



GRASSROOTS

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Dear Friends and South Dakota Grasslands Coalition Members,

Conservation compliance seems to be causing quite a fuss nowadays. As a coalition representing South Dakota farmers and ranchers, we couldn't help but wonder where all the confusion and politicizing was coming from. After all, conservation compliance has been a staple of the Farm Bill that many of us have worked with since 1985. Turns out, there's a lot of concern, confusion and misinformation, so we, the South Dakota Grasslands Coalition Board of Directors, are writing this letter with the hope of clearing things up and to make the case for linking conservation compliance and crop insurance premium subsidies.

Most of you are familiar with the two conservation compliance requirements – 1) Swampbuster: which prohibits the draining of wetlands for farming, and 2) Sodbuster: which requires a NRCS-approved soil conservation plan for farming on Highly Erodible Land. We've included a USDA factsheet going into further detail. What the fact sheet does not mention is conservation compliance is required for programs such as CRP, CSP, EQIP, GRP, WHIP, and WRP as well as commodity programs such as marketing loans, disaster programs, and direct and counter cyclical payments. So, many of us who are benefiting from these programs are already successfully doing conservation compliance on the land. The concern many of us have, however, is that the newly proposed Farm Bill puts direct and counter cyclical program payments on the chopping block. This will remove the financial incentives for farmer to do the right thing and not drain land identified as a wetland or protect highly erodible land from excessive erosion.

For more information or other events the **SOUTH DAKOTA GRASSLAND COALITION** is involved with please feel free to contact Sandy Smart or visit the website: <http://sdgrass.org>.

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The solution to this problem is the controversy. It lies in tying conservation compliance to crop insurance premium subsidies. What do we mean by this? Tying conservation compliance to crop insurance premium subsidies means making conservation compliance a minimum eligibility requirement for receiving crop insurance premium subsidies, just like it's a requirement for all of those conservation and commodities programs mentioned previously. With the taxpayer subsidizing more than 60% of the crop insurance premium, it seems logical that a conservation plan should be in place on the land in order to receive the taxpayer-supported subsidy. According to the USDA Economic Research Service, nationally less than 2% of corn and soybean production, less than 5% of wheat production and less than 1% of the cotton and rice production would be impacted by linking conservation compliance to crop insurance premium subsidies. Why? Because so many of us are already doing it, and therefore only a very small minority of producers would be affected by linking the two together.

Our state lost more than 200,000 beef cows in the last dozen years because of grassland conversion. But, the economic impact of this conversion and loss of grassland goes way beyond the loss of the cows. The loss of our grasslands impacts runoff, wildlife, pollinators, reptiles, recreation as well as diversity and sustainability in our agricultural operations and communities. Did you know about 400,000 out of state hunters and fishermen bring about \$220 million into our state each year? Without grasslands, healthy lakes and streams, and prairie potholes, that money will go somewhere else.

Should you decide to not do conservation compliance on the land, you will still be able to purchase crop insurance – you just won't receive the subsidy that your fellow American taxpayers help provide to pay for your premium.

Farmers enjoy the safety net which crop insurance provides. Conservation compliance provides that same safety net for our natural

resources. The long-term effect of farming highly erodible land and conversion of our wetlands threatens our food security and public health. The challenge we in production agriculture have is how do we responsibly produce food for a growing world population? The American public is expecting us to do the right thing. Let's link conservation to crop insurance premium subsidies so we can live up to our reputation as true environmentalists and good land stewards.

Sincerely,

South Dakota Grasslands Coalition Board of Directors

P.S. As a last friendly reminder, in addition to educating yourself about conservation compliance, it would be a good time to review the conservation plan you established for your operation following the 1985 Farm Bill.

Writing Your Drought Plan

Patrick E. Reece
Principle Consultant,
Prairie & Montane Enterprises, LLC

This summer's drought is a testimony to our understanding that drought is a natural part of every rancher's production environment. In the Great Plains, the frequency and duration of drought tend to diminish from west to east as average annual precipitation and length of the frost-free period increase and from south to north as evaporation rates decline and growing season day length increases.

