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STRENGTHENING CONSERVATION THROUGH THE 2012 FARM BILL

HEARING

BEFORE THE

COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

FEBRUARY 28, 2012

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STRENGTHENING CONSERVATION THROUGH THE 2012 FARM BILL

Tuesday, February 28, 2012

UNITED STATES SENATE,
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY,
Washington, DC

The Committee met, pursuant to notice, at 10:02 a.m., in room SH–216, Hart Senate Office Building, Hon. Debbie Stabenow, Chairwoman of the Committee, presiding.

Present: Senators Stabenow, Harkin, Baucus, Klobuchar, Bennet, Gillibrand, Roberts, Chambliss, Boozman, Grassley, and Thune.

STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR FROM THE STATE OF MICHIGAN, CHAIRWOMAN, COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

Chairwoman STABENOW. The Senate Committee on Agriculture, Nutrition and Forestry will come to order. I want to apologize in advance. As you can tell, I am struggling with my voice today. I hope it is going to hold out to get all the way through the hearing. If not, I am sure my partner and Ranking Member's voice will be able to hold up throughout the hearing. But we are so pleased to have all of you here today, and we are continuing, as you know, our 2012 farm bill hearings.

For us in Michigan, protecting the Great Lakes is part of our DNA, and that is why conservation is so important, and we are very pleased to have everyone in town during Great Lakes Week. And so we wanted to hold this hearing during Great Lake Week to emphasize the importance to us in the conservation title of the wonderful partnerships that are occurring around the Great Lakes as well as so many other parts of the country to protect our soil and our water and our air.

Conservation, as we all know, helps farmers and ranchers to grow healthy and affordable crops while taking care of the land and water. And we all benefit from the commitment our farmers have to the land. I have seen this firsthand as I have visited farms all across Michigan. Thanks to easements made possible by the Farm and Ranchland Protection Program and local partnerships, Shoreland Fruit Company knew they could keep investing in their cherry-processing plant because area fruit farmers had made a commitment to keep their land in agriculture, ensuring a stable supply. Shoreland was able to expand production and create jobs even in a difficult economy.

Similarly, Burnette Foods, an apple-processing company that employs 500 people on the west side of Michigan, benefits from the

success of easements that keep land in farming and out of residential development. They were able to purchase the last surviving cherry-processing plant left on Old Mission Peninsula, which is an absolutely beautiful place in Michigan.

I had the opportunity to speak at a Michigan Pheasants Forever banquet just a few weeks ago where they are doing incredible work with the Pheasant Restoration Initiative through the Voluntary Public Access Program we included in the last farm bill. Working with volunteers, with farmers, they are helping to make sure that hunting remains one of the great, great traditions in Michigan.

But it is more than just our way of life. There are more than 1 million hunters and anglers in Michigan who directly and indirectly support more than 46,000 jobs in Michigan alone.

I have said over and over again that the farm bill is a jobs bill, and that is as true of the conservation title as it is for anything else in the farm bill.

Of course, the most direct beneficiary of conservation is our agricultural lands, which must remain healthy to handle future demands on our working agricultural landscapes. While agricultural exports are strong today, global food needs are expected to double, as we know, as the population grows to 9 billion people by 2050. The pressure to produce more on the same or fewer acres while still facing weather, price, and input risks beyond their control will stress agricultural producers for decades to come. Working lands conservation sits at the very core of our ability to meet these production challenges without sacrificing our vital natural resources.

As we know, farming is measured in generations. The most successful farmers are those that can pass along a viable farming operation to their children and to their grandchildren. And no farming operation can be prosperous without good-quality soil and clean water in sufficient quantities. That is why conservation is such an important part of the farm bill.

As we continue our work, this farm bill must focus on making our program simpler, locally driven, science-based, and flexible enough to ensure that taxpayers' investments in conservation are enabling agriculture to remain healthy and productive across the diverse landscapes of our great Nation so that we can be certain those 1.3 billion acres produce clean water, abundant and safe food, wildlife habitat, and a quality of life for future generations. That is our goal in the conservation title of the farm bill.

Now, before I turn it over to my friend and Ranking Member, Senator Roberts, for his opening remarks, I would like to ask unanimous consent to enter a few items into the official record: first, written testimony from the Michigan land conservation organizations on behalf of the Land Trust Alliance and the American Farmland Trust; second, a letter from the Partnership of Rangeland Trusts and the National Cattlemen's Beef Association; a letter from ten commodity groups in support of the framework that we put together on the conservation title last fall; and, last, a letter from 643 conservation groups representing all 50 States in support of a strong conservation title. If there are no objections, these items will be entered into the record. We thank these organizations for their very strong support.

[The following information can be found on pages 125 through 137 in the appendix.]

Chairwoman STABENOW. Now I will turn to Senator Roberts.

STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE STATE OF KANSAS

Senator ROBERTS. Well, thank you, Madam Chairwoman. Today's hearing is an important step in our farm bill process, and I welcome Administrator Nelson and Chief White. I look forward to their insight.

Madam Chairman, given your problems with laryngitis, I would be happy to always pinch-hit to read the Chairwoman's remarks anytime.

Chairwoman STABENOW. Thank you.

Senator ROBERTS. I would not change any adjective or adverb.

[Laughter.]

Senator ROBERTS. I might add a few recommendations.

Chairwoman STABENOW. Right, right.

Senator ROBERTS. During our work last fall on the conservative title of the farm bill, I appreciated that both the NRCS and FSA leaders made themselves available to our staff to answer technical questions. I appreciate the longstanding commitment of the agencies to detail staff to work through legislative provisions in the complex working of the farm bill. Thank you.

Let me stress again that good progress was made on the conservation title last fall, and I look forward to again working with the Chairwoman and all of the Committee members to continue to refine that work. We have a good, solid starting point.

Our current conservation title provides a variety of program options for producers. Programs should be flexible to meet producer needs and guided by State and local priorities.

A single program will not meet the needs of all producers, but we have gone too far, in my view, in the other direction. We now have duplicative programs that have become more and more complicated. It is really an alphabet soup when I look at all of these programs.

My goal during this farm bill process is to help maintain options for producers while simplifying the programs for the producers and those tasked with the implementation. One of the most important programs in this title, Madam Chairwoman, is EQIP I know you know that—the Environmental Quality Incentives Program. This program helps producers address environmental regulations. The assistance that the USDA provides is very important to help producers navigate a complex web of Government mandates.

The number one concern I hear from producers is overregulation. "Our producers are repeatedly faced with layers of regulations that simply do not make sense." That is a quote from the President about a year ago. Pesticide permits, child labor, waters of the U.S., dioxins, spilt milk, CAFOs, and the list goes on. I see Dean and Mary Anne Stoskopf sitting in the hearing right over there from Hoisington, Kansas, America. Welcome to your Nation's capital. Thank you for providing us with your perspective. Thank you as well, Dean, for your longstanding service as a leader in both State and national producer organizations.

Now, I do not want to give away too much of what Dean will say, but he is going to talk about the Conservation Reserve Program and the importance of the program in Kansas, especially with the recent drought. CRP is a vital program option for producers, but we need to allow our producers to have choices. Out in the high plains, we want to make sure that the soil stays on the farm. CRP can help, and I wanted to ensure that producers have that option in the coming years.

High commodity prices and new technology might change the participation in the program, but it is still an important option to help protect highly erodible soils. I look forward to hearing from our witnesses today, using their insight to help guide our work. The conservation title has changed drastically over the last 15 years both in number and complexity of programs and the size of the budget. We are now spending more than twice what we did back in 2001 for conservation programs, and conservation spending is predicted to top the commodity title spending in the next few years.

Now, you cannot have this kind of growth without learning some lessons about what is working and what is not and how producers are reacting to the programs and then the capability of the Department to implement the programs quickly and efficiently. We are in a very difficult budget situation—everybody knows that—in crafting this farm bill, and we must look at reducing the program overlap and focus in on what works. The input from today's panels will help guide us.

Madam Chairwoman, I know we have a lot of ground to cover today. I ask that a statement from Kansas Governor and our former colleague in the Senate, Sam Brownback, be added to the record, and I thank you very kindly.

Chairwoman STABENOW. Without objection, so ordered.

[The statement of Hon. Sam Brownback can be found on page 121 in the appendix.]

Chairwoman STABENOW. Well, we have excellent panelists this morning, and we welcome everyone. We are going to start with two real leaders in this area, and we thank you both, Mr. Nelson and Chief White. Let me introduce both of you, and then Chief White does have a slide presentation, so we have given you a special privilege this morning. Instead of the traditional 5 minutes, we have given you 10 minutes, and we are happy to do it because we appreciate the information you are going to provide.

Of course, members are welcome to submit a opening statement for the record as well this morning.

Our first witness on the panel is Mr. Bruce Nelson, Administrator of the Farm Service Agency, a position he has held since July of 2011. He hails from Fort Benton, Montana, and has held various positions with FSA within the State, including most recently as State Executive Director. He is a graduate of the University of Montana, spent many summers working on a family farm. We very much appreciate your efforts and welcome you today.

Let me also introduce Chief Dave White of the Natural Resources Conservation Service at USDA. Chief White began his career with the Natural Resources Conservation Service over 3two years ago and was named Chief in March of 2009. No stranger to our Com-

mittee, he has been very active in the farm bill process, having worked on the 2002 and 2008 farm bills, first detailed to Senator Lugar and then to Senator Harkin.

And so we welcome both of you today, and, Mr. Nelson, you can proceed.

STATEMENT OF BRUCE NELSON, ADMINISTRATOR, FARM SERVICE AGENCY, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC

Mr. NELSON. Good morning, Madam Chairwoman, Ranking Member Roberts, and members of the Committee. Thank you for the opportunity to discuss the Farm Service Agency's conservation programs in light of the 2012 farm bill.

Let me begin by talking about FSA's largest conservation program, the Conservation Reserve Program, or CRP. CRP provides annual rental payments to farmers and ranchers to establish long-term conservation cover. CRP has a legacy of successfully protecting the Nation's natural resources while providing significant economic and environmental benefits to rural communities across the United States. CRP protects our most environmentally sensitive lands from erosion and sedimentation and helps sustain groundwater, lakes, rivers, ponds, and streams.

Cropland regularly enters and leaves CRP as new land is enrolled and as CRP contracts expire. There are now 29.7 million acres in CRP, down nearly 20 percent from fiscal year 2007. With contracts on 6.5 million acres scheduled to expire at the end of fiscal year 2012, USDA recently announced a new CRP general sign-up that will begin on March 12th and end on April 6th.

In addition to CRP general sign-up, FSA offers year-round continuous sign-up, which now constitutes about 18 percent of the total acres enrolled. I would add that continuous sign-up has become a larger portion of overall enrollment in recent years, and we are working hard to promote these continuous programs.

Most recently, on February 18th, Secretary Vilsack announced a new Highly Erodible Land Initiative, which will allow up to 750,000 acres of the most highly erodible land to enroll in CRP via continuous sign-up.

Given budgetary pressures, the fiscal year 2013 President's budget proposes capping CRP at 30 million acres. We believe that is a fair way to achieve an estimated $977 million in budget savings over 10 years while maintaining the CRP program at a level where it can continue to deliver substantial environmental benefits to producers.

FSA and NRCS administer several programs that provide emergency conservation assistance to producers. For example, the Emergency Conservation Program, or ECP, provides emergency cost-share funding to rehabilitate damaged farmland. I am pleased to report that we have allocated more than $102 million nationwide to address damage from floods, hurricanes, tornadoes, wildfires, and other natural disasters under ECP in fiscal year 2012. This is in addition to the $91 million allocated to States to address damage from significant disasters last fiscal year.

The Transition Incentives Program, or TIP, which was created in the 2008 farm bill, has been a big success. Over $20 million of the

$25 million statutory limit has already been obligated to help transition CRP land from retired farmers to beginning or socially disadvantaged farmers who use sustainable farming techniques. In addition, FSA is currently reviewing $1 million in pending requests.

Because of a concern about high demand resulting from the amount of CRP acreage expiring and high commodity prices, TIP sign-up was suspended last Friday until steps can be taken to ensure that the $25 million statutory limit is not exceeded.

The Emergency Forest Restoration Program, or EFRP, which was also created in the 2008 farm bill, helps owners of non-industrial private forestland carry out emergency measures to restore land damaged by natural disasters. Since the program began, more than $24 million has been allocated to the States to carry out the program.

Members of the Committee, in closing, FSA has an important set of conservation programs that are uniquely suited to our farmers and ranchers. We look forward to working closely with Congress to continue to achieve highly targeted, highly impactful programs to American producers.

Madam Chairwoman, this concludes my statement, and I would be happy to answer any questions you or members of the Committee might have.

Thank you very much.

[The prepared statement of Bruce Nelson. can be found on page 80 in the appendix.]

Chairwoman STABENOW. Thank you very much. We appreciate your leadership.

Chief White, welcome again.

STATEMENT OF DAVID WHITE, CHIEF, NATURAL RESOURCES CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, DC

Mr. WHITE. Madam Chair, thank you, Senator Roberts, distinguished members of the Committee. It is really great to be here. I think your topic, strengthening conservation through the farm bill, is certainly apropos. And just as a personal word, I am so grateful that you, this Committee and you as individuals, are the ones undertaking this effort because I have a lot of confidence you are going to do what is right for the environment, what is right for the producers, what is right for the taxpayers, and what is right for those little Americans that we are going to hand this thing over to in a few years.

You have my written testimony. I am just going to sum up the recommendations I made in my written testimony briefly. There are three of them. I am just going to echo what you two have stated in your opening statements.

One, we need to streamline these conservation programs, including consolidation, if necessary. I realize every program has a purpose, every program has a constituency, every program has a goal, and they are all worthwhile. And I think it is possible to hold true to those and yet still achieve the streamlining and the consolidation that would make it much easier to implement.

Two, I would plead for increased flexibility that you mentioned, Senator Stabenow, so we can better address our conservation needs at the local, State, regional, and national levels.

And, three, Senator Roberts, you mentioned budgets. It would be so wonderful if we could have some increased emphasis on partnerships in working with local and State government and non-governmental organizations so we can get a greater return on the conservation investment. I know you are going to do the best that you can, but increasing partnerships would be wonderful.

You can be proud of the work we are doing around the country. You mentioned I have a presentation, so I am going to devolve to that, because one picture is worth a thousand words. I am going to take you around the country and I am going to show you what your money is buying and what we are doing on the landscape. [Slides begins]

One of the big problems we have is nutrients. What you are seeing here is an infrared reader. It reads the chlorophyll level in the plant. It can adjust the nutrients being applied once per second. On the fly. Now we can put exactly what is needed right when we need it, on the fly in the field. This is going to have huge impacts on our water and better efficiency for our producers in the future.

This is Maryland. This is a basket filled with steel slag. It is a waste product from slag. This pond catches the runoff from four poultry houses. We are finding out the steel slag absorbs phosphorous like crazy. This has got huge potential for us in the future.

We are also looking at gypsum filters. This is actually a ditch. The tile is there. Dirt is put over it. It looks like that afterwards. It is going to have amazing impacts on getting phosphorous and nitrogen out of water leaving the field.

Turning to Montana, this is a fairly typical Western water diversion. This is a major headache for producers. It catches every piece of debris that comes down the creek. Fish get entrained. It is being replaced with things like this. There is a perforated pipe under there. No maintenance, easy fish passage. Cows like it. The rancher gets his water rights.

Senator Roberts, you mentioned regulation. This bird is called a sage grouse. This bird is on a candidate list. If this bird is listed as threatened or endangered, ranching as we know it in the Western United States comes to a halt because of the checkerboard ownership pattern.

We are embarked on an effort to keep this bird from being listed. We are working with a lot of partners, like Pheasants Forever, National Fish and Wildlife Foundation, the Western Association of Conservation Agencies and conservation districts. The Fish and Wildlife Service is a key partner. And we think we can do it. This is the range of this bird. And if you look at the hot colors here, 75 percent of the birds live in 25 percent of the area. If we can protect these core areas, we can have energy development—oil, gas, wind, solar. We can have residential development. Our cities can grow. It is just doable. And it is not high-tech stuff.

One of our big problems is bird strikes on these barbed wire fences, and this is an issue with the lesser prairie chicken as well. It is not rocket science. This is vinyl trim siding cut in 3-inch pieces, snapped over the wire. We know that if you mark a mile

of fence, you are going to prevent four to five strikes. In the last two years, we have marked or moved 350 miles of fences. Our science says this is equal to saving the entire male sage grouse population in North Dakota, South Dakota, Washington, Alberta, and Saskatchewan combined two times. Low cost, too.

