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**SUMMARY OF FINDINGS OF THE
SENATE AGRICULTURAL WATER CONSERVATION INCENTIVE PROGRAM
STUDY COMMITTEE**

MEMBERS

Honorable Harold J. Ragan
Senator 11th District
Chairman

Honorable Hugh M. Gillis, Sr.
Senator 20th District

Honorable Tommie Williams
Senator 6th District

Honorable Jack Hill
Senator 4th District

Honorable Peg Blich
Senator 7th District

**Prepared by the Office of Senate Research
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I. INTRODUCTION

A. Charge of the Committee

The *Senate Agricultural Water Conservation Incentive Program Study Committee* was created by Senate Resolution 3 following the 2001 Session of the Georgia General Assembly. The committee was charged with undertaking a "study of the conditions, needs, issues, and problems" of agricultural producers in their efforts to conserve water and enhance water quality, as well as to study funding methods to assist farmers in implementing conservation Best Management Practices (BMPs).

The resolution provided that the Lieutenant Governor appoint the Committee's chairperson and members. Senator Harold J. Ragan was appointed as Chair. The Senators serving on the Committee were Senator Hugh M. Gillis, Sr., Senator Tommie Williams, Senator Jack Hill, and Senator Peg Blicht. Bradford Borum of the Senate Research Office was assigned as legislative staff to the Committee.

The Committee heard testimony from a variety of interested groups, including individual farmers, agricultural associations, environmental groups, and government agencies.

B. Background

Water quality and quantity are becoming increasingly important topics in many states and Georgia is no exception. Nonpoint source pollution has been identified as a source of water degradation in some states, and three straight years of drought in Georgia have underscored the fact that water is one of our most precious resources that must be protected. The Committee was formed to review the possibility of designing an incentive program to assist agricultural producers in implementing water quality and quantity best management practices (BMPs), such as diversions, filter strips, field borders, terraces, and riparian buffers.

Several states use their programs to: help properly manage soil nutrients and prevent runoff of nitrogen and phosphorous; reduce sediment flow into streams, rivers, lakes, etc.; and manage farm pesticides in order to prevent environmental damage. Surrounding states have been successful in converting tens of thousands of acres of cropland to trees or grass, building dozens of structures to properly handle and store agricultural chemicals, as well as constructing thousands of waste management structures to store dry and wet animal waste.

In conjunction with the Georgia Soil and Water Conservation Commission (GSWCC) and the Georgia Agribusiness Council's agriculture tour in Statesboro and Savannah in October 2001, the Committee held a hearing to discuss details of the proposal. Several groups testified before the Committee on the importance of adopting an incentive program. All of the stakeholders that testified were in agreement that Georgia needs such a program and that it would be very helpful to producers. It was pointed out that Georgia is the only state within a six state region that does not have some type of agricultural conservation incentive program, and without one, much needed conservation practices cannot be put into place.

Many farmers will not be able to implement any BMPs without governmental assistance since they have been so adversely affected by the floundering economy. New environmental regulations also pose a problem for producers, requiring increased investments that sometimes exceed their profits. In fact, one group pointed out that if farmers are not given some assistance with their irrigation practices, they may not be able to get operating loans in the future. Wildlife advocates advised that water quality is critical to wildlife habitats and such a program is needed in that regard as well.

Another added benefit of the program would be that it could help to address Georgia's saltwater intrusion problem and could help to lessen pressure on our aquifer system. Conservation groups are just as supportive since they see water conservation as a critical tool in maintaining environmental quality.

II. PROGRAM SPECIFICS

At its November 2001 board meeting, the GSWCC adopted rules to govern two incentive programs, the "Agricultural Water Quality/Best Management Practice Incentives Program" and the "Agriculture Irrigation Efficiency Program." The Commission stated that the purpose of their programs is to "provide financial assistance through cost-share agreements and irrigation efficiency audits" to agricultural producers so that, in return for recipients applying water conservation measures and BMPs, water conservation and enhanced water quality can be fostered.

Both programs will be available to agricultural producers in all 159 counties and 40 soil and water conservation districts. Applicants will be eligible to receive financial incentives of 75 percent of the documented costs of the BMPs, up to a maximum of \$50,000 per applicant. Funds available for the program will be as appropriated by the General Assembly.

There will be a minimum of two sign-up periods per calendar year, and each application will have an initial review by the GSWCC regional office before being forwarded to the Commission's Executive Director and then to the GSWCC Board for final approval. Each application must contain a complete description of the proposed project and its anticipated costs, a minimum of 25 percent of which must be covered by the applicant.

The applicant must agree to operate and maintain the project in good condition for at least five years following completion. Failure to satisfy all requirements, or breach of the contract terms, will result in the applicant's forfeiting all rights to incentive payments under the program and a refund to the Commission for monies received.¹ Although rules are currently in place, the programs are at a stand-still due to lack of funding.

¹GSWCC, Notice of Proposed Rulemaking, September 2001.

III. CONCLUSION

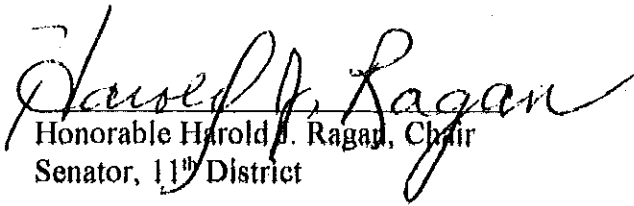
The Committee believes full implementation of the agricultural conservation incentive program is a much needed component of Georgia's overall strategy in combating the state's water woes. Georgia's water concerns will take several years to be resolved and these findings are being disclosed to the Senate in the hopes that its members will be informed of another critical aspect of water conservation and quality, and to provide members much needed information to assist them in addressing these issues through both the legislative and budgetary processes.

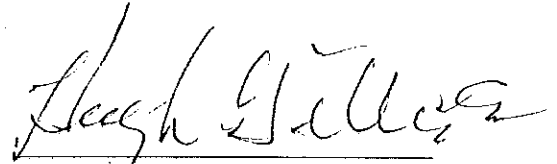
Following is a list of the groups which testified to the Committee, indicating far-ranging support for the program(s):

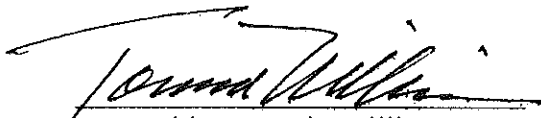
Georgia Agribusiness Council
Georgia Cotton Commission
Georgia Peanut Commission
Georgia Milk Producers
Georgia Poultry Federation
Georgia Cattlemens Association
Georgia Farm Bureau
Georgia Conservancy
U.S. Fish and Wildlife Service
U.S. Department of Agriculture
National Fish and Wildlife Foundation

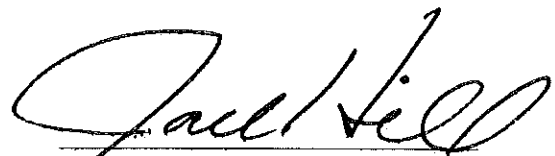
This report was adopted by members of the Senate Agricultural Water Conservation Incentive Program Study Committee in December, 2001.

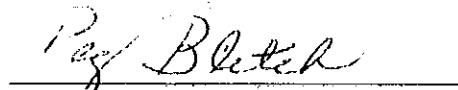
Respectfully submitted:


Honorable Harold J. Ragan, Chair
Senator, 11th District


Honorable Hugh M. Gillis, Sr.
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