limits the effectiveness of the PCSC programs. Specifically, this requirement for cover crop management in IL and KY discourages farmers from adopting or scaling cover crops.

Our team reviewed the expectations and requirements stated in the USDA PCSC Request for Proposals thoroughly and never found the requirement to follow NRCS practice standards included within. Because of our multiple conversations with state NRCS staff about cover cropping practice standards, should this requirement have been included in the RFP, it would have stood out to us.

Based on data from the Precision Conservation Management program, we know that farmers in Illinois and Kentucky are routinely seeding cover crops at just 33-50 percent of the seeding rate called for in the NRCS practice standard for <u>IL-340</u>. The lower seeding rates are helpful for reducing seed costs and reducing cover crop biomass in spring. Large amounts of cover crop biomass produced by the higher seeding rates can be daunting, especially for farmers who are new to cover crop management, and most are since cover crops are grown on less than 5 percent of total U.S. commodity crop acres. We believe allowing farmers to make their own decisions around seeding rate, seeding method, termination date, and termination method (with verification) is vitally important for scaling the use of cover crops across the country over the next 10-20 years.

Again, we believe that the NRCS practice standard requirements for cover crop management in IL and KY discourages farmers from adopting or scaling cover crops in these states due to the higher costs and greater risks introduced as a result of the higher seeding rates and, in some states, termination requirements. NRCS practice standards also don't recognize the greater challenge of growing cover crops before a corn crop (versus soybean) or the myriad of different technologies that farmers have adapted for seeding cover crops to maximize their nutrient loss reduction benefits, soil erosion benefits, and added biodiversity (e.g. using split row planters to seed cover crops).

This granting opportunity represents an opportunity to examine the various challenges and opportunities farmers face in adopting cover crops and other climate smart practices, but there must be flexibility and a systematic approach for collecting meaningful data.

2. Although offered the opportunity to consider alternative practice standards, USDA indicates that alternative verification methods would be needed. These could be costly, further impacting the reach and the overall greenhouse gas emissions reduction goals of the program.

USDA has cited the National Environmental Policy Act (NEPA) as the reason for the need to require established standards associated with practices being deployed. We understand how this would apply if the practices suggested were converting land or equating to land disturbance beyond standard agricultural

practices; however, in this scenario that is not the case, and this measure seems unnecessary. The USDA has stated that they would consider alternative practice standards, but this will come with additional requirements, like alternative verification methods. While we appreciate the room for consideration of other standards, we feel verification methods must be kept practical and straightforward, or this will require us to refine budgets, impacting the acres reached, and overall GHG impacts.

We respect the right of USDA to make any requirements they deem appropriate to address specific natural resource concerns when they are the sole funding entity. However, in partnership agreements with multiple private partners, we believe different expertise should be considered.

3. The most significant impact of the requirement to use NRCS practice standards is financial. Farmers will need to invest more, and accept more risk, at this rate of seeding. Our project will need to pay farmers more – not a consideration upon proposal submittal – allowing us to reach fewer acres and impacting the greenhouse gas emissions reduction benefit of the proposal.

The engagement partners on the USDA PCSC grants did not use USDA-NRCS practice standard specifications when generating their budgets for providing cost share assistance NOR for their calculations when committing acres. If USDA does, in fact, require that farmers meet the USDA NRCS practice standards, we will need to recalculate our estimates of committed acres, as well as the budget needed, since it will cost farmers substantially more to seed cover crops at the higher rates and fewer farmers will be willing to grow cover crops, even with greater per-acre payments. Because we will be able to impact fewer acres, the overall estimation of greenhouse gas emissions reduction benefit will likely be negatively impacted.

4. Farmers will be limited by the decision to treat private matching funds the same as USDA funding because financial incentives are not stackable. With NRCS practice standards requiring additional costs, farmers are less incentivized to participate.

The USDA gave direction to create public-private partnerships but will treat private matching funding under the same requirements as USDA funding. Under this framework and inability to participate in multiple federal programs for the same practice on the same acre, farmers have limited opportunities to layer private and public funding to minimize their risk by treating those private dollars as federal dollars. While we understand there must be protections put in place to maximize the efficient and effective use of federal funding, we feel these stipulations were not widely transparent during the proposal drafting phase of this opportunity when practice incentive pricing was being considered. Therefore, we feel program uptake is likely to be severely hindered if current constraints remain in place.

In summary, we would ask that you please request USDA to reconsider their position with respect to the restrictions in final grant contracts to help us maximize the impact of the PCSC funds and take a pragmatic approach to encourage adoption of climate-smart agricultural practices on as many farms as possible throughout Illinois.

Respectfully,

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Matt Rush President