We know that if we increase our grass height two inches on a rangeland, it will equate to a 10-percent increase in population growth. In the last two years, we have installed that on 1.3 million acres. It is good for the rancher, it is good for the cows, it is good for the birds. You are talking about an area nearly the size of the State of Delaware, and that is only in two years, and we are just getting started.

Let us turn to the Central Valley of California it is arguably the most productive ag region in the United States. There is not one of us that has not had produce from this region, whether it is grapes, lettuce, olives, onions, broccoli, whatever it would be. These farmers are under the worst regulation I have ever seen as far as air quality. This is the farm of a guy named Don Cameron. When I went to his place, he had 30 irrigation pumps lined up. They all had a hole cut in the block because they were too polluting for the California Air Quality Resources Board. Using Conservation Innovation Grants quality funds we have been able to help producers like Don Cameron. We have reduce nitrogen oxides emissions the equivalent of removing over 500,000 cars from the roads of California a year. If we keep this up for 2 more years, we are going to obviate the need for any further regulation of agriculture.

This is Colorado, a rangeland fire; one year later.

This is Carroll County, Maryland, runoff from a dairy producer, a Chesapeake Bay issue. That is what it looks like today.

This is Georgia, a critical area in front of a poultry house, the first year.

This is Indiana, runoff from a cropland field. This is what it looks like today.

Senator Harkin, this is Iowa, a feed lot, major league manure problems from this beef operation. This is what it looks like today. This producer will not be regulated. He can produce beef, and he can do it in an environmentally sound manner.

Here is timber stand improvement. I had to stand back taking this photo. When you get in there, you cannot even see anything. A fire goes through, mow, it gets up in the crowns. We have seen soil baked into virtual rock. Go in, clean it up. These trees are naturally resilient to fire. A fire goes through, it stays low, trees are a lot healthier.

This is Kansas, highly acidic range soil in Kansas. Working with the producer, it looks like this today.

Michigan, Senator Stabenow, look at the cows up in the right-hand corner. We had to put a heavy use area in there. We rehabilitated the pasture. It looks like that today.

Riparian area in Minnesota, farming right up next to the creek. We put a little buffer in there, and that is what it looks like today.

Here is a big problem in Oklahoma, Nebraska, and Kansas. This is from Nebraska. It is the eastern red cedar encroachment on the grasslands.

Here is a Playa Lake in Nebraska. This individual wanted to restore the Playa Lake. He enrolled it in the Wetlands Reserve Program. Here it is today.

Oh, my gosh. Senator Gillibrand, this is New York. I do not know where to start. These are some major league issues: manure runoff, no forage. Working with the producer, this is what it looked like last year in 2011. This is the first year. This guy is going to be okay. It is going to look even better this year.

Stream bank stabilization in North Dakota, this is using riprap, a harder science.

This is streambank stabilization in Colorado using bio-engineering, a much softer approach.

Ohio, this is the gully forming next to a cropland field. This is what it looks like today.

South Dakota, this producer needed irrigation water for his crops. He also wanted some wildlife habitat.

This is an interesting one. This is Pennsylvania. An orchard grower wanted to increase pollinators next to his orchard. This is what it looks like today.

This is interesting, Senator Boozman. This is Arkansas. This is a World War II vet, he was a rice grower, been farming this land for more than 60 years. A couple years ago, he could not get a dependable source of water. He had to give up farming rice. Using the AWEP program, we were able to construct a reservoir. He is back to growing rice. He is going to make it. He is ready to hand the farm over to his kids.

Back to Minnesota, a critical area here. This is right after construction. This is all covered in grass now.

I am going to end up with this Deepwater Horizon stuff. Remember those horrible pictures, the pit of your stomach when you saw that stuff flowing out. We had a call from Ducks Unlimited and the National Fish and Wildlife Foundation. I see Jeff Trandahl is up here next. They are telling me we have got 50 million birds coming down the Mississippi flyway, every single one of them is headed for the gulf, and at the same time we have this horrible drought where natural wetlands are drying up. So we decided that in these green areas we would ask producers, "Will you help us create instant wetlands to provide some habitat for these birds that are flying south?"

The response was overwhelming. We thought we would try for 100,000 acres. We actually had over 1 million acres offered, primarily by rice growers and soybean/cotton producers. We were able to cobble together enough money to do 471,000 acres. We disk the field, flood it with water. A couple months later, this is what it looked like. The Mississippi State University told us that more than one-third of all the duck energy days that entire year came from these 500,000 acres, and there are millions of acres of wetland. But most of the productivity came from these fields.

The key thing about this is these are working lands. They are growing rice, they are growing cotton, they are growing soybeans, they are growing catfish, they are growing crawfish in the summertime. And in the wintertime they were providing habitat for wildlife.

Do not let anybody tell you that you cannot have environmental progress in harmony with agricultural production, because we can do it.

Thank you, Madam Chair. That concludes my remarks, with 5 seconds to go.

[Laughter.]

[The prepared statement of David White can be found on page 98 in the appendix.]

Chairwoman STABENOW. Thank you very much. Needless to say, it is very impressive and exciting to see this.

I am going to start with a very simple question because there is a lot of debate about this. But in terms of conservation, are our farmers and ranchers better off today than they were 20 years ago?

Mr. WHITE. Unquestionably. I think all the research from our Conservation Effects Assessment Project (CEAP) results show, yes, they are. They are making a heck of a lot of environmental progress.

Chairwoman STABENOW. So what can we do in this important farm bill, the largest investment our country makes in conservation on working lands, what can we do to build on the improvements that we have seen in these pictures?

Mr. WHITE. Actually, if you would kind of go forward with everything I heard and know about the farm bill conservation title that you did in the previous thing last fall, I think you guys knocked it out of the park. That would be my suggestion, if you could move forward with that.

Chairwoman STABENOW. Thank you.

Mr. Nelson, let me ask you about the future of CRP. With record-high land prices paired with high commodity prices, we are seeing, of course, significant pressure to keep land out of the CRP program, and this has been a great success story as well over the last 25 years. In Michigan, we have seen particular success with the continuous type practices under the program.

As our farmers face growing pressure to plant more, what adjustments to the current program should this Committee consider to ensure that the program continues to protect our critical areas effectively? Whether it is in the heart of the Dust Bowl country or prime farmland in the thumb of Michigan, what should we be doing?

Mr. NELSON. Well, thank you for that question because that is kind of the heart of the issue here, because as you pointed out and as Ranking Member Roberts pointed out, we are working in a time of record-high commodity prices. And while that is a good thing and we are proud of the fact we have record-high commodity prices, there are implications to that in terms of producers' willingness to participate voluntarily in these programs.

So I think, first of all, you have already talked about, both you and Senator Roberts, the need to streamline the programs, and we look forward to working with you and Chief White and NRCS and the other organizations in order to do that during the farm bill process.

I am a third-generation Montana farmer, and so what is important to me is not how many toolboxes we have; it is how many tools that we have. And we need tools in Montana that are different

than you have got in Kansas or Iowa or Michigan. And so the important thing in this is not, again, the number of toolboxes. It is how many tools we have so that we can tailor the conservation programs for our individual farming and ranching operations.

And so in that, I think we need to continue diversification and use of targeted approaches so that we make sure we are getting the biggest bang for the buck. For example, the Secretary just announced the Highly Erodible Land Initiative. We believe that is a very good tool for farmers who are dealing with highly erodible land. We are talking about land here with an erodibility index over 20. That means it is eroding at 4 to 5 times the tolerance rate. In addition to that, it is land that is less productive. On the average, it is 20 to 30 percent less productive than the rest of the land on their places.

And so this gives them the opportunity, as they need to, to fit the needs of their operation and enroll at any time, not just when we have a general sign-up. And, again, this is land that we really need to pay special attention to, particularly out in my part of the country, where land blows a lot, frankly.

The second thing is I think we need to continue to expand our partnerships with other levels of government and with private organizations, nongovernmental organizations. Under the CREP program, for example, the 20-percent financial contribution of local governments or other entities leverages and stretches Federal dollars. And right now, with the budget situation that we have, every way that we can stretch our Federal dollars is important.

In addition to that, the memorandums of understanding which we have developed with private organizations such as Pheasants Forever that make technical assistance, their technical expertise and assistance, available to our agencies and producers is extremely beneficial.

So, in a word, we need to increase our targeting to those most environmentally sensitive lands.

Chairwoman STABENOW. Thank you very much.

Senator Roberts?

Senator ROBERTS. Thank you, Madam Chairman. I ask unanimous consent that a statement from Senator Lugar be included in the record at this point.

Chairwoman STABENOW. Without objection.

[The prepared statement of Hon. Richard Lugar can be found on page 54 in the appendix.]

Senator ROBERTS. Administrator Nelson, last year, Kansans faced an extreme drought, and I hope we do not go through that this year, but the prospects do not look very good. Producers were granted access to CRP acres for emergency grazing. Of course, the effects of the drought were not uniform across the State. They were much worse in the southwest corner, sort of a bell-shaped kind of situation—Texas, Oklahoma, Kansas.

The impacts to the livestock industry were devastating. Some operations lost decades of their genetics and investment. Producers that hayed their CRP acres then were required to destroy the hay rather than provide it to livestock producers in the State that were in very critical need for forage. Then we had hay coming down from Canada. It made no sense.

What is your policy on destroying hay harvested from CRP? And how can we make sure that during these types of emergency situations we can be more responsive to ag producers?

Mr. NELSON. Thanks, Senator. I know about droughts. We have those in Montana. My wife happens to be here today. It is the first time she has had the opportunity to come and see me at one of these, so I have actually got the toughest critic of all out in the audience here today. But she can attest to how I reacted to the drought in Montana back in the 1980s.

With respect to emergency haying and grazing, producers can donate the hay under emergency haying and grazing, and I know in Montana we have worked out a policy within national procedure so that producers in exactly the kind of situations that you are talking about can conduct the emergency haying and grazing on their CRP and can donate the hay. So it is not required to be destroyed under all circumstances.

So we would look forward to working with you on that issue in your State, as I know that we did last fall, and any other member who, unfortunately, might face those kind of drought situations in the future.

Senator ROBERTS. I appreciate that. There are 6.5 million acres in contracts will expire from CRP. How is the Department preparing for the large number of acres exiting the program? How are the various agencies trying to coordinate to assist producers with their next steps? Are there ways we can really facilitate the transition of these acres?

Mr. NELSON. Well, as I indicated before, one of the new things that we have that I think is very beneficial to the producer is with the memorandums of understanding that we have been able to develop with outside organizations, the technical assistance of their biologists is available out there to producers to help along with NRCS and other technical service providers so that producers can make good choices about whether to re-enroll land in CRP or move it into production using, hopefully, other conservation techniques.

The Transition Incentive Program is another program I mentioned in my oral testimony, and we are a little bit, frankly, concerned right now because, as I indicated, there is a $25 million cap on that. We spent a little over $20 million right now. We have another about $1 million in requests in. In that 6.5 million acres, there is over 68,000 contract holders. My point is there are a lot of folks out there with 68,000 CRP contracts expiring who we think would have an interest in the Transition Incentive Program over the coming months. We have got to make sure that we do not overspend, but, you know, it is a great opportunity for some producers right now. But their ability to take advantage of it right now will be limited by the funds available.

Senator ROBERTS. I appreciate that. I am running out of time.

Chief White——

Chairwoman STABENOW. Chief White had——

Mr. WHITE. Can I respond to that, too?

Senator ROBERTS. Well, no, I am going to ask you another question, and then you can do that, too, or show me another show, whichever way you want to do it.

[Laughter.]

Senator ROBERTS. CRP acres expiring this year, are there options for producers to use NRCS programs to help transition out of CRP but perhaps keep the acres and grass? That is terribly important. In Kansas we had producers interested in perimeter fencing on CRP, so my question is: Can producers take this action under EQIP? In other words can a producer get ready while under contract and transition in the last year of the contract with the fencing and the water wells? If you do not do that at the end of the fiscal year, you are going to end up in a situation where you are in winter, and then you are stuck. What is your answer?

Mr. WHITE. That is what I was going to talk about. Yes. We listened to you. We changed EQIP policy. We will do perimeter fences around highly erodible land. We will put in pipelines. We will put in stock watering tanks. We will help put in cross fences, and how you could help is right now you cannot get a payment for the same land. So if land is enrolled in CRP, you cannot put an EQIP contract on it. But if you could give us some flexibility, like if a producer tells Bruce, "I am going to leave the CRP," at that point in time, if we can get him in an EQIP contract, let us work to get it installed, get him paid, contract expires September 30th; October 1, turn the cows in.

Senator ROBERTS. All right. You just hit a home run, and my time has expired.

[Laughter.]

Senator ROBERTS. I would just ask that the rest of my questions be made part of the record.

Chairwoman STABENOW. Without objection.

[The questions of Hon. Pat Roberts can be found on page 219 of the appendix.:]

Chairwoman STABENOW. I would just comment, Chief White, that it is the flexibility you are talking about that we have been working so hard on as we put together proposals.

Mr. WHITE. Yes, Senator.

Chairwoman STABENOW. I want to turn now to Senator Harkin, and let me just thank Senator Harkin publicly for really being such a leader in this area. I do not think we would be where we are today in many of these areas without your leadership, so I thank you.

Senator HARKIN. Well, thank you very much for those kinds words, Madam Chair. And thank you both, Mr. Nelson and Chief White, for your service and for your great leadership in this vital area.

We have made great progress in conservation in this country, looking back, going back to post-World War II and on. We have had our ups and downs, of course, a lot of it having to do with prices and income. But we have made some mistakes, and we did some different things, and I think we have learned a lot as we have gone along.

But we are at a point in time, I think, where we are looking at a rather long period, at least in the future, at least I hope so, of continued high prices for our grains and oilseeds in a broad context. So I think all the future looks very good for income on farms. How that is going to impact our conservation service is really a real question.

Again, while we have made a lot of progress, there are some real serious questions out there about how we are doing in terms of water quality, runoff, and soil erosion. The National Resources Inventory from the NRCS reported that in 2007 just over 100 million acres of U.S. cropland was still eroding at greater than a sustainable rate. That is one-fourth. So one-fourth of our Nation's cropland, according to Chief White's organization, is still eroding at greater than a sustainable rate. So we have got to pay attention to that, and where is that land and how do we focus on it.

The U.S. Geologic Survey reported last year that nitrate transport to the Gulf of Mexico—and I thought that is what you were going to talk about when you put that thing up there of the gulf region—was 10 percent higher in 2008 than in 1980. In other words, it is going up rather than going down. The U.S. Geologic Survey reported there has been no consistent declines in nitrate levels in the Mississippi River Basin in nearly a 30-year period.

So, again, while, yes, we have made a lot of great progress, I hope that there is evolving and I hope you can reassure me that there is a strategy at the Department for looking ahead, at least in the two areas of the erosion on the quarter of that—over the sustainable rate and how we are focusing on that; and, secondly, in terms of water quality in the Mississippi River Basin. Is there a good strategy looking at those kind of two elements that sort of stick out as areas where we have not really—we have not reached the pinnacle of success?

Mr. WHITE. Sir, you are right and—you are right, Senator, and we do have more remaining.

I would point out to you that in that same National Resources Inventory (NRI) study you quoted, we also show a 40-percent reduction in soil erosion over that 25-year period——

Senator HARKIN. Absolutely.

Mr. WHITE. —which is absolutely astounding.

Senator HARKIN. Absolutely true.

Mr. WHITE. Our Conservation Effects Assessment Project is showing that farmers have done a lot. Sediment would be double the problem it is now if it were not for voluntary conservation. But that said, it is showing where we need areas to work, and it is primarily in nitrogen and phosphorus in the nutrient reduction, whether it is in the Great Lakes, whether it is in the gulf, or wherever it would be, the Chesapeake Bay, Puget Sound. And I am much more bullish on this than a lot of people. I think we can solve these things and do it in a voluntary, incentive-based manner using these programs.

In 2008 farm bill, Congress reauthorized the Resource Conservation Act. That assessment has been completed. The Department is in the final stages of working on the National Conservation Program which will outline the strategy USDA will use. That should be ready in a couple months, sir.

So if we can keep the voluntary, incentive-based, I am confident we can work on these things.

