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Proponent Testimony H.B. 643

2nd Hearing, Tuesday, May 22, 2018: House Finance Committee – 10:00 AM Room 313

Witness: Mr. Mark Drewes, Farmer from Custar, Ohio (Wood County)

Chairman Smith, Vice Chair Ryan, Ranking Member Cera, and members of the House Finance Committee, on behalf of the Ohio Corn & Wheat Growers Association and its members, thank you for the opportunity to present proponent testimony on House Bill 643. Ohio Corn & Wheat would also like to especially thank Representatives Arndt and Patterson for their hard work on bringing this bi-partisan bill to the House.

Good morning. My name is Mark Drewes. I am a grain farmer from Custar, Ohio in southern Wood County. I am part of a multigenerational family farm partnership that has farmed in the Black Swamp area since the 1880's.

My wife Melody and I have 3 children who were raised on this farm. My parents and grandparents were also raised on our family farms. We have roots in Wood and Henry Counties that go back to the first German Immigrants who settled and tamed the area. I am also proud that our oldest son, Tyler, came back from Bowling Green State University to work on our family farm 9-years ago with his wife Whitney. We now have 4 grandchildren who we will encourage to do the same and join our growing family business. However, our farm is more than a family business. It is who and what we are.

We have been fortunate to grow our farm into a commercial sized family farm. We have 3 full-time and several part-time employees in addition to the family help. We work very closely with our partners in the livestock sector by growing animal feed needed for proper nutrition and by taking manure generated from 2 large dairy farms nearby. We handle and apply 30 million gallons of manure a year to our farm fields. Corn, corn silage, soybeans, wheat, and alfalfa are the main crops that we grow on our farms. In addition, we also raise many identity preserved crops for specialty markets. Our business model calls for us to be as diversified as possible in the crops we produce to weather the economic stress and volatility in today's farm market.

I have reflected many times that our farm used to have two management principles; agronomics and economics. But that has drastically and forever been changed in my farming career. Now we realize the social or conservation principals are as important as the first two tenants. The awareness that every decision we make must satisfy all three components is challenging. We want our farm to be better at creating a clean and healthy environment for our family and for our neighbors more so than it has ever done before. That is why water quality is so important to us.

We started our conservation efforts 30-years ago by installing filter strips along creeks and ditches so that fertilizer and chemicals could not runoff into the waterways. We also thought we did a great job in the 1990's of saving Lake Erie by switching many acres of farmland to no-till or conservation tillage

practices. We also have installed 36 water control structures to control the flow of water out of our field drainage tiles. I have committed one heavily-manured farm to the edge-of-field studies being conducted by The Ohio State University and the United States Department of Agriculture to monitor actual nitrate and phosphorus runoff from field tile and surface water. We are learning much from that great project.

We have found that wheat and alfalfa in our crop rotation is still important. One of our most recent conservation projects is the purchase of a self-propelled dry fertilizer spreader that will allow us to apply phosphorus to a growing corn crop instead of doing pre-season fertilizer application. The most important management practice we employ is grid soil testing and VRT (Variable Rate Technology) application of fertilizer. My son spends at least 33 percent of his management time on this project. We sample every farm in 2.5-acre grids at least every three years. We then spread the fertilizer using our own machines with GPS (Global Positioning System) technology that applies exactly the quantity of fertilizer we need on any given acre. Some acres receive no additional fertilizer. We will never spread fertilizer again without the knowledge of knowing what is needed. The 4R principles (which refers to using the Right Source of Nutrients at the Right Rate and Right Time in the Right Place) work!

We are continually striving to do a better job of conservation. Most of these practices have been self-funded by our family. However, a bill such as Clean Lake Erie 2020 (HB 643) will help guide us in adopting and growing the use of conservation management on our farm more quickly. Science must be the driver of any clean water legislation just as it is on my family's farm.

Ohio Corn & Wheat has been at the forefront of trying to study and observe the many variables that go into understanding the complicated and complex nature of nutrient management and water quality in the Western Lake Erie Basin. Through the Ohio Corn Marketing Program, the Ohio Small Grains Marketing Program, and the Ohio Soybean Council (checkoff programs), my fellow farmers and I have invested millions of our own dollars into researching how we can better improve our farming practices in the Western Basin through the use of the scientific method together with our many partners in academia.

Beyond the ongoing research that Ohio corn and small grains farmers are doing through their checkoff programs; the Ohio Corn & Wheat Growers Association has also been proactive in supporting previous legislative efforts to address improvements in farming practices that have been adopted into statute, and that have yielded incredible success in the realm of conservation management.

The Ohio Corn & Wheat Growers Association supported Senate Bill 1, which restricts nutrient application in the Western Lake Erie Basin on frozen, snow-covered, saturated ground and other certain weather conditions. In addition, we also supported Senate Bill 150 through which over 18,600 Ohioans have now received their Fertilizer Applicator Certification training on the 4Rs of nutrient application now required by law.