The best management decisions are always on the front side of a drought. Preparation of a drought plan and maintaining a positive attitude are guaranteed to reduce anxiety and prevent management paralysis. If you don't have a drought plan, then writing one now while the drought is fresh in your mind is the second best step you can take.

Ranchers who use written drought plans are much more likely to avoid costly and sometimes career-ending mistakes than those with no drought plan. Risk of business failure is greater during and following drought than at any other time. Increased cost of production, damage to rangeland resources and depressed livestock markets can cause measurable changes in the solvency and recovery potential of range livestock enterprises.

The “Managing Drought Risk on the Ranch” website

(<http://drought.unl.edu/ranchplan/Overview.aspx>) contains a wealth of information for ranch management. Guidelines for developing your drought plan are a subset of the available information. Most of the content is organized into the categories of (1) during, (2) after, or (3) prior to drought. Start with the category that matches your current conditions. The website will be equally valuable for dealing with forage deficits caused by fire, hail, or grasshoppers. The entire website is of considerable value for ranching success regardless of current climatic conditions.

It is wise to annually check or review the personal, financial, and ecological health of your ranch. The personal health and wellness of you, your family, and other hands-on folk can be affected by physical, relational, mental, or spiritual issues. A check of the financial health of the ranch should include liquidity, solvency, and unit costs. An understanding of your current financial health and the potential financial crises of allowing drought to precede in default modes should be a strong motivation for preparing a written drought plan.

Knowledge of the average carrying capacity in years with near-average precipitation and your current rangeland condition and residual herbage will be critical for determining when to reduce forage demand as drought develops. A rangeland inventory is also important for pastures that have the potential for improved species composition and herbage production during non-drought years. For example, western wheatgrass or

needlegrass remnants may be low in vigor, but relatively abundant on loamy plains sites dominated by blue grama. If so, carrying capacity of these pastures could be increased up to 50% during non-drought years. Resilience of rangeland vegetation after drought is directly related to range condition. In contrast, overgrazing blue grama/buffalograss sod with cool-season remnants during drought will reduce or eliminate cool-season midgrasses and cut herbage production potential in half compared to good to excellent condition rangeland.

We highly recommend a team approach in the development of your written drought plan. Ideally your team should be composed of on-ranch people and off-ranch mentoring or advisory folk. Be sure to gather information and consider Risk Management Agency (RMA) designed rangeland insurance. You will also need to review federal tax codes for drought induced sale of livestock.

The planning process should not begin until ranch goals and strategic objectives have been written. The Alexander family in Kansas has a clearly written set of ranch goals and strategic objectives (<http://drought.unl.edu/ranchplan/WriteaPlan/SampleDroughtPlans/SouthCentralKansasAlexanderRanch.aspx>). They also have a drought plan that enhances the likelihood of accomplishing their mission.

A strategic objective of every ranch should be to strive for drought resilience. Avoiding overgrazing then becomes a critical objective especially for native rangeland during drought. Herbage deficits can occur at different times of the year and the magnitude of these shortages differs among years. Consequently, drought plans need to identify prioritized subsets of livestock for sale or relocation. Sorting criteria should be based on ranch goals and objectives.

In summary, contact the National Drought Mitigation Center website, university or NRCS personnel, a seasoned rancher, or consultant to help you with your drought plan. If you haven't written one before, now is the best time to start.



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Calendar of events:

<u>Event</u>	<u>Date</u>	<u>Location</u>	<u>Contact Person</u>	<u>Phone No.</u>
SD Grazing School	Sep 10-14	Chamberlain, SD	Judge Jessup	605-280-0127
Leopold Award Tour	Sep 20	Raymond, SD	Judge Jessop	605-280-0127
HRM Workshop-Josh Dukart	Sep 25-26	Bison, SD	Ryan Beer	605-244-5222
SD SRM Meeting	Oct 10-11	Lead/Deadwood	Matt Stoltenberg	605-695-0202
Winter Road Show/ Annual Meeting	Dec 3-7	Chamberlain, SD	Judge Jessop	605-280-0127

Please remit any comments, suggestions, or topics deemed necessary for further review to: Sandy Smart, SDSU Box 2170, Brookings SD 57007, alexander.smart@sdsu.edu, (605) 688-4017