Senator HARKIN. Let me just ask you, can you tell me more, Chief White, about the aggregate numbers for the first three CSP enrollments in 2009, 2010, and 2011? Are you pleased with the demand for the program? And how about the division of participation

relative to the different types of use—cropland, pasture, range, forest, and the different types of farming? So, again, what about the aggregate numbers? Are you pleased with the demand for——

Mr. WHITE. I am stunned with the demand. The law allows us to enroll 12.7 million acres each year. We now have over 37 million acres in the Conservation Stewardship Program, making it the largest program by land area in the arsenal. This last sign-up, Senator, because of budget reductions, we can only enroll a little over 10 million acres. We have an estimated 19 million acres offered. So we are going to leave 9 million acres that will not be able to be enrolled.

That program is revamped, it is revised. I think we are—I would quote my drill sergeant, but I could not, but we are taking names and doing okay with that.

Senator HARKIN. Senator Roberts is an ex-marine. He understands that.

Mr. WHITE. I apologize. That was inappropriate.

Senator HARKIN. No. that is okay.

Mr. WHITE. I think it is a great future.

Senator ROBERTS. Semper Fi.

Mr. WHITE. If you look at EQIP, you are talking the bricks-and-mortar program. If you are looking at CSP, you are talking about moving people to the higher-level management. You are not just talking conservation tillage. You are talking about continuous never-till.

I think that the CSP is going to equip our producers. It is where the cutting edge is going to become the mainstream. As we look at 9 billion people coming, as we look at increasing our production by 70 percent, they will need those management tools that are being pioneered in the CSP.

Senator HARKIN. Thank you very much.

Thanks, Madam Chair.

Chairwoman STABENOW. Thank you very much.

Senator Thune?

Senator THUNE. Thank you, Madam Chairwoman, and thank you for holding this hearing. Thank you all for being with us today.

Let me just begin by saying that in order for agriculture to maintain its current role as one of the few shining stars in our economy, our Committee has a tremendous responsibility to create agricultural policy that not only provides an adequate safety net but that also keeps agricultural production sustainable and not damaging to the environment. I know that is what you all are tasked with. And what we have seen with the current higher-than-normal commodity prices is land prices going to new record levels. Higher land prices drive farmers to utilize every possible acre to its maximum production capability, so we have got farmers who over the years have proven themselves to be excellent stewards of their land, and conservation title programs that we have included in the previous farm bills have provided an excellent assortment of conservation tools that are enabling farmers and ranchers economically viable alternatives to producing crops on some of these marginal and fragile lands.

However, in today's production agriculture environment, we are experiencing thousands of acres of non-cropland and grasslands

converted to cropland, wetlands drained, and crops being raised on this land. The outcome of these practices, or at least one outcome for the first time in history, is that crop insurance indemnities have exceeded $10 billion for 1 year, and that was the 2011 crop year.

So as we develop and modify programs for the 2012 farm bill, we need to strive for balance and not diminish the effectiveness of the conservation title. It is imperative that we keep conservation title programs effective and economically viable for producers so that they can continue maintaining their long history of excellent land stewardship.

Our farmers and ranchers have the responsibility over the next few decades of feeding not only this country's citizens but much of the world's as well, and we simply cannot overlook the important role the farm bill conservation title programs play in enabling production agriculture to remain sustainable into the future.

So, Mr. Nelson, what I wanted to ask you, in your written testimony you had provided that pheasant hunting annually brings about $250 million in economic activity to South Dakota, and there is no doubt but that CRP has played a significant role in this economic activity by providing much needed habitat for not only pheasants but also several other game and non-game species of wildlife in South Dakota.

South Dakota currently has about 1.1 million acres enrolled in CRP, which is down from our high of 1.5 million acres. South Dakota is going to have an additional 224,000 acres expire this year and more than 106,000 acres next year. South Dakota's Game, Fish, and Parks Department tells me that the State needs 1.5 million acres to maintain game bird populations at current levels.

In order to keep South Dakota's CRP acres at adequate levels, the State needs more than general CRP sign-ups. It also needs additional acres in the SAFE program, which is the State Acres for Wildlife Enhancement, and in the duck nesting habitat, or CP37 program.

Along with conducting a general CRP sign-up, will FSA be increasing South Dakota's allotment of SAFE and CP37 acres in the near future?

Mr. NELSON. Senator, we do review those allotments of SAFE acres on an annual basis, and we have been adjusting them among the States. And so we will be happy to look at the request from South Dakota for additional acres and will work with you and your staff on that.

Senator THUNE. How about CP37?

Mr. NELSON. And CP37.

Senator THUNE. Okay. Good. Well, we will look forward to working with you on that.

Let me ask you this: Do you have any suggested changes for us to improve CRP and other FSA-administered conservation programs as we draft the next farm bill? I am sure that is a question you perhaps have already been asked, but would you elaborate on that?

Mr. NELSON. Yes, and I appreciate the chance to talk a little bit more about it. Again, we look forward to the streamlining initiative, to working with your Committee, to working with Chief White

and the conservation organizations to try to make sure that the programs work better for producers. You know, as a farmer from Montana, it never really mattered to me when I went into the USDA office whether I was going to NRCS or FSA; I just wanted help. And I think that is the way most farmers are, and that is the way we ought to approach our work in these agencies.

Again, I believe that to the extent in this time of fewer dollars that we can target these programs to the most environmentally sensitive land so that we get more bang for the buck while maintaining the variety of tools that producers need, again, as we talked about before, our conservation needs in Montana are different than yours in South Dakota or Michigan or Kansas, and we have got to make sure producers, regardless of where they are in the country, have the tools they need. So target the programs and give the producers the tools.

Senator THUNE. Madam Chairwoman, my time has expired, but I do have a question for Chief White, if I might submit that for the record.

Chairwoman STABENOW. Absolutely, yes.

Senator THUNE. Thank you.

[The question of Hon. John Thune can be found on page 242 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much, Madam Chair, and thank you for your work in this area, and thank you to our two great witnesses. Chief White has been to Minnesota I think three times in the past year or so. I have seen him at the Farm Bureau, the Farmers Union, and then also I know you were at the Pheasants Forever event, too, so thank you. And Dave Nomsen is out there somewhere from Minnesota, from our Pheasants Forever.

I wanted to start with some questions relating to Open Fields. During the 2008 farm bill, I worked for funding for the voluntary access program, as you all know, called Open Fields. This program offers a voluntary incentive to farmers and ranchers to open up their land for hunting and fishing. As you know, funding was eliminated in the fiscal year 2012 appropriations bill, but I wanted to hear from you about how the program has been working in the first few rounds. Either of you. Mr. Nelson?

Mr. NELSON. Yes, Senator, if you will bear with me a minute, I am not as well organized as I should be here this morning.

Senator KLOBUCHAR. Okay.

Mr. NELSON. As you indicated, there was $50 million for this new program under the 2008 farm bill, and to date, we have 26 State fish and wildlife agencies and one tribe, the Yakama Tribe from Washington State, who have participated in the program, and we have obligated almost $30 million.

So we think that this has been a successful program. The President has included $5 million for the program in his 2013 budget. But right now we are not able to do any modifications or additions to the areas out there or to go out to the States and give them and the tribes an opportunity to participate.

One of the things that we are planning on is a transfer of the responsibility for the administration of this to NRCS, which I believe makes some sense.

Senator KLOBUCHAR. Okay. Do you want to add anything then, Chief White?

Mr. WHITE. We will try to do a good job of following in Bruce's footsteps.

Senator KLOBUCHAR. Okay. Good.

I want to ask a few CRP questions. Senator Harkin did a good job, and I will maybe do one in writing to follow up on the use of the acres. Minnesota is one of the top States, as you know, for using those programs in the country.

One of the things that I have heard from farmers—and I know you touched on it, Chief White, in your testimony—is efforts to remove the obstacles producers face in accessing conservation programs. This is the application process, things like that.

Mr. WHITE. I am glad you asked. We have an effort underway as part of our streamlining initiative to help us get ready for the budgets that I know we are going to see. We are testing right now, Senator, a client gateway software which will allow producers to sit at home, apply for a program over the Internet, look at their conservation plan, check where the EQIP schedule is, to do all their conservation work at home. It is being tested right now. We would like to roll it out this fall, and we estimate that if we can get this up and running, we can save our producers 750,000 hours a year at a minimum in time that they are driving to the office or waiting in line or in a car. So that is just one example of what we are going to try to do to make it easier for our producers to participate in these programs.

Senator KLOBUCHAR. That sounds good.

Also, some conservation agriculture stakeholders have been looking for the possibility of allowing more haying and grazing within certain parameters that will encourage producers to keep more acres in the program. How do you think the program could be improved to ensure that the producer and the taxpayer and the environment can all benefit from more haying and grazing on CRP land?

Mr. NELSON. Senator, there is currently two ways that we have haying and grazing, as you know, under CRP: There are the emergency provisions that I talked about earlier with Senator Roberts, and those come about under unfortunate circumstances, normally drought in our part of the country. But then there is also the managed haying and grazing provisions that allow producers three times during the 10-year contract to do grazing on the practice and one time to do haying. But you can never do more than 50 percent at one time or during the primary nesting season to try to make sure that we do not affect wildlife.

We would look forward to working with you and the Committee during your discussion of the farm bill on the managed haying and grazing as well as the emergency provisions to see what we could come up with.

I also do want to mention one thing in terms of modernization that I think is important, and that is that FSA, as you all know, is undergoing development of a new software program called

MIDAS that is going to be critical for getting our employees the 21st century tools that they need to deliver the farm programs, including the conservation programs that are assigned to FSA. Not only will that program get our employees away from 1985 computers that they are still using to administer the programs, but like what Chief White is doing at NRCS, it will give producers a lot better direct access on the Internet to our programs. So it has the double benefit of making our employees more productive and giving producers better access to our programs directly as well.

Senator KLOBUCHAR. Thank you. Thank you to both of you.

Chairwoman STABENOW. Thank you very much.

Senator Grassley?

Senator GRASSLEY. Thank you, Madam Chairman.

First of all, Senator Klobuchar asked the first question I was going to ask, her last question, but I would simply add to it that I have a lot of interest in my State in expanding haying and grazing opportunities. And I hope that people do not think that the request comes from those that want to double-dip in the sense of harvesting some of the benefits of their CRP both from the Federal Treasury as well as from their own sale or own use of it. So just put me down as one supporting the same interest as what Senator Klobuchar just asked, and I do not have to have any comment on that because I heard what you told her.

I do have a question on the issue of conservation. Before I ask that, I want to say that this is a common topic among farmers. There are seminars, policy meetings, and forums dedicated to this issue of conservation. It gets a lot of attention in my State because, until recently, we had one of the most highly erodible States, and I think now with the conservation programs we have, we have got that down to a point where it is renewable, at least.

I am not taking away from those efforts that we already are doing, but I do think that we need to recognize a very important fact. Many farmers are excellent stewards of the land that they farms. Farmers and their families obviously have to be concerned about the same water, the purity of the water, the cleanness of the air, and right where they live and work.

In addition, it is in a farmer's financial interest to take measures that limit erosion and runoff, so there are plenty of incentives to be good stewards. The Federal conservation programs are an important tool for farmers in their conservation efforts. In particular, I have heard from numerous farmers that the working land programs such as EQIP are especially useful. In fact, as of last fall, there was a backlog of 2,700 unfunded Iowa EQIP applications worth $62 million. So it is clear that there is a lot of support from farmers for that program.

Another thing that the Agriculture Committee needs to keep in mind is telling the story that they do. I have an example from Carroll County, Iowa, where farmers leveraged EQIP and CRP money to help improve the water quality of Brushy Creek. Recent water quality testing showed that farmers' efforts have, in fact, resulted in tangible improvements, so that is very quantifiable. And as we debate reauthorization of these programs, I support reducing the overlap of programs as long as we maintain the effectiveness of success stories like this.

So my question, Mr. White, and it is probably pretty nebulous, but I think that we have to take advantage not only of quantifying the benefits of dollars we appropriate and the benefits that come from those dollars—because you have to do that to be accountable to the taxpayers—but has there been any thought about the Government taking a lead on trying to quantify what farmers do on their own initiative without the benefit of taxpayer dollars? An example would be like we tend to read figures about minimum tillage or conservation tillage being 41 percent now compared to 26 percent several years ago as an example, so that we can put some effort into finding out what farmers do on their own in addition to what we do with just taxpayer dollars.

Mr. WHITE. Senator, that is a great question, not nebulous at all, and the answer is yes. We have done that in the Chesapeake Bay. We actually contracted with the National Association of Conservation Districts (NACD). You have heard of the EPA Bay Model. There were concerns that it was undercounting what farmers were doing voluntarily. And the NACD went out and did some research on it, and, frankly, they think—permission to revise and extend, but I think it was about a 25-percent undercount, if I recall correctly.

The problem we are going to have with this is they also said to get a really good grip of it, it would cost us $13 million to go out there and really figure it out.

So there are ways that I think, through sampling, there modeling, we can start to get a better handle on it. We are using the Conservation Effects Assessment Project. It is giving us a good handle on what is going on out there, and I will go back and talk to our scientists and stuff and see what are the methodologies we might use to better capture that work that is done without Federal or State or local cost share, where it is just a producer wanting to do what is right.

Senator GRASSLEY. If you could report back to me or my staff, I would appreciate it.

Mr. WHITE. We would be delighted to do so, Senator.

Senator GRASSLEY. Thank you.

Thank you, Madam Chairman.

Chairwoman STABENOW. Thank you.

Senator Bennet?

Senator BENNET. Thank you, Madam Chair. Thank you so much for holding this hearing. The conservation title, particularly the easement programs like the Grasslands Reserve Program, the Farm and Ranchland Protection Program, are absolutely vital to farmers and ranchers in Colorado, and a letter I brought with me today illustrates many of their successes. I should say it also includes, Chief White, some very beautiful photographs that maybe you could add to your list. It is signed by the Colorado Cattlemen's Agricultural Land Trust, the San Isabel Land Protection Trust, and the Nature Conservancy, among others. With your permission, Madam Chair, I would ask that it be entered into the record.

Chairwoman STABENOW. Without objection.

Senator BENNET. Thank you very much.

[The letter can be found on page 149 in the appendix.]

Senator BENNET. Chief White, I continue to hear that NRCS has backlogs for the current easement programs and that landowner demand outpaces current funding levels. Would the Service be able to submit information on the number of unfunded applications you have gotten for FRPP, GRP, and the Wetlands Reserve Program, WRP?

Mr. WHITE. Yes, sir.

Senator BENNET. Thank you. I appreciate that.

[The following information can be found on page 246 in the appendix.]

And, Chief, the Bureau of Reclamation, as you know, is working on a study of the Colorado River Basin which is due out in July. The study is likely to highlight the gap between the demands on the river, both the agricultural and municipal, and supply into the future. I wonder whether you could share with the Committee how NRCS is working with farmers, ranchers, and conservation partners out West to secure the productivity of agriculture in the basin while also addressing this gap.

Mr. WHITE. We do a lot of work with the Bureau of Reclamation, Senator Bennet. I can give you a California example where they are putting money in and we are putting money in, and this is in the Central Valley. They are trying to shore up the conveyance systems for irrigation and water development, and we are taking it from the point it comes out of the canal and doing the on-farm conservation. And we are having some really phenomenal results.

In your particular part of the world, when EQIP was created back in 1996, they created that out of four programs. One of them was the Colorado River Salinity Program. From that day to this day, millions of dollars are being spent in the Colorado River Basin to work on the salinity issues because of our treaty obligations with Mexico on the Colorado River on the salt content. We are also doing a huge amount of work on the efficiency, water conservation on those irrigated lands. So I think with the programs we are addressing that.

Senator BENNET. I appreciate that. I met last week, Madam Chair, with some representatives of our conservation districts, our water districts, and one of the things they wanted to urge me to say to the Committee is that what in the rest of the country can be seen as a water quality issue, in the West it really is a water quantity issue that our people are struggling with. And I appreciate very much your work on this.

The group of people I met with actually represented the entire State, including San Luis Valley where Ken Salazar is from, a former member of this Committee. We talked a lot about the importance of AWEP and EQIP, and, Chief, I wonder if, with the last couple minutes I have here, you could give us your thoughts on how we maintain the functions of those programs as we move to a simpler farm bill. You had said earlier in your testimony that the work that the Chair and the Ranking Member had done for the super committee sort of hit the mark, and I agree with that as a general matter. We need to make sure that in the writing of the law and the implementation that, as we think about consolidation here, we are protecting the important functions here. And I wonder if you have got a perspective on that.