Let the record show that our state's own farmer-lead and farmer-organized associations have been, still are and continue to be willing partners with this General Assembly in promoting sound public policy that moves our farming community forward in becoming better stewards of healthy soils and clean water. Any one or any group that suggests that my fellow farmers and I have been absent in being part of the solution to improve farming practices and therefore improve water quality within the borders of our state have not been paying attention.

As it pertains to this new piece of legislation, House Bill 643, we commend the House in its proactive foresight to incentivize our farming community to continue doing the right things for the right reasons on our farms to further build upon the progress we have made together.

In particular, providing \$3.5 million dollars for additional support to our county Soil and Water offices is much welcomed news. The hard-working men and women, soil and water professionals, in our county offices should be commended for being outstanding partners with farmers such as me in helping us find ways to adopt and improve upon the conservation practices we incorporate on our farms.

I have just recently completed an EQUIP contract on my farm which was administered through our Wood County SWCD. Through a combined effort we installed three water control structures on this farm to control water and nutrient runoff. They also helped guide me through the planting and management of cover crops on this farm. Without their guidance, these practices would have been much more difficult, if not impossible, to implement. It is reassuring to know that I have local resources to help me in new conservation efforts.

Furthermore, the newly proposed \$20 million-dollar Soil and Water Phosphorus Program could not come at a better time. We applaud the collaborative nature of the program outlined in the bill that calls for a partnership between the Ohio Department of Agriculture, the Lake Erie Commission and the Ohio Soil and Water Conservation Commission. We have, from the beginning of the discussions surrounding water quality in the Western Basin, promoted a spirit of collaboration and cooperation through voluntary efforts to improve water quality by a multitude of stakeholders including my fellow farmers.

The legislation in question before us today stipulates that these three aforementioned partners shall work in collaboration to establish programs to address phosphorus in the Western Basin. The language of the bill goes on to state that such programs shall provide support through the purchase of equipment to aid in phosphorus mitigation. Based on Ohio Corn & Wheat's understanding of the language, we would like to offer a helpful suggestion to ensure success and adoption of this new program.

Many farmers, including myself, rely on industry professionals in the ag retail sector who assist us in determining the unique fertility needs for our farms across the state. Just like people who require the assistance of medical professionals to help personalize treatments that help them meet their own unique medical needs to live healthy lives; each field and acre of soil is just as unique as the medical and genetic differences between each one of us in this room today. No one acre of soil is exactly like the next, and therefore needs a customized plan to help it meet its maximum production potential for life.

Professionals such as Certified Crop Advisors, who work for ag retailers that provide support services to farmers, help us not only determine the best treatments for our soils, but also help us apply those treatments to our fields directly. Therefore, it would make sense to us that those ag retailers also be eligible to participate in the new soil and water phosphorus program. In fact, many ag retailers in Ohio today are themselves 4R certified. These 4R certified facilities advise¹ farmers to optimize fertilizer efficiency, achieve higher crop yields, preserve natural ecosystems, support nation-wide efforts to reduce runoff, and help safeguard drinking water supplies.

Equipment purchased through this program should be made available to ag retailers in a way that allows for the integration of new equipment side-by-side with the crop advising and fertilizer application

¹ 4RCertified.org – Certified Facilities: <https://4rcertified.org/certified-facilities/>

services that many of these retailers are already offering to the majority of row-crop farmers in the state today. Let's make it easy for farmers and their 4R certified ag retailers to take advantage of this new program by streamlining it into our already existing workflows.

Ladies and gentlemen of the Committee, I am here before you today not simply as a representative for my association, but also as a farmer, a family man and a citizen of the state of Ohio. I personally believe that the nutrient and water quality challenges facing us are vitally important to my farm, my family and my community. That is why I am committed to be a partner with my government to find the best solutions that make sense for everyone and that those solutions are grounded in sound science and not political convenience.

I will leave you with this, according to the United States Department of Agriculture, net farm income in 2018 is expected to fall to \$59.5 billion dollars, a 12-year low, according to USDA Economic Research Service's most recent 2018 Farm Sector Income Forecast². If realized, this would be the lowest net farm income since 2006 and would represent a decline of 6.7 percent from the USDA's 2017 projection.

Net farm income is down sharply, 52 percent, from the record high-levels experienced in 2013. Net farm income levels have remained mostly flat over the last three years – relative to the prior decade. In other words, it is harder today than it has been in over a decade for farmers to manage a profitable business.

The threat of new government-mandated regulations does not help farmers in these lean times. New unfunded mandates will only hasten the untimely demise of our family farming community. There are two schools of thought that we can adopt to solve the challenges before us today as I see it. We can either use the big stick of government to subdue our citizens into solving our challenges all the while growing animosity and resentment toward that government, or we can offer carrots of synergy, collaboration and cooperation to offer market-based incentives to reach the same conclusions that better help build good will amongst our communities and with our government. A government build by the people, for the people and of the people. People including farmers like me.

The Ohio Corn & Wheat Growers Association stands by Representatives Arndt and Patterson in support of House Bill 643 and its philosophy of positive reinforcement.

With that, I conclude my testimony for today, and yield back to the Chair for any questions the Committee may have.

Thank you.

² 2018 Farm Sector Income Forecast, United States Department of Agriculture Economic Research Service: <https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast/>