Mr. WHITE. Yes, I do. In full disclosure, I have never seen the final copy. I do not know anything about it. We were called up to provide counsel and advice. But my understanding is that it is awesome, just awesome. You have got—the A–Team working on this darn thing.

I think as far as AWEP goes, there are some opportunities there for—essentially, that is a partnership issue where you work with other entities and things like that, and I said earlier if we could increase our partnership activities, that would be good, especially in view of the budgets that are declining. But I would put a lot of faith in the Chair and Ranking Member as well as all of you when you see that, whenever that Chairman's mark comes out.

Senator BENNET. Okay. Madam Chair, I have got a number of other questions for Chief White and for Mr. Nelson. I wonder if I could submit those for the record for their written responses.

Chairwoman STABENOW. Absolutely.

Senator BENNET. Thank you very much.

[The questions of Hon. Michael F. Bennet can be found on page 237 in the appendix.:]

Senator BENNET. Thank you both for your testimony.

Mr. WHITE. May I have one follow-up, Senator?

Chairwoman STABENOW. Yes.

Mr. WHITE. Senator Harkin mentioned about the strategy, and part of the 2008 was the reauthorization of the Resource Conservation Act. We had something like 2, 200 surveys come back asking people what they thought the biggest issue is. The number one issue, Senator, was water, water quality and water quantity. And that is going to be a big part of the strategy that comes out of USDA.

Senator BENNET. Well, I am very glad to hear you say that because that is our number one issue in Colorado. Thank you.

Chairwoman STABENOW. Thank you very much.

Senator Chambliss?

Senator CHAMBLISS. Thanks, Madam Chair, and, gentlemen, thanks for the good work you are doing down at USDA. And I want to follow up on this particular issue of water quality, but there are some other related issues there, too.

Chief White, on February 17th, you announced a partnership with the National Fish and Wildlife Foundation to improve water quality, wildlife habitat, and soil productivity. The partnership brings together $10 million of NRCS funding with an additional $10 million or more in private funds through NFWF to increase technical assistance in priority areas. Now, I want to ask you several related questions with regard to that partnership.

First, can you provide the Committee with details on how this partnership will be administered and how will the $10 million in funding be used?

Secondly, are there appropriated funds from the conservation operations account? And does the funding go directly to NFWF?

And how will USDA work with NFWF to ensure the funds are used appropriately? And how are the priority areas determined to be a priority and by whom?

Mr. WHITE. Thank you, Senator. I am glad you asked about that because I think that is one of the key things that relates to our fu-

ture when we talk about reducing budgets and the need for Federal agencies to be creative in how we can leverage the work that gets done in the field.

The National Fish and Wildlife Foundation is quasi-governmental. They have a charter by Congress to do these kinds of things, to raise money. Jeff Trandahl, who is the Chief Executive Officer of the National Fish and Wildlife Foundation, is on the next panel, and he can probably answer some of this better as far as their authorities. But they are quasi-governmental. They do have a charter for this.

I would be happy to provide you with the details, the agreement we have, send it to you, the Committee or your staff or whatever you all prefer. That is your first question. Yes, we will provide the details.

The second one, are conservation operations funds used? No, they are not. We are using farm bill technical assistance. If I recall correctly, it was some EQIP, some Wildlife Habitat Incentive, and some CRP funding.

[Mr. White made a correction in the statement, the funds were from CO and CRP, not EQIP and WHIP.]

One of the things in this agreement is to help us with the CRP as well as FSA, and Bruce has talked some about the agreements that are being done.

And the third question was how will USDA do something. Help me?

Senator CHAMBLISS. How will USDA work with NFWF to ensure the funds are used appropriately? And who is going to determine these priority areas?

Mr. WHITE. Okay, the priority areas. The priority areas—well, to work with them to ensure that funds are used properly, this is going to be dollars that would be given as grants to an entity that is successful in competing with this. I am from Missouri, and you have to show me stuff. And last year we tried a $1 million effort with National Fish and Wildlife Foundation. They took that $1 million, and they turned it into $5 million with leveraged donations.

I know we need more boots on the ground to do conservation. I really do not care whose foot is in that boot, if it is NRCS or local or State or nongovernmental organizations. I know we need to work out there to get it done.

So after that experience last year, we obligated some more funds, and hopefully this $10 million will turn into $20 or $30 million or something of that nature.

The grants would go to things like Pheasants Forever, so Pheasants Forever would come up with their own money, they would get some match money from us that would be set aside for them to pay staff over a period of time. Those people would work in our offices. They would be Pheasants Forever or State forestry or whatever people, but they would work under our day-to-day guidance. They would use our technical standards. They would have the e-authorization, the IT currently that you would need in an NRCS office. If needed, we would do the background survey, have the fingerprinting done, and they would sign the confidentiality, the 1619 form that all of us have to honor and respect the confidentiality. And then it becomes more of the procurement process on, as bills

come—I think they come on a form called an 1172 quarterly, and they are verified that the charges were accrued, and then they are paid out.

As far as the priority areas, NRCS has about 15 initiatives, and we use those. There may be a couple of—I cannot remember all of them, Senator, but it is like the Chesapeake Bay, the Mississippi River, the sage grouse effort. But I can get you more specific information on all of those, sir. New England forestry was in there. Actually, New England forestry became a priority area because I got a letter from seven New England Governors asking us to do it.

So there are a variety of things that I can provide a lot of information for you, sir.

Senator CHAMBLISS. Okay. Well, if you do not mind following up with written responses to that. I would appreciate it. Thank you.

[The following information can be found on page 248 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Senator Baucus?

Senator BAUCUS. Thank you, Madam Chairwoman. I am just very honored to have Bruce Nelson testify, and also, Chief White, thank you very much.

Just for the information of my colleagues, I have known Bruce for a lot of years, and he is Mr. Agriculture in the State of Montana. His farm is near Fort Benton. He has served in many capacities. Just a real public servant. Not only a great farmer but a great public servant. He just cares about the program, and I want to thank him very much.

And you, Chief White, too. I do not know you as well as I know Bruce, but I am sure you are just the same. It is really exciting to have you here, although you have great ties in Montana, though, Bruce, and I appreciate that as well.

I just want to thank you all very much. As you know, we export so much of our wheat from Montana to other countries around the world. In fact, at one point up to 80 percent of Montana wheat gets exported. We have got a perfect combination of hard, smart workers. Agriculture is our number one industry, Madam Chairwoman. I do not know if it is in Michigan or not. I suppose with the auto industry agriculture may not be number one, but it is close. And in Montana it has been number one ever since I can remember, and that is a good number of years.

I do not have questions at this time for Bruce or for Chief White, but I just want to again thank you very much, both of you, for what you are doing.

There is a panel that is coming up later, Madam Chairwoman, with someone from Montana on it, Carl Mattson.

Chairwoman STABENOW. Yes.

Senator BAUCUS. I will have some questions I will ask of him. But I do have one question, though, for both of you here, and that is, the Grassland Reserve Program. And maybe it is tied in here, maybe it is not, I do not know. But in an effort to keep the sage grouse from being listed under the Endangered Species Act, I know that USDA under its various conservation programs is trying to help producers develop their rangeland not only for grain and for livestock and so forth, but also to help sage grouse habitat. And I

wonder if the two of you could address that and the efforts that you are undertaking, because it is very, very important to a lot of States in the West that the sage grouse not be listed under the Endangered Species Act.

Mr. NELSON. Well, thanks, Senator, for the question and for the kind words. I am glad Carl Mattson is here, too, because he is a real Montana farmer. My farming is sort of confined to a desk these days.

Senator BAUCUS. Oh, you are a real farmer, too. Believe me, I know. I have been to your place.

Mr. NELSON. But a couple of things, and then I will turn this over to Chief White in a minute to talk about the sage grouse in particular.

FSA in Montana has a SAFE area, State Acres for Wildlife habitat, a thousand-acre SAFE area specifically devoted to re-establishing sagebrush, which provides critical habitat for the sage grouse.

Now, I have to confess that as a farmer it is kind of interesting because I remember when my dad and grandpa participated in programs through the same agency back in the 1960s to get rid of sagebrush. So we are turning around now, understanding the environmental consequences of that and the benefits of its re-establishment.

In addition to that, as you pointed out, Senator, the Grassland Reserve Program, which we jointly administer with NRCS, is a very good program for maintaining and establishing a sage grouse habitat out there and trying to keep it from being listed. In Montana, we have got almost 70,000 acres under GRP contracts and have devoted almost $7.8 million to those contracts. So FSA is trying to play its part in this.

The President has included $5 million in his 2013 budget proposal to maintain existing GRP contracts, but right now with tight budgets, we are a little short on dollars for expansion of the program.

Chief?

Mr. WHITE. One thing: Montana. We are doing so much cool stuff with sage grouse. We have got a core area outside a roundup, 14 ranchers, 11 of them signed up. These guys are wild about it. And, sir, you know, I know a lot of these ranchers. These guys are a little bit to the right of Tsar Nicholas, and they love this program.

[Laughter.]

Senator BAUCUS. I know a few of them.

Mr. WHITE. If you look at the Canadian grasslands up there in Saskatchewan, there is a remnant population of sage grouse that we found out through this effort is actually migratory. These birds come down from Canada down to the Charles Russell Wildlife Refuge to overwinter, and on the BLM land surrounding that. We really take GRP money and some Farm and Ranchland Protection, and we are trying to lock down that grass highway so these birds will have, you know, the grass to get to Charles Russell, the Fish and Wildlife Service Refuge, so they can overwinter.

So next when you talk to your Canadian friends, you can tell them we saved the Canadian sage grouse, no charge, just doing it to be good neighbors.

Senator BAUCUS. I appreciate that. Also, I am glad you are making good use, if I understood you correctly, Bruce, of sagebrush.

Mr. NELSON. Yes, actually it is a sagebrush SAFE area, but the sagebrush are critical for the sage grouse.

Senator BAUCUS. I thought you said that, and I think that is——

Mr. NELSON. I do not want to have to try to say that again and stumble.

Senator BAUCUS. It is good to hear that someone is making good use of sagebrush. We had a sheepherder years ago in our place. His name was Hans Koske. Hans Koske was convinced that he could develop a patent to turn sagebrush into perfume. He has been out there herding a lot of sheep for a long time.

[Laughter.]

Senator BAUCUS. He got thinking about a few things, and he was quite convinced that he is going to get a patent for sagebrush to convert into perfume, and he would break open the sagebrush and he would try to get the perfume out of it. I do not think it ever worked, but now we are making good use of sagebrush, and I really appreciate that very much because he was—this is sort of in memory of Hans Koske because this guy tried.

Senator ROBERTS. Mr. Chairman, what was the name of that perfume? Was that "Sagebrush"?

Senator BAUCUS. It was just "Sage."

[Laughter.]

Chairwoman STABENOW. All right. Well, maybe we can include that in a bio-manufacturing provisions that we put into the bill.

Senator BAUCUS. I also want to make the point, I am glad you are urging cooperation. Time and time again I see at home you get producers fighting something, fighting, fighting, fighting. I keep saying, "You cannot beat something with nothing. Come up with a plan." For example, a lot of operators at home work with Fish, Wildlife, and Parks, you know, managing game. Some of the game graze on some of the private property, but also some public land, and they work out an agreement. So I really appreciate the efforts you are undertaking under the Grassland Reserve Program. That grass highway you talked about, Chief White, that is good, too.

My strong view is the more you encourage that, the more people sign up and participate, and that word spreads. There are going to be a few crusty old characters that are not going to participate, but, by and large, on the margin it is going to make a difference.

I thank you very much very much.

Chairwoman STABENOW. Thank you.

Senator Boozman?

Senator BOOZMAN. Thank you, Madam Chair.

First of all, I would ask unanimous consent that the National Cotton Council's statement be placed in the record.

Chairwoman STABENOW. Without objection.

Senator BOOZMAN. Thank you.

[The statement can be found on page 118 in the appendix.]

Senator BOOZMAN. I appreciate you guys being here. We appreciate your hard work and all that you are doing for the programs. The slides were encouraging.

I would like to ask just a question, kind of a practical thing that we are hearing at home. For conservation programs administered

by NRCS, some of the supporting forms must be completed at the local FSA office, and FSA has announced plans to close some of the offices. As a result, producers may be required to go to the NRCS in one town and FSA in another town.

Is USDA considering modification of sign-up procedures to enable the producers to complete all forms at one location.

Mr. WHITE. I will turn this over to Bruce, but the answer is yes. Bruce and I have talked about this on where the records would be. We do not want to have producers going to County A and then to County B for something else. So I have got a little group at NRCS, some State conservationists that are supposed to give me some recommendations, working with FSA, on how we can resolve that.

Bruce?

Mr. NELSON. Yes, and I appreciate—just a little background on this. Senator Baucus alluded to Dave's Montana background. He was State conservationist out in Montana, and so he and I have had a good working relationship for years, and so it was pretty easy when I got back here just to continue that. And we are working together to try to make sure that producers, Senator, in those situations, should those offices close, that we can accommodate them as much as possible, including, you know, that we would consider during heavy sign-up periods having FSA staff go over to a neighboring NRCS office to make sure that producers could sign up as easily as possible.

I mentioned earlier that our MIDAS software development program hopefully will make it easier for producers to directly access our programs. I know Chief White is working on the same thing at NRCS, and hopefully eventually that will actually cut down on the number of times that producers have to come to our offices to sign up for the programs.

Senator BOOZMAN. I think that is great, and again, that really is a very practical consideration that is going to come up. Many of the counties that I deal with, the average age of the farmer is in the 60s. Many of them are not that Web-based literate, so, you know, these are good things, and it is good for all of us. But there are some drawbacks, and so I think, you know, if we can just use some common-sense approaches like you are talking about doing, that would be very beneficial.

Do we anticipate closing NRCS county-level offices in the future?

Mr. WHITE. Senator, I would not rule it out, to be 100 percent honest with you. We are about to embark upon a pretty long, hard look at the structure, what should be the NRCS field office of the future. And NACD, the National Association of Conservation Districts, we have been partnering with conservation district since the mid-1930s. We would like to do a process with them. Gene Schmidt, the president of NACD, is here. We will probably send out a joint letter to all the States, the State conservation districts and the State Conservationists, and ask them to sit down, talk it through. Where do we need to be? Where do we not need to be? What should these offices be doing?

One of the things I do not want to see happen, is to have staff driving 3 hours to get to a farm, spending 2 hours, and then driving 3 hours back. So we may have sub-offices. I just do not know.

But we are going to have a much better idea at the end of September.

Senator BOOZMAN. Good. We appreciate working with your staff, Mr. Nelson. They have been very helpful, and give yourself a pat on the back in that regard. Like I say, it is helpful to be listened to and to understand some of the problems with closing some of the offices. Again, your staff has been very helpful.

Mr. NELSON. Well, I really appreciate that. They are the ones that deserve the pat on the back. And, by the way, I am one of those over-60 producers who is not very Web literate, and so I need all the help I can get at the local office, too.

Senator BOOZMAN. Well, especially in an area like Montana, where it is not that easy. And we have many areas in Arkansas like that where, you know, a 20-mile trip or a whatever trip is much more like a 45-minute to an hour trip.

Mr. NELSON. You bet.

Senator BOOZMAN. Thank you.

Mr. NELSON. Thank you, sir.

Senator BOOZMAN. Thank you, Madam Chair.

Chairwoman STABENOW. Thank you very much, and thank you to both of you.

Chief White, I am going to be submitting a question for the record for you today regarding the work that we did last fall on the Regional Conservation Partnership Program, which is consolidating four existing programs to give greater flexibility for farmers and groups. This is a very important piece for us in the Great Lakes, and I would appreciate your thoughts as we go forward on how we can make that effective.

[The following information can be found on page 217 in the appendix.]

Chairwoman STABENOW. Thank you very much for presentations and answering the questions. We look forward to continuing to work with you on this very, very important part of the farm bill.

At this point we would ask our second panel to come forward.

[Pause.]

Chairwoman STABENOW. Welcome. We are so pleased to have all of you here, and my voice is still holding out a little bit. We will proceed now. Of course, we ask for 5 minutes' verbal testimony, and you are welcome to submit whatever you would like in writing. We are certainly very interested in whatever you would like the Committee to take a look at.

I am going to first, for our first witness, turn to Senator Roberts to make the introduction.

Senator ROBERTS. Well, thank you, Madam Chairman. I would like to welcome Jeff Trandahl, the executive director of the National Fish and Wildlife Foundation. The foundation was created by Congress back in 1984. They match public and private conservation funds to address environmental issues. They have a number of innovative partnerships at work all across the country.

Jeff was elected clerk of the House of Representatives and served from 1998 to 2005. That is 7 years in that body. And prior to serving as clerk, Jeff worked in the congressional offices of Senator Jim Abdnor and Congresswoman Virginia Smith where he learned everything he wanted to know in regard to appropriations, and then

in my own office when I was a member of that body. I do not know quite how to describe his role in that he was a special projects director. That means when there was an IED about to go off and nobody in the office wanted to touch it, we would assign Jeff to do it, and he would do that job. I am talking about the challenges we faced at that particular time in the post office and the bank and the restaurant in the House of Representatives. Those were indeed challenging times.

He is a personal friend. I am pleased that I can officially welcome Jeff to testify before the Committee.

And then I would also like to, if I can at this point, welcome Mr. Dean Stoskopf from Hoisington, Kansas, America. Dean is joined today by his wife, Mary Anne, and his son, Wayne, and his daughter, Julie, who currently work in the Washington area. Dean operates a diversified farm producing wheat, grain, sorghum, alfalfa, and forages. And he also manages a Red Angus cow-calf operation. He is a member of the Kansas Association of Wheat Growers, the Kansas Farm Bureau, and has been active in the National Association of Wheat Growers. And he is not only a member of these organizations; he has been one of the most active producers in the State of Kansas when it comes to giving of his time, serving as an officer of these organizations both at the State and the national level.

Dean, thank you for your service and leadership. On behalf of both Kansas and America's producers, we are so pleased you and Mary Anne could come to Washington and share some conservation thoughts with us and enjoy your family. So thank you for coming, sir.

Chairwoman STABENOW. Terrific.

And sitting between Senator Roberts' witnesses, we have Becky Humphries, who is the director of Ducks Unlimited, Great Lakes/Atlantic Regional Office, in Ann Arbor, Michigan. Ms. Humphries joined Ducks Unlimited in January 2011. Prior to that she was the director of the Michigan Department of Natural Resources for 7 years, did a terrific job. She worked for natural resource and wildlife agencies in Michigan for nearly 30 years, and I think important to me, Becky is a graduate of Michigan State University, who, by the way, is on their way to a Big Ten basketball championship, just for the record. We are very excited about that. So I am very, very pleased to have you with us today.

And now I will turn to Senator Baucus to introduce our next witness.

Senator BAUCUS. Thank you, Madam Chairwoman. I am very honored to introduce Carl Mattson. Carl, thank you very much for being here.

Madam Chairwoman, Carl Mattson is quite a guy. He farms up near Chester, Montana. Chester is up on what we call "the High Line." The High Line is basically Highway 2 across northern Montana, the Great Northern Railroad, when we came west, you know, North Dakota and across Montana and kept going, and they had the first railroad camps that Great Northern built. We had numbers like Camp 16, Camp 17, and so forth. And somebody got the bright idea, well, we could give names to these railroad camps. And so if you look across the High Line, you see all these European names. There is Kremlin, there is Malta, there is Glasgow. I am

trying to think where Chester is in Europe. Maybe Carl could tell us where Chester is. But then all across—the Great Northern Railroad just took this map of Europe and just plucked all these names, and that is what those towns are across the High Line in northern Montana. Anyway, Chester is one of those town straightforward.

Carl has been operating for many years, about 37 years, and his family. He runs primarily a no-till wheat operation, started, I think, back in the 1990s, very involved in the State, public schools in Chester, Montana Grain Growers, Montana Stock Growers, NRCS local working group, and he is also a member of the Precision Ag Research Association. That really impresses me. I would like to talk to Carl and figure out how many inches taller it is when they set up the computer in their combines. Next year they got things just totally covered and the seed that comes out just right and other data they might be getting from the soil when they are running the combine. It is just amazing, the computer operations. It just creates efficiencies so much.

But, anyway, Carl, just thanks so much for all that you do. I look forward to hearing your thoughts about what we do in the next farm bill. So thanks very much for coming. Also, we very much want to thank Janice—did Janice make the trip with you?

Mr. MATTSON. No, sir.

Senator BAUCUS. Well, thank Janice, please. Say hello to Janice. Thanks.

Chairwoman STABENOW. Great. Thanks very much.

Senator Klobuchar?

Senator KLOBUCHAR. Thank you, Madam Chair. It is my honor to introduce Darrel Mosel and represent him. He is a farmer in Sibley County in Minnesota. And there is no surprise that we would have a witness on this panel. We are actually second in the country for people signing up for the Wetlands Reserve Program. We are fourth in the Nation for the CRP and tenth in the EQIP program. And so our State really believes in these programs. We think it has been good for our recreation and hunting and fishing, but it has also been good for farming. Our agricultural lands are more productive than ever.

Darrel Mosel operates a 600-acre diversified crop and dairy operation with his wife, Diane, and his two sons, Christopher and Michael, in south-central Minnesota. Currently half of the farm operation is organize and half is conventional. He raises a variety of crops, including corn, soybeans, small grains, and alfalfa.

The Mosel family also milk Holstein cows and operate a small feedlot with about 150 cattle on the farm. So he is diversified. That is what I would say.

He has extensive firsthand experience with farm programs related to conservation, dairy, and commodities. We welcome him to the panel to give really a firsthand look at what is working and what is not, and we really appreciate you being here, Mr. Mosel. Thank you.

Chairwoman STABENOW. Thank you very much.

And last, but certainly not least, Earl Garber, president-elect of the National Association of Conservation Districts. He recently served as president of the Louisiana Association of Conservation

Districts. From Basile, Louisiana, Mr. Garber is a rice, soybean, and hay producer by trade. His operation is 550 acres and also includes commercial timber and sorghum. He began his career in conservation working for the USDA as a soil scientist. Today he is also a licensed crop consultant.

We very much welcome and appreciate all of you today, and we will start with Mr. Trandahl.

STATEMENT OF JEFF TRANDAHL, EXECUTIVE DIRECTOR, NATIONAL FISH AND WILDLIFE FOUNDATION, WASHINGTON, DC

Mr. TRANDAHL. Thank you, Madam Chairwoman, and thank you, Mr. Roberts. I want to introduce myself as Jeff Trandahl. I am the CEO and executive director of the National Fish and Wildlife Foundation.

As Senator Roberts mentioned, it is a foundation that was actually created by Congress back in 1984, and my job is to go out and partner with Federal agencies and then raise private resources in order to align those resources alongside those Federal dollars. It is a way then to grow that conservation pot and also stimulate the economy by doing that in order to prevent environmental and endangered species issues across the country.

At NFWF we have several different goals: one is to raise those private dollars; two, to create efficiencies in terms of putting those dollars on the ground; create as many partnerships as possible across the country; have impact, and measurable impacts; and also bring innovation whenever possible; and also bring interest in the private sector around what we are all trying to accomplish.

Conservation has the possibility of being an enormous positive economic impact. Last year, we did a study in the midst of the Federal budget reduction discussions to just show how significant that economic driver is across the country. Not only in agriculture but across this sector, it is more than a $1 trillion annual impact in the U.S. And it is incredibly important when you look at its job creation opportunity because it is more than 9 million jobs that we talk about here in the U.S.

NFWF strives to support conservation through hundreds of grants annually to agriculture and ranching communities. We focus mostly on working landscapes, and one of our largest Federal partners among our 14 Federal partners is NRCS. And I have to say we greatly appreciate and want to applaud the last few years in working with NRCS in the innovation and adaptive management that they have been bringing to several conservation programs. And as you look forward, we want to see you work with NRCS to continue to enhance those programs.

We are very fortunate. We create that leverage by working with more than 50 corporations, multiple foundations around the country, and 600 major donors. One program in particular, which Senator Chambliss brought up, is CPP. CPP is a recently created program with NRCS where they have been able to put forward $10 million, of which we have committed to raise at least $10 million in addition, to work with landowners to understand conservation programs better.

It is really the result of the fact that the last few years we have heard a lot that capacity and understanding the producers is what is preventing a lot of the enrollment out there. And, really, to address it you have two choices: it is to create more Federal positions to start working with producers or to rely on third parties to get out there and to really do that work. And in most cases, third parties are much more trusted, no offense to any of my Federal colleagues here, than Federal bureaucrats themselves.

So in doing this program, we just had a real life experience a few years ago with an oil spill down in the gulf. And during that spill, we had the opportunity to do some proactive conservation in order to prevent additional wildlife losses. And the real focus became rice farmers, and that 5 months that they were idling their land down there in order to convert that land into temporary wetlands to deal with 1.5 billion birds that were migrating down.

So the challenge to the foundation from NRCS and the Federal agencies is: Can you get people on the ground quickly to talk to these producers? And could we get them actually enrolled in programs incredibly quickly, in a matter of a few weeks, in order to create this temporary opportunity to prevent loss?

Through Ducks Unlimited, through Mississippi Fish and Game, through Florida and Texas, we were able to convert more than 500,000 acres in a matter of a few months. And producer demand was actually 3 times higher than what we could possibly fund.

Based on that experience, I went back to the chief and said, listen, we need to do this nationally, and we need to do this in priority areas across the country in order to deal with sage grouse, the Great Lakes, the Northeast forests, longleaf forests down in the Southeast, and on and on.

I believe it is going to have an enormous impact, and, again, what it will do is it will allow us to grow that through private dollars more than Federal dollars, which I believe is also incredibly important at a time where we are very fiscally restrained.

That being said, I want to urge the Committee to look at the conservation title and continue to allow NRCS greater innovation opportunities as programs evolve. We think we can predict what the problems are, but we constantly find ourselves responding 90 percent of the time to the issues that we cannot predict. And that is where the programs have to be able to adapt in order to prevent us from suffering losses that we do not intend.

At the same time, I want to urge you to look at the CRP program. I believe that there are lots of issues and lots of opportunities that we can avoid by making that program more robust, more flexible, and more producer sensitive. And at the same time, I hope that we continue to move the agency towards measurable outcomes in order to guarantee that we can actually show the result of all this investment that the taxpayers are being asked to put forward.

Thank you.

[The prepared statement of Mr. Trandahl can be found on page 91 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Ms. Humphries?

STATEMENT OF BECKY HUMPHRIES, DIRECTOR, GREAT LAKES/ATLANTIC REGIONAL OFFICE, DUCKS UNLIMITED, INC., ANN ARBOR, MICHIGAN

Ms. HUMPHRIES. Chairwoman Stabenow, Ranking Member Roberts, members of the Senate Committee, on behalf of the million members and supporters of Ducks Unlimited, I would like to thank you for the invitation to address you today.

As it was mentioned, my name is Becky Humphries, and I am the director of Ducks Unlimited's Great Lakes/Atlantic Regional Office. Between my staff and I, we cover 21 State in the Midwest along to the east coast of the United States. Before that I was director of the Michigan Department of Natural Resources, and in that role I served on national and international committees related to fish and wildlife with the Association of Fish and Wildlife Agencies.

My written testimony today is endorsed by the Association of Fish and Wildlife Agencies, the Theodore Roosevelt Conservation Partnership, and Pheasants Forever. And like the Senator, I, too, am suffering from a bug, so hopefully we will get through this with my voice intact.

Ducks Unlimited got its start back in 1937. In fact, we are celebrating our 75th anniversary this year. In that year, a small group of conservationists got together to address the concerns with declining waterfowl numbers due to Dust Bowl conditions in the United States. Our mission then and our mission today is simple: it is habitat conservation. Ducks Unlimited is now the world's largest and most effective private wetlands and waterfowl conservation organization in the world.

Waterfowl are not the only beneficiaries of our habitat work. Wetlands improve the overall health of our environment by recharging and purifying our groundwater, moderating floods, and reducing soil erosion. DU delivers its on-the-ground work by forging partnerships. In DU, we actually work with farmers and ranchers to restore and improve the working landscape for waterfowl and other wildlife. Underpinning these projects are the programs that comprise the conservation title of the farm bill.

Being that this is Great Lakes week in Washington, I thought I would focus my time on the impacts of conservation programs on the Great Lakes watershed today. The Great Lakes are a national treasure, but they are in peril from a diversity of threats, including wetland loss and degradation and excess nutrients and pollutants.

Conservation programs in the farm bill are a major factor in reducing and eliminating these threats, and there are a couple of examples that have contributed to the health of the Great Lakes, and I would like to bring those to your attention today.

The Wetlands Reserve Program, or WRP, has been instrumental in helping farmers find better ways for those extremely difficult places to farm and to restore vital wetlands. In Muskegon County, Michigan, WRP is being used in conjunction with the Great Lakes Restoration Initiative and State-funded wildlife conservation programs in a partnership of local, State, private, and Federal partners to remove historic phosphorus levels, to filter agricultural waterways, to provide wildlife habitat, and to restore fishing and

swimming in Mona Lake. We need more of these types of innovative and collaborative partnerships as we move forward.

WRP needs to continue in this next farm bill so that projects like this can continue to thrive. WRP is a great incentive to restore wetlands on agricultural lands, which is needed in other parts of our country that are seeing the impacts of excess nutrients, such as Lake Erie, the Mississippi River, and the Chesapeake Bay, to name just a few. DU supports the consolidation of easement programs as developed by both congressional agricultural committees late last year. However, in order for WRP and other conservation programs to be effective, technical assistance funds need to be commensurate with Federal assistance funds.

Another key program is the Conservation Reserve Program and its companion the Conservation Reserve Enhancement Program, or CREP. Today we are fortunate to have in the room Dave and Pat Jenkins. They grow corn, soybeans, fruits, and other vegetables on their family farm along the Illinois River near Peoria, Illinois. The Jenkins are active conservationists who were one of the first families in Woodford County to enroll in the Illinois River Conservation Reserve Enhancement Program. Over several years they have enrolled 89 acres in filter strips and wetland wildlife habitat. Most recently, Dave and his brother Dan enrolled another 83 acres of frequently flooded cropland in the Wetlands Reserve Enhancement Program. Ducks Unlimited is proud to be a conservation partner working with the Jenkins to assist them with wetland restoration on their land.

CREP is a model program involving a Federal/State partnership that is often enhanced and leveraged through private partnerships with organizations like Ducks Unlimited and Pheasants Forever.

The next farm bill should build upon the successful partnerships like these. The regional partnership program developed in the super committee report is a great idea that needs to find its way in this next farm bill. Regional partnerships fueled by local groups and supported by Federal, State, and private funders are a key to accomplish watershed approaches, and these partnerships are solutions that will yield a good farm economy and a healthy, sustainable environment.

The Conservation Reserve Program, CRP, is our Nation's most successful wildlife conservation program, and it was reduced in the 2008 farm bill. In 2012, over a million acres of CRP will be expiring in the Dakotas with over 900,000 of those acres in the prairie pothole region. The loss of pothole habitat will be severe on the millions of ducks produced in the CRP acres, as well as pheasants and other wildlife.

What does all that mean? Quite simply, it means jobs. Hunters and anglers spend roughly $86 billion pursuing their passions each and every year, and wildlife watchers spend another $51 billion each year. These expenditures include everything from hunting and fishing equipment to transportation, hotel stays, and meals in small rural towns across this great country. And these jobs are important and cannot be export to other countries.

So when you are weighing how much and which programs to cut in this upcoming bill debate—and we all understand that that needs to happen—we ask you to think about, if you save money by

reducing conservation programs, there is a direct cost to the outdoor recreation industry through loss of revenue and jobs.

So, Madam Chairman and members of the Committee, a strong conservation title yields great benefits to all sectors of our society and our economy. Farmers and ranchers gain in conserving soil, water, and air, the essential ingredients for their economic success. Sportsmen and -women gain with healthy populations of fish and wildlife and recreational lands, and our working landscapes benefit through programs that protect the quality of our precious water resources, keep the soil on the land, and ensure nutrients and pesticides perform as they should

Thank you, and know that Ducks Unlimited stands ready to assist you in developing a strong conservation title in this next farm bill. Thank you.

[The prepared statement of Ms. Humphries can be found on page 62 in the appendix.]

Chairwoman STABENOW. Thank you. Thank you very much.

Mr. Stoskopf?

STATEMENT OF DEAN STOSKOPF, WHEAT FARMER, STOSKOPF FARMERS, HOISINGTON, KANSAS

Mr. STOSKOPF. Chairwoman Stabenow, Ranking Member Roberts, and members of this Committee, thank you for allowing me to present you a central Kansas view of the conservation title of this next farm bill.

After talking with many of my fellow producers, I would like to share the following guidelines that I believe will allow our conservation programs to continue the legacy of success they have been: number one, keep programs simple; number two, keep programs local; number three, keep the staff of NRCS as friends and advisers to the farmers, not enforcement agencies for the Federal Government.

Keeping conservation simple: A major component of simplifying programs is the consolidation of programs, which we have talked about today. There are a number of proposals before you to do that, and to put them into three basic categories: working lands, land retirement, and land easement programs. Reducing complexity should reduce the overhead associated with administering dozens of different programs and allow program dollars to reach their intended purpose.

In working lands, I believe EQIP has become the workhorse of the conservation program. It offers producers a wide range of options and practices and results in many successful partnerships. One program I am concerned does not offer that same level of benefit for our investment is the Conservation Stewardship Program. Although it is intended to be a comprehensive approach to conservation with payments made for implementing specific practices, I see compliance issues that lead to mistrust and dollars being spent without the same level of benefit of other programs.

The Conservation Reserve Program remains our premier land retirement program. In Kansas, we have a little over 2.5 million acres enrolled in CRP. Last year, 60,000 acres were hayed and more than 200,000 acres were grazed under the emergency provisions of the CRP. I do see several potential areas for improvement

with regard to CRP's ability to mitigate the effects of a major drought.

Number one, allow hay harvested from CRP land under an emergency declaration to be sold. This regulation often prevents one producer who may not have cattle from being able to provide hay to another one who does. There is just not the incentive there to do that.

Number two, expand emergency haying and grazing operations beyond the disaster-declared counties. When a county has been released to start emergency haying and grazing under extreme drought, the area usually is already under that extreme drought, and those grasses are not very good to hay or graze. It has been too late. Allowing neighboring counties that are not as drought-stricken to perform emergency haying and grazing operations could greatly increase the amount of forage available.

Number three, examine procedures for releasing counties for emergency haying and grazing. The current provisions for releasing a county work well when the severe weather is limited to a small area, but it is too cumbersome a process for a drought as large as the one in 2011.

Number four, allow the State FSA committee to determine which CRP practices are eligible for managed haying and grazing and emergency haying and grazing. Local and State entities are in the best position to make decisions regarding practices on CRP acres.

The Conservation Reserve Program continuous sign-up has also yielded tremendous environmental benefits and is an example of prudent use of available dollars. It simply makes sense to expand the enrollment of highly sensitive areas of land, typically in smaller tracts such as buffers, filters or strips, and other areas that improve the soil, water, and wildlife habitat quality.

Keeping conservation local: Every region of the country has different conservation needs and requires locally tailored solutions. Farmers working with the local NRCS staff are best able to develop those solutions that will work well for their areas.

Working land programs should be administered as locally as possible, and no higher than the State level. Local landowners, tenants, and advisers have a much better understanding of the needs in their area as well as the solutions that will work.

Advice and support versus enforcement: NRCS staff and the staff of the local conservation district have always worked cooperatively with local farmers to advance conservation. As farmers, we trust those advisers. If NRCS becomes an enforcement agency, that trust will be lost, along with the cooperation.

Thank you for the opportunity to address your Committee today for taking my views and opinions into consideration as you deliberate on the conservation title.

Cooperation between ag producers and the Government has created a legacy of positive conservation efforts in this vast country. Together we can continue this legacy for future generations.

[The prepared statement of Mr. Stoskopf can be found on page 87 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Mr. Mattson?

STATEMENT OF CARL R. MATTSON, PRESIDENT, MATTSON FARMS, INC., CHESTER, MONTANA

Mr. MATTSON. Good morning. Thank you, Chairwoman Stabenow, Ranking Member Roberts, Montana Senator Baucus, and members of the Committee, for the opportunity to speak to you today about something very important to me.

My name is Carl Mattson, and I have farmed with my family near Chester, Montana, my entire life. We operate a successful, no-till, dry land wheat farm near the Canadian border.

The wind blows in Montana; always has. During the 1960s, while in grade school, I recall my school bus being sent home early due to blowing dust. As we bounced along the dirt road, the driver would occasionally stop and wait for the dust to clear so he could safely continue. Our son is 33, lives where I grew up, and has never experienced dust like that.

The implementation of conservation practices works.

Many CRP acres in Montana, suitable for farming, will not be re-enrolled in CRP. We must protect our conservation investment. So it is critical that farmers have the incentives and assistance needed to farm these acres in a sustainable way.

Today we find ourselves standing at an important crossroads for U.S. ag policy, especially for conservation programs. What we do here matters to U.S. farmers.

By 2050, our world will face the daunting prospect of having to increase food production by as much as 70 to 80 percent. The reality is that much of the need will and must be met here, by U.S. farmers and ranchers. Worldwide food security is important, and it is not just about feeding people. It is about creating political stability, averting famine, and preventing despair and disease.

For those of us meeting that need on American farms and ranches, we must balance the competing demands of high productivity with the need to maintain overall sustainability within our agricultural system. We must find ways to generate more without degrading soil and water quality or creating further losses to limited wildlife habitat. Just maintaining our current levels of conservation practices, frankly, may not be enough to meet the unprecedented requirements of feeding 9 billion people.

Investing now to enhance and protect our natural resource base is crop insurance for a nation, a prudent risk mitigation strategy initiated by this generation to feed the next.

EQIP and CSP provide the incentive platform needed to assist farmers with the implementation of conservation practices so important to the sustainability of our working lands.

On the Mattson farm, we aggressively pursued and helped pioneer the adoption of no-till farming and precision ag techniques in Montana.

To strengthen conservation in the next farm bill, we must recognize and avoid perverse incentives. "Early Adopters" are visionaries that conquered the learning curve for each new conservation practice. They provide the local knowledge necessary for large-scale adoption of new conservation practices by others. Our capacity to meet the future demands will require significant breakthroughs in conservation practices. The next farm bill must create an atmosphere where innovators are encouraged to innovate.

As a Nation, we must find innovative ways to replace top-down regulation with proactive voluntary approaches, such as USDA's Sage Grouse Initiative. The key to the initiative's success is shared vision of wildlife conservation through sustainable ranching. What is good for ranching is good for wildlife.

In closing, I stress that American agricultural producers like me care about conservation and are committed to enhancing the working lands and rural communities that provide food and fiber for our Nation. Innovative, flexible, and voluntary approaches are the foundation on which we reaffirm our ongoing commitment to food production and natural resource conservation.

Thank you.

[The prepared statement of Mr. Mattson can be found on page 68 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Mr. Mosel?

STATEMENT OF DARREL MOSEL, FARMER, DARREL MOSEL FARM, GAYLORD, MINNESOTA

Mr. MOSEL. Good morning, Chairwoman Stabenow and members of the Senate Agriculture Committee, and thank you for this opportunity to testify before you today.

Currently, I am using some of the working lands conservation programs like the CSP. These are some of the most important investments that our farm bill can make in ensuring food security, protecting our natural resource base, and keeping farmers farming. My family and I operate a diversified crop and dairy farm in Sibley County near Gaylord, Minnesota. I am active in several farm organizations, and I am here today with the Land Stewardship Project.

I have been farming for 3two years, and at the present time, our farm is both organic and conventional. Presently, about 40 percent of our acreage is corn, 30 percent is soybeans, and the remainder is split between small grains and alfalfa. We milk Holsteins and operate a small feedlot.

About 25 percent of our crops are fed to our livestock, and the remainder is marketed through various means. Some goes to the local ethanol plant, which I have shares in. The rest is sold either as organic feed to organic farmers or sold to local co-ops in our area.

Sibley County has been blessed with productive soils, and it has been our family's good fortune to have the opportunity to farm in this community. Both of my sons, Christopher and Michael, are hoping to join my farm operation someday. I hope they can do that.

But like most agricultural areas, we have natural resource demands. In particular, wind and soil erosion is a significant problem, and water quality are serious concerns in my area. I fundamentally believe that we farmers need to be stewards of the land. We must be constantly mindful of what we are doing from year to year on the land and be sure that it will not impact the land's ability to provide for the future.

One of the programs I have had the opportunity to take advantage of, the CSP, allows farmers to farm and at the same time enhance their conservation performance in their operations. In 2009, I started a 5-year contract with the CSP program, and I receive

about $15,500 a year. I received recognition for a lot of the conservation efforts that I employed over the years, like the waterways, the no-till, and split nitrogen applications. And with the Conservation Stewardship Program, I am able to add a number of new conservation enhancement ideas that enable me to do more conservation on my farm.

One of the conservation enhancements I elected to use that fits my farm was the resource-conserving crop rotation. A few years back at my wife's farm where she grew up, we noticed a lot of erosion problems. A simple 2-inch rain would cause irreparable damage on the 40-, 50-acre slopes. With the Environmental Quality Incentive Program, we laid out contour strips on that piece of ground. And now with Conservation Stewardship Program, I am able to manage and maintain those contour strips. In my experience, the two programs, EQIP and Conservation Stewardship, work together while both being distinctly different in what they offer.

Another enhancement that I took advantage of was a more comprehensive integrated pest management. This year I will be investing $5,000 to create GPS maps and equip my equipment with global positioning systems. It helps me to better target pesticides. I will reduce the overlap in spraying, which is good for the environment and good for my pocketbook.

The pressures in agriculture are immense, and I am concerned that we are losing a diversity of crops and farms that are good for rural communities, the environment, and our economy. I believe the Conservation Stewardship Program is part of the answer to helping maintain diversity on the land. Without the Conservation Stewardship Program, it would have been more profitable the last couple of years for me to plant my entire farm in continuous corn. But with the Conservation Stewardship Program, I was able to maintain a four-crop rotation which helps reduce erosion and increases water retention, something we needed during the drought last summer. I think the $15,000 is a good investment because it is going to farmers to do good things.

As deliberations continue on the next farm bill, I urge members of this Committee to maintain a strong funding base for the CSP program. That would be my main recommendation. I wish more of the farm bill was like that.

Additionally, I encourage incorporating greater transparency into the Conservation Stewardship Program as well as all farm programs in ensuring that the Conservation Stewardship Program has strong integrity and benchmarks.

I appreciate this opportunity to share my experiences and speak to today on what I believe is an effective program in supporting farmers and the outcomes we want from agricultural policy. I look forward to any questions members of the Committee may have. Thank you.

[The prepared statement of Mr. Mosel can be found on page 73 in the appendix.]

Chairwoman STABENOW. Thank you very much.

Mr. Garber?

STATEMENT OF EARL GARBER, PRESIDENT–ELECT, NATIONAL ASSOCIATION OF CONSERVATION DISTRICTS, BASILE, LOUISIANA

Mr. GARBER. Good morning, Chairwoman Stabenow, Ranking Member Roberts, and members of the Committee. On behalf of the National Association of Conservation Districts and our 3,000 member districts across the country, I want to thank you for the opportunity to be here today.

As you know, I currently serve as President Elect of the National Association of Conservation District. I own a rice, soybean, and hay farming operation in Basile, Louisiana, and I might add it is right in the middle of the migratory bird habitat initiative. I saw firsthand how well it worked. I have served as a board member of the Acadia Soil and Water Conservation District in southwest Louisiana since 1981. I know firsthand the value and the necessity of strong conservation on the land.

Conservation districts are a critical link to the success of implementing conservation in America. We were the delivery system set up in the 1930s to set the work priorities, to help producers implement practices with accountability, to provide resource support for delivery, and to bring partnerships and coalitions together.

It is extremely important that we protect conservation funding. Simply put, conservation works. Conservation is a tool that is available to every producer, and it helps producers avoid regulations. Producers are already faced with the challenge of doing more with less. With a further decrease in funding, the implementation of farm bill programs would be an additional challenge to the producer. While we understand the current economic climate, we must also acknowledge the investment of putting conservation on the ground.

Technical assistance is critical in ensuring farm bill programs are implemented with accountability. Technical assistance dollars will be more important than ever to ensure that we have adequate capabilities to get conservation delivered.

We are in a situation where additional cuts to conservation programs above the $23 billion submitted to the super committee by your Committee will put the very viability of these programs at risk. Congress needs to determine whether conservation and protection of natural resources today is more important than the escalated costs of repair in the future.

In light of the budget situation, thank you for recognizing the value of drafting a common-sense framework to submit to the super committee. You demonstrated strong bipartisan, bicameral support for locally led conservation programs that streamlined and increased efficiency wherever possible. For this reason, NACD supports consolidation of programs as an important part of the conservation title and Chief White's Conservation Delivery Streamlining Initiative that he referred to earlier this morning in the field. Individual private landowners will benefit from streamlining when programs are easier to access and manage.

As we look at consolidation, we must be careful not to lose any of the critical program functions that help complete the cycle of resource needs on the land, for example, forestry practices in the EQIP program. As a small private landowner owner myself, I know

that if I did not have this assistance, a portion of my farm would lack the management it needs, such as technical assistance for stand improvement and other forest practices.

Another example of consolidation includes farm bill easement programs. Easements retain working lands which over time include the operation and maintenance components that fee simple acquisitions do not. We must assure that the easement programs are maintained to provide for protection of our farmlands, our wetlands, and highly erodible soils. The easement programs provide a buffer effect to land use change which occur on many fronts of our society as the population grows and more demand is put on our natural resources. Thus, easements effectively secure the natural resources being protected by conservation practices to achieve economic and environmental benefits for future generations.

Conservation programs provide a strong risk management tool. Mitigating risk for producers, landowners, homeowners, and anyone who buys insurance is possible. This past year, we have seen severe weather events from intense drought to extreme rainfall. Locally led, incentive-based conservation practices are the key to protecting our natural resources across the diversity of the landscape. Every acre counts.

Agriculture is as diverse as the potatoes and specialty crops in the Northeast, as the Midwest grains, as the Mississippi Delta small grains and cotton and produce, and the rangeland of the West. All conservation programs work together to reach across the entire spectrum of resource needs. Depending on location, the management of resources varies. Different regions have different needs. NACD understands and promotes the importance of locally led resource management to address the diversity of these needs across the Nation.

In conclusion, these farm bill programs show a track record of success, and every dollar spent has seen a return. Because of the 2008 farm bill, we are better prepared to meet future resource needs, and we must continue to fund these programs. As a producer, I have used many of these programs in my own operation and know firsthand the tremendous value and return on investment they bring to the producer. I have had the opportunity to participate in EQIP, CSP, and land treatment watershed programs to implement conservation practices addressing local resource conservation concerns on my farm.

This concludes my testimony. Thank you again for the opportunity to be here today, and I would be glad to answer any questions.

[The prepared statement of Mr. Garber can be found on page 59 in the appendix.]

Chairwoman STABENOW. Well, thank you very much, and thank you to each of you.

I understand Senator Baucus is going to have to leave, so I will turn first to you.

Senator BAUCUS. Thank you very much and I thank Senator Roberts for letting me go first.

Mr. Mattson, I wanted just to compliment you on the basic core of your testimony, namely, that with increased food demand in the world in the next 10, 15, 20, 30 years, we have got to spend much

more effort in our conversation practices so we can produce more without degrading our soil.

Last week, I was in Russia, primarily to advocate and push the repeal of Jackson-Vanik legislation so the United States will grant PNTR to Russia. I think it makes eminent sense that we Americans do so. I will not go into all the reasons now why. But I was impressed with the competition in Russia, too, in producing food.

I was at a John Deere assembly plant just outside of Moscow, and I there learned about the tractors they are assembling. John Deere builds tractors in the United States and takes them apart and ships the parts over to Russia and then they are reassembled over in Russia. And it is not just John Deere, but it is Caterpillar and lots of other American companies that are doing this because of the great potential of agricultural production in Russia.

This fellow, the plant manager, said to me that in Russia, the manager of far will say, okay, to an operator, you just get on that combine and you just go that direction straight all day long—until about midday, and then at midday you turn around and come back. They have not even gotten to the end of the place. There is just so, so much arable and productive soil in Russia.

They think that there is going to be a huge additional production in Russia, and they are building the infrastructure so they can get the grain to market. So they are working, too, to provide—in fact, I heard the same figure from them that you just gave me today. They said between 70 and 80 percent by the year 2050—we are going to have to increase 70 percent world production by the year 2050. So, A, you are doing the right thing. But, B, we have got competition, too, if we are going to produce food for people all around the world.

I would like your thoughts about which of these conservation programs you think really work the best. I assume EQIP works pretty well. You were the first in Montana to get a CSP contract. That says a lot for you. And one of the witnesses said CSP does not work terribly well. If you could just tell me what you think about CSP and EQIP and how we can improve upon them, and maybe talk a bit about CRP as we get—I think about 6 million acres are going to come out of CRP this year because the commodity prices are up and farmers want to produce rather than just keep some acres in CRP. But how do we make our conservation programs work even better so that we can still produce more?

Mr. MATTSON. Senator Baucus, thank you. You are correct on the CSP. I was the first in Montana to receive a contract, and I received that contract under the 2005 Conservation Security Program. And the mantra there was, "Reward the best and motivate the rest." And following 7 years of drought, I was motivated by the significant dollars involved in the program, and for the first time in a long time, I was in the right place at the right time with the right qualifications to be ready for this program.

We took this program, and although we were involved in a lot of processes, we used it to expand each and every thing that we did. We further refined our no-till; we increased wildlife habitat; we intensified our soil testing; and we expanded our recordkeeping; but most importantly, we continued to add GPS facilities to every field operation that we have.

But one of the greatest benefits in that program was my neighbors' transitioning to CSP. At that point in time, the whole idea of motivation worked. CSP rewarded me for what I was doing, but it motivated 30 or 50 other neighbors of mine to make the switches to these sorts of things.

Senator BAUCUS. So they saw what you were doing and said, "Hey, Carl is doing this. It looks like a good thing"?

Mr. MATTSON. Well, "Carl is doing this, and Carl got paid to do this, and it looks like a really good thing." So there was a——

[Laughter.]

Senator BAUCUS. They wanted to get paid, too.

Mr. MATTSON. Yes, they wanted theirs, too.

Now, the program changes, but CSP right now is the program that is bringing these conservation practices onto the use on the working farms. The only problem I see right now, there is a little—in the old program, we were looking at a high standard to enter the program so people were adding their own no-till, they were adding their own GPS, and so on and so forth. Now there is a little bit of hesitation—although the programs are widely used, there is a little bit of hesitation on the part of farmers to step out and put these things in place until they have the opportunity to participate in the CSP program. So there may be some room for consideration there on how we do it.

The EQIP program

Senator BAUCUS. Would you just comment—I know my time is up—on the Sage Grouse Initiative? Is that working? Does that make sense? My sense is that it is working and does make sense, but you are on the ground, you are the guy. What do you think?

Mr. MATTSON. I think it is outstanding. Montana, as you know, is the birthplace of the Sage Grouse Initiative, and since that time there are 11 States involved, 400 ranchers, and the interest has been overwhelming in the program as a whole. In 2 short years, we have improved conservation, we have reduced bird deaths, we have improved beef production, we have improved grouse numbers, in addition to adding 208,000 of easement acres and another 1.3 million acres of grouse-friendly grazing management plans.

The agreement between NRCS and FWS is a landmark event, and it promises a certain degree of certainty that farmers need and ranchers need to proceed. And what this does, what SGI does, is turn a problem into an opportunity and encourages cooperation.

Senator BAUCUS. Great. Thank you very much.

Mr. MATTSON. You are welcome.

Senator BAUCUS. I appreciate that. Thank you.

Thank you, Madam Chairman.

Chairwoman STABENOW. You are welcome.

Let me go back and ask Mr. Trandahl and Ms. Humphries about partnerships, because there are so many different pieces to this, but we know that we leverage dollars and create real opportunities by partnerships. Both of you have talked about that. And I am wondering if you might speak a little bit more about the challenges in realizing landscape level conservation successes and what kinds of additional technical or financial resources would help you as partners to get the real conservation results that we are looking for.

Mr. TRANDAHL. Okay, I guess I will start and then Becky will follow. I would say that the most important thing in a partnership is making certain that we have clarity of what we want the outcome to be. And getting clarity from the Federal agencies in terms of what their goals are and seed resources out of the Federal agencies, we are then able to build a comprehensive strategy in terms of how to build programs to get to those specific outcomes.

Then for the foundation, we go through normally a competitive process. We literally put an RFP out into a region to say this is the strategy that we are attempting to accomplish and here are the components of implementation to that strategy.

One of those generally is an outreach and education component to the private landowner, of which we have relied on Pheasants Forever, Ducks Unlimited, you name it, multiple organizations to literally get out in the field and knock on doors to explain what this strategy is all about and what programs are available and what resources are available out there.

On the private fundraising side, again, knowing that there is a clear outcome and strategy attracts private investment. And, you know, my job is to get out there and to then find those private dollars to invest alongside.

By law, we are required in many cases to raise 1:1 private dollars to those public dollars that come through the foundation. We have a track record of raising more than 3.5:1. So the private dollar stimulation has been incredibly successful, and if we look at the foundation just through the last 3 or 4 years, you know, our growth continues to be 20 percent annually. So those private dollars are available if we decide to deploy the right approach to them.

Chairwoman STABENOW. Great. Ms. Humphries?

Ms. HUMPHRIES. All right. I would add that except coming from a State director perspective, I would strongly encourage we look at some of the planning efforts that are already in place. I will give you a for instance.

In Michigan, we already have a pretty good plan in place with the State agency in taking a look at restoration for waterfowl management. And so encouraging NRCS to work with those existing plans to accomplish the goals that we want to achieve gets at your vision that you mentioned.

Second of all, we need those technical assistance dollars that I mentioned in my testimony. They are really paramount. And we need to make sure that we are leveraged additional dollars. At Ducks Unlimited, when we build these comprehensive partnerships, we like to bring in local partners as well as other NGOs, as well as Government partners. But many times we leverage dollars so that we are, you know, at least 4:1, sometimes as much as 10:1. And then by having the large NGOs involved, you can make sure you have good accountability for that funding also. We have the practices in place. We can track it well and make sure that we are pulling this whole leverage, this agreement together. Those regional partnership programs that I mentioned earlier that are talked about are just excellent because they involve it at the local level as well as the regional and the State level.

Chairwoman STABENOW. Great. Thank you.

In just the brief amount of time I have, I would ask our other four witnesses, when we talk about conservation, you have all talked about the importance for your operations. But I wonder if any of you would want to just expand a little bit on the changes in production, any experiences in terms of fewer losses, or any other noticeable results that you have had as it relates to conservation programs. Yes, Mr. Mattson?

Mr. MATTSON. Chairwoman Stabenow, I can honestly say that each and every conservation practice that we have added on our farm has resulted in a financial return for every effort we have had. We add no-till, we started saving water, which turned into more wheat, which turns into more dollars. We add GPS technology, which cuts back on overlap. On our farm, we figure over 4 percent in overlap without GPS equipment, and that 4 percent is completely eliminated. And not only is the cost of that 4 percent eliminated, but it is the economic and the environmental issue that is eliminated, too. We are now farming right on the line.

So it is very easy for me to look in the conservation practices because they all seem to turn around and end up in a positive way at the end of the year.

Chairwoman STABENOW. Does anyone else briefly want to comment? Yes, Mr. Garber?

Mr. GARBER. Ms. Stabenow, my farm is in the coastal prairie of southwest Louisiana, as I said earlier, and if you can envision, the upper part of the farm is fairly flat, and that is where we produce rice and soybeans. And then I have a portion of the farm that becomes highly erodible land as it drops to lower elevation, which is in pasture and hay. And then the other portion where the highly erodible land is, it is in improved pine. And then I have some bottomland hardwood.

So as I took these practices and implemented them, it did absolutely help my farm. But the beauty part of it is, as I look at that land and I look at what I have done with the help of the cost-share programs and the programs that are available through CSP, EQIP, and what have you, I see a farm that will be there for my children. It will be there for the future. It is a productive farm, and the benefit is to the whole society in the fact that it will be a productive farm making food, fiber, and fuel for the future.

Thank you.

Chairwoman STABENOW. Thank you very much.

Yes, Mr. Mosel?

Mr. MOSEL. Chairwoman Stabenow, I have been involved for the past 10 years on our local lake committee. We have had the local biology department from Mankato State University studying the quality of the water and the watershed coming into that lake. I can see that on my farm, with having the diversity of crops that I do through the CSP program, there is no question that I have seen a reduction in erosion and retention of water on my farm because of the diversity of crops. I guess the CSP program has very good quality through it also, and I would not want to have any of that reduced. But the CSP program works really well with that program, I do not think one takes away from the other. I would hope to see CSP further in my area.

Chairwoman STABENOW. Thank you.

Yes, Mr. Stoskopf?

Mr. STOSKOPF. Yes, I will agree with pretty much everything the other panelists have said. My parents started conservation work in the 1930s during the middle of the Dust Bowl, building shelterbelts, and starting waterways, and we just recently used the EQIP program to renovate that shelterbelt that was put in in 1938. So it is a continuing process on our farm.

The CRP has had tremendous benefits. The other EQIP programs that we have been able to utilize, every one is very beneficial to our operation.

Chairwoman STABENOW. Great. Well, thank you to each of you. My time is more than up, but, Mr. Garber, I did want to say I started as a county commissioner in public service, and the soil conservation district was something that I learned about very quickly, and the importance of the conservation districts has been something I have paid attention to throughout my career.

And I also want to put an editorial comment. You mentioned about the budget, and, you know, we have got to work very hard to make sure we get the right budget resolution and the right dollars available. The $18 billion that the House passed last year in conservation cuts, if that were to happen again this year, if that is the number we were dealing with, it would make it very hard to continue any of what we are talking about here. So we have been working together on our Committee and the leadership in the House, and hopefully we will be in a position where we can do the things that we think are important here in terms of having the level of resources and flexibility that we need.

Senator Roberts?

Senator ROBERTS. Thank you, and thank you to all the witnesses, and thank you for your comments to the questions of the distinguished Senators.

Dean, I like the guidelines you have in your testimony: Keep programs simple, keep programs local, let the USDA staff provide assistance, not enforcement. I think that we tend to forget some of those basics when we draft legislation and new programs. You know and I know that the number one issue that we hit whenever I am out in Kansas—I just spent 10 days there—is overregulation and enforcement. So that poses a real problem.

You have some specific ideas about CRP and emergency haying and grazing. I appreciate that. I know sometimes the Government is not as responsive as it should be. Could you just tell me, what did you and your neighbors experience last year during the drought, more especially since we are still dry?

Mr. STOSKOPF. Thank you, Senator. Our operation is in the center of the State, so the extreme drought that was in southwest Kansas and caught Texas and Oklahoma was the lead to implementing a lot of the releases of CRP acres for haying and grazing, which helped us because we fell right in line with the other areas that were in trouble. So this year, we had pretty timely release of those acres to utilize. That has not always been the case. Usually it is a lag that is several months later than we really needed it. So from that perspective, it worked pretty well.

The haying and grazing, the one comment that was presented earlier in your question of burning the hay or not being able to uti-

lize hay off of some of those acres, it was really a disincentive for people that did not have their own cattle. You could give the hay to somebody else or let them graze, but they had to give up 25 percent of their payments in order to be a good neighbor to somebody else. And that really limited some of the acres that could have been utilized when we were desperately in need of forages throughout the country.

The other area that would be helpful is we have CRP several counties away that was not in the drought-declared areas ineligible for haying and grazing. It was an area that, fortunately, had good rainfall. The hay was in excellent condition—rather, the grass was. It could have been utilized by a lot of people from our area south, but since it was not in a designated disaster area, it could not be utilized.

So the idea of double dipping or getting more money when forages were as tight as they were this last year and this winter, some of those kind of activities would be very helpful to the cattlemen across the areas in trouble.

Senator ROBERTS. I appreciate that very much.

Jeff, you have already talked about your 3:1 match when you are required to have 1:1, so I congratulate you on that. Kansas has over half a million acres in expiring CRP contracts, probably the leading State. Is the foundation looking at the potential impact of the acreage shift in CRP? And are you working on any of the acres coming out of CRP?

Mr. TRANDAHL. Yes, we do an enormous amount in terms of reaching out to producers to understand what conservation practices can be done beyond CRP and how to convert. NRCS is standing up a series of programs in order to try to help producers finding themselves in that situation. Hopefully we do not see all the acres coming out of CRP, though, and hopefully this Committee can act on CRP in a way that we can see maximum enrollment possible.

Thank you.

Senator ROBERTS. That is what we are going to try to do.

Madam Chairman, we heard Senator Baucus talk about this, you have talked about it, I have talked about it, about when we start a farm bill, we know we have 17 seconds to talk to somebody before there is a high glaze on the farm bill.

Chairwoman STABENOW. Right.

Senator ROBERTS. So during those 17 seconds, it is pretty important, and I think every witness here has touched upon this in terms of the value of these conservation programs. If we are going to feed 9 billion people in a couple of decades, in other words, if we step up on a humanitarian basis, but also in regards to stability around the world, you and I both have talked about this: Show me a country that cannot sustain itself in regards to its own food supply, you have got chaos. When you have chaos, you have instability. When you have instability, you have terrorism. And you see what is happening in the Mideast where the Arab Spring has turned into an Arab nightmare. What they want is a stable food supply, number one.

So on behalf of our own efforts to achieve world stability and national security, everything that you are talking about plays into a much larger role, and what I am trying to figure out is when we

are cutting ag research, cutting conservation programs, and still have to feed 9 billion people down the road and double ag production, how are we going to do this?

I appreciate your help. I appreciate your constructive ideas, and I thank you all for coming.

Chairwoman STABENOW. Well, thank you very much, Senator Roberts. You and I have spoken and are sharing joint concerns about ag research and conservation, and, again, I just have to stress that, you know, we need to make sure we do not see a level of cut coming out of the House that makes it impossible for us to be able to write a farm bill and certainly create a conservation title. So we have got a lot of work to do together on this to make sure we can address the need and to be responsible in deficit reduction, but also address our other responsibilities.

Senator Klobuchar has joined us, and, again, thank you very much. Senator Klobuchar?

Senator KLOBUCHAR. Thank you very much, Madam Chair. It is good to be back. I was over on the floor giving a speech on my other life, which is judicial confirmations, but I am glad to be back here where things are a little more normal.

Mr. Mosel, have you enjoyed being on the panel so far? Has anyone asked you a question except me?

Mr. MOSEL. Yes.

Senator KLOBUCHAR. Do you want to turn your microphone on so we can hear you? Okay, good.

Now, you know our State has the greatest number of farmers I think it is over 2,300—using the Conservation Stewardship Program, and the program consistently is in high demand for every sign-up. Why do you think our State has done well with it? And what do you see as its strengths and how it could be improved?

Mr. MOSEL. Well, thank you, Senator Klobuchar. For me personally, when I saw the Land Stewardship Project was advertising, I felt it was important for all farmers to think about participating. I guess I would look at our state—and maybe it is not that different in other states, but we have the major river system in Minnesota which drains through our primary ag region and then drains into the Mississippi. We do not want to have any more soil leave our farms. I have plugged my tile intakes with the blinding intakes and I have received some assistance through NRCS for that.

As I was telling the Committee earlier, I currently serve on a lake committee, and one of our responsibilities is to cleanthe watershed. We are working with area farmers to put in buffer strips and are encouraging conservation practices. This Conservation Stewardship Program would be a great leap forward if we could get more of the producers into it.

But so far I have not had any problems with the sign-up process. I have to say it is not as transparent as I would like to see it.

Senator KLOBUCHAR. I think in your testimony you talk about family farmers and how you think more of a focus should be on family farmers in terms of conservation dollars. Do you have any ideas on how you can make it easier for family farmers to participate?

Mr. MOSEL. Yes, if there was a way to make it somewhat more transparent—I have had some neighbors, you know, they have kind of gone in and gone through the process preliminarily, and they got very— somewhat confused by it, I think. So we do need to make it a little easier for that. They need to sort of know what the outcome is going to be so it does not affect their bottom line.

Senator KLOBUCHAR. Could you tell me how you use the EQIP and CSP programs together to maintain your conservation practices?

Mr. MOSEL. We have a farm that my wife grew up on. Her parents passed away a few years ago, and we run that farm. I noticed when we took it over, we had a small rain— or not a small rain, but a normal rainfall, and the soil erosion was immense. And so I worked with the local NRCS officer, and we installed through the EQIP program, contour strips. I have a 12-row planter, and he set it up perfect for the planter. Everything works great. I think maybe in years past that would have been a problem, but now with the newer equipment and the GPS equipment that I will be installing, these contour strips are no longer a challenge. Now the erosion on that field is almost minimal to zero. We have had some pretty good rains, and when we have investigated, it has almost stopped completely. CSP helps me to maintain those strips, I think.

You know, right now with the crop prices the way they are, there would be maybe some advantage to me—or at least I would be tempted, you know, to plant all corn. But with the CSP program, it takes some of the sting out of staying in the four-crop rotation.

Senator KLOBUCHAR. Well, good. I am looking forward to visiting your farm.

Mr. MOSEL. Thank you.

Senator KLOBUCHAR. I might need a GPS to get there.

[Laughter.]

Senator KLOBUCHAR. But I plan on coming this year.

One last question I have for Ms. Humphries. You know, wetlands restoration is very important, as we know, an incredibly important conservation tool. And last year Senator Thune and I sent a letter in support of funding for the North American Wetlands Conservation Act, which leverages Federal dollars against State, local, and private funding to complete the conservation projects.

Could you tell me how organizations like yours, like Ducks Unlimited, use this funding in order to maintain conservation programs for wetlands?

Ms. HUMPHRIES. I would be most pleased to. Thank you.

Well, NAWCA funding is a critical link in that. What we do is we wind up leveraging private dollars and State dollars against the Federal dollars to go in and build partnerships on our most critical wetland areas that we have identified. We use that with a combination of State employees, Federal employees, and also those volunteers, and we go in and do restoration, and then typically we also like to go in and do acts that will help preserve those lands in the future, put on conservation easements, produce something that is going to make sure that it is sustainable in the long run.

It is a great program. Quite frankly, NAWCA has provided a tremendous incentive to go in and do wetland restoration around the

country. And it helps preserve those vital wetland areas and our clean water that is so important to all of us.

Senator KLOBUCHAR. Okay. Well, thank you.

Ms. HUMPHRIES. Thank you.

Senator KLOBUCHAR. Thank you very much, all of you, for your great work, and I look forward to working with you on this farm bill. Thank you.

Chairwoman STABENOW. Well, thank you to each of you. This has been extremely helpful, and we appreciate your insight. This is a very, very important part of the farm bill, and as you can tell from all the members' participating, there is a great commitment and interest.

I would ask that any additional questions for the record be submitted to the Committee clerk 5 business days from today. That is by 5:00 p.m. on Tuesday, March 6th. And, again, we look forward to working with you as we complete our farm bill process.

The meeting is adjourned.

[Whereupon, at 12:43 p.m., the Committee was adjourned.]

A P P E N D I X

FEBRUARY 28, 2012

Agriculture Committee Hearing
February 28, 2012
Strengthening Conservation Through the 2012 Farm Bill
Statement for the Record
Senator Robert P. Casey, Jr.

Madam Chairwoman, thank you for calling today's hearing. I believe it is an important step in listening to the concerns, ideas, and views of farmers and policymakers in agriculture when it comes to conservation programs in the next Farm Bill.

The Farm Bill is essential to ensuring that Americans have food security, and that agricultural producers can continue to feed us, clothe us, provide us with environmental benefits, and fuel our future. The 2008 Farm Bill made historic investments in conservation and made important policy changes so that programs run more efficiently. Farmers and ranchers across the country work to produce the safest, most reliable source of food, fiber and energy, all while addressing different environmental challenges.

We know that conservation assistance has allowed many farms to meet environmental regulations in this changing industry. Conservation programs assist our farmers and ranchers in strengthening their environmental stewardship. Programs particularly important to producers Pennsylvania are the Chesapeake Bay Watershed Initiative, Environmental Quality Incentives Program and the Farmland Protection Program.

We live in a nation that is as diverse in agricultural production as it is in the people who consume the products that farmers grow. I believe the last Farm Bill reflected great cooperation among Members of Congress who represent a wide variety of producers and consumers. As we reflect upon the last Farm Bill, and look toward the future, I hope we can again ensure that we have a safe, stable, secure supply of food, fiber, fuel, and environmental benefits from American farmers.

Senator Gillibrand's Statement for the Record (February 28, 2012 Conservation Hearing)

Opening Statement:

Over the past two years, I have traveled all across New York State, meeting with agriculture producers about the importance of the next Farm Bill and listening to their problems and ideas for reform. From our dairy farms to black dirt farms, apple orchards to vineyards, and artisanal cheese-makers and other specialty crops, New York farmers and our communities do not fit the Midwestern model for agriculture production, yet the Farm Bill conservation programs are so important to their continued success.

The Environmental Quality Incentives Program (EQIP) is by far the most popular conservation program. Nearly 500 farms a year enroll in the program, resulting in farmers having the resources they need to conserve New York's critical agricultural working lands. Thanks to EQIP, nearly 70,000 acres of New York farmland is currently farmed using sustainable practices. While this is a very successful program that New York farmers rely on, use and trust – we could be supporting even more farmers in their role as environmental stewards if EQIP funding were bolstered.

The catastrophic floods of Irene and Lee highlighted in New York how critical the conservation programs of NRCS and FSA are for agricultural communities and farmers. The ECP and EWP funding that we were able to secure is enabling farms to clean up, rebuild and prepare for this year's harvest.

I look forward to the opportunity today to hear from Chief White of NRCS and Administrator Nelson of the FSA, to hear how we might better improve these programs for our producers.

Senate Committee on Agriculture, Nutrition, and Forestry
Opening Statement for Hearing on
Strengthening Conservation through the 2012 Farm Bill
Senator Richard G. Lugar
February 28, 2012

Thank you, Madam Chairman. I join you in welcoming all of our panelists. In particular, I thank Dave White for coming to share his insights with the Committee. Over the years, Dave has been a trusted source of insights and advice for me.

As a life-long farmer, I know that good Stewardship is a farmer's duty and is vital to maintaining quality, productive lands. Stewardship is also important for protecting the water our families drink, and the wildlife that we value.

Yes, a farm is a business and must compete, but my family farm like so many other Hoosiers is also an investment in our children and grandchildren. Even as farmers and ranchers seek to be good Stewards of the land, sometimes they do not have sufficient information on improved techniques. Other times the pressure to make ends meet might tip the balance away from long-term investment in the land.

Voluntary conservation programs, which provide financial and technical partnerships with farmers, ranchers, and forest landowners who offer to take steps to prevent soil erosion and improve water quality, air quality and wildlife habitat, are important to maintaining quality, productive agricultural land in Indiana and across the United States.

Today, there are more than 20 agricultural conservation programs administered by the U.S. Department of Agriculture (USDA) to assist private landowners with natural resource concerns. Although there are some similarities among these programs exist, each program is administered with slight differences.

The number of agricultural conservation programs available to U.S. producers has increased steadily over the past 60 years. Early conservation efforts were focused on reducing high levels of soil erosion and providing water to agriculture in quantities and quality that enhanced farm production. Congress responded to these issues by creating and revising programs

designed to reduce resource problems on the farm. By the early 1980s, however, concern was growing that these programs were not adequately dealing with environmental problems resulting from agricultural activities. So, in 1985, conservation policy took a new direction when Congress passed the Food Security
Act of 1985, which established the first conservation programs designed to deal with environmental issues resulting from agricultural activities. Over 20 years ago, former Secretary of Agriculture John Block and I announced the first Conservation Reserve Program enrolled acres at ceremonies on the Lugar farm in Marion County, Indiana.

Provisions enacted in subsequent farm bills reflect the evolution of agricultural conservation programs, including the growing influence of non-agricultural interests in the formulation of conservation policy and recognition that agriculture was not treated like other business sectors in many environmental laws. In addition to the original soil erosion and water quality and quantity issues, the conservation agenda has continued to expand to address other natural resource concerns, such as wildlife habitat, air quality, wetlands restoration and protection, energy efficiency, and sustainable agriculture.

Unfortunately, the minor differences in programs and the number of programs available to producers have created general confusion about the purpose, participation, and policies of the agricultural conservation programs. This is one reason why I introduced the Rural Economic Farm and Ranch Sustainability and Hunger (REFRESH) Act, S. 1658, on October 5, 2011. The REFRESH Act creates real reforms to U.S. farm and food support programs. These reforms create a true producer safety net that will serve more farmers more fairly, while being responsive to regional and national crises that endanger the continuing success of America's farmers. The reforms also improve accuracy and efficiency in federal nutrition programs, while protecting America's hungry. The REFRESH Act accomplishes all of this while **saving $40 billion** in taxpayer dollars over the next ten years.

The REFRESH Act includes a conservation title that expected to save taxpayers $11 billion over the next 10 years. Conservation programs remain a vital part of Stewardship, future agricultural productivity, and wildlife protection. However, reform is needed to ensure that programs are fiscally sustainable. There are many beneficial steps that can be made in the area of

conservation, but we must rigorously examine programs to ensure that real priorities are being met and that expenditures are justified.

The REFRESH Act emphasizes shifting conservation support towards productive use and working lands programs. The bill reorients conservation programs to maximize value by encouraging productive use of land even as we protect hunting ground, rangeland, and conservation value. The REFRESH Act reduces the Conservation Reserve Program, freeing land for productive uses and freeing conservation dollars for better use in long-term protection. The bill also consolidates the sprawling conservation programs into just three principle programs. That will reduce paperwork and cut bureaucratic overlap.

I appreciate the Agriculture Committee taking up conservation opportunities for America in this hearing today. I look forward to working with my colleagues on a strong Farm Bill conservation title, which reduces government overlap and redtape while still ensuring first-rate Stewardship of our land. I offer the REFRESH Act to begin those discussions and ask that it be entered into the record.

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SENATE COMMITTEE ON AGRICULTURE, NUTRITION & FORESTRY

FULL COMMITTEE HEARING

Strengthening Conservation Through the 2012 Farm Bill

Tuesday, February 28, 2011 – 10:00 AM

OPENING STATEMENT

Senator John Thune

Madam Chairwoman and Ranking Member Roberts, I would like to thank you for holding today's hearing on Strengthening Conservation Through the 2012 Farm Bill.

Madam Chairwoman, in order for agriculture to maintain its current role as one of the few shining stars in our economy, this Committee has a tremendous responsibility to create agriculture policy that not only provides an adequate safety net but that also keeps agriculture production sustainable and not damaging to the environment.

Current higher than normal commodity prices have spurred land prices to new record levels. Higher land prices drive farmers to utilize every possible acre to its maximum production capability.

Farmers over the years have proven themselves to be excellent stewards of their land – and Conservation Title programs we

have included in previous Farm Bills have provided an excellent assortment of conservation tools that are enabling farmers and ranchers economically viable alternatives to producing crops on marginal and fragile lands.

However, in today's production agriculture environment we are experiencing thousands of acres of non-cropland and grasslands converted to cropland, wetlands drained and crops being raised on this land.

One outcome of these practices for the first time in history crop insurance indemnities have exceeded $10 billion for one year – the 2011 crop year.

Madam Chairwoman, as we develop and modify programs for the 2012 Farm Bill we must strive for balance and not diminish the effectiveness of the Conservation Title.

It is imperative that we keep Conservation Title programs effective and economically viable for producers so they can continue maintaining their long history of excellent land stewardship.

Our farmers and ranchers have the responsibility over the next few decades of feeding not only this country's citizens but much of the world as well, and we simply cannot overlook the important role Farm Bill Conservation Title programs play in enabling production agriculture to remain sustainable into the future.

Testimony of Mr. Earl Garber
President-Elect, National Association of Conservation Districts
Senate Agriculture Committee Hearing
Feb. 28, 2012

Good morning, Chairwoman Stabenow, Ranking Member Roberts, and Members of the Committee. On behalf of the National Association of Conservation Districts and our 3,000 member conservation districts across the country, I thank you for the opportunity to be here today.

As you know, I currently serve as President Elect of NACD. I own a rice, soybean and hay farming operation in Basile, Louisiana and work as a crop consultant for G&H Seed Co. I have served as a board member of the Acadia Soil and Water Conservation District in Southwest Louisiana since 1981. I know firsthand the value – and the necessity – of strong conservation on the land.

It's extremely important that we protect conservation funding – because, simply put, conservation works. Conservation is a tool that is available to *every* producer, and it helps producers avoid regulations. Producers already are faced with the challenge of doing more with less, and implementation of programs is further challenged with additional decreases in funding. While we understand the current economic climate, we must also acknowledge the investment of putting conservation on the ground. Technical assistance is critical in ensuring Farm Bill programs are implemented with accountability. Technical assistance dollars will be more important than ever to ensure we have adequate capabilities to get conservation delivered. We are in a situation where additional cuts to conservation programs, above the proposed levels submitted to the Super Committee last fall, will put the very viability of these programs at risk. Congress needs to determine whether conservation and protection of natural resources today is more important than the escalated costs of repair in the future.

In light of the budget situation, thank you for recognizing the value of drafting a common sense framework to submit to the Super Committee. You demonstrated strong bipartisan, bicameral support for locally-led conservation programs that streamlined and increased

efficiency wherever possible. For this reason, NACD supports consolidation of programs as an important part of the Conservation Title. Individual, private landowners will benefit from streamlining when programs are easier to access and manage. As we look at consolidation, we must be careful not to lose any of the critical program functions that help complete the cycle of resource needs on the land, for example, forestry practices in the EQIP program. As a small, private forest owner myself, I know that if I didn't have this assistance, a portion of my farm would lack the management it needs. Another example of consolidation includes farm bill easement programs. Easements retain working lands which over time include the operation and maintenance components that fee simple acquisitions do not. We must assure that the easement programs are maintained to provide for protection of our wetlands, highly erodible soils, and farmland. The easement programs provide a buffer effect to land use change which occur on many fronts of our society as the population grows and more demand is put on our natural resources. Thus, easements effectively secure the natural resource benefits, being protected by conservation practices, to achieve economic and environmental benefits for future generations.

In addition to supporting streamlining in the Farm Bill, we also support streamlining in the field. For instance, Chief White recently initiated USDA field services that increase the use of technology and ultimately result in a more complete planning process and delivery system. His Conservation Delivery Streamlining Initiative allows producers and private landowners to use fewer dollars, while ensuring greater accountability and scientific, merit-based systems for the federal investment. We look forward to working with NRCS to spend more time in the field implementing conservation.

Conservation programs provide a strong risk management tool -- mitigating risk for producers, landowners, homeowners and anyone who buys insurance. Locally-led, incentive-based conservation practices are the key to protecting our natural resources across the diversity of the landscape. Every acre counts. There are a variety of different conservation programs which work together to reach across the entire spectrum of resource needs. This past year, we have seen severe weather events. From intense drought to extreme rainfall, conservation allows us to protect our most precious resources that provide us with food, shelter, recreation, natural beauty, and economic benefit. Depending on location, the management of resources varies,

different regions have different needs. NACD understands and promotes the importance of locally-led resource management to address the diversity of these needs across the Nation.

In conclusion, these farm bill programs show a track record of success. Individual, private landowners' implementation of conservation practices remains critical to putting conservation on the ground. The availability of funding allows these practices to continue. By leveraging private resources, including money and time, we can get more conservation for the government investment. As a producer, I have used many of these programs on my own operation and know first-hand the tremendous value and return on investment they bring to the producer. I have had the opportunity to participate in the EQIP, CSP, and Land Treatment Watershed programs to implement conservation practices, addressing local resource conservation concerns on my farm. This concludes my testimony. Thank you, again, for allowing me the opportunity to be here today. I am happy to answer any questions you may have.

February 28, 2012

Testimony to the Senate Committee on Agriculture,
Nutrition, and Forestry

Provided by Becky Humphries, Director, Ducks Unlimited's
Great Lakes/Atlantic Regional Office
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734-623-2000

Chairwoman Stabenow, Ranking Member Roberts and Members of the Senate Committee on Agriculture, Nutrition and Forestry, on behalf of the more than 1 million members and supporters of Ducks Unlimited from all fifty states, thank you for the opportunity to testify before you today about the critical relationship between agriculture and the conservation of our nation's wetland and migratory bird resources.

My name is Becky Humphries and I am the Director of Ducks Unlimited's Great Lakes/Atlantic Regional Office located in Ann Arbor, Michigan. Our region includes 21 states in the Midwest and Northeast portions of our country, encompassing a wide variety of agriculture, water resources, people and wildlife. Prior to joining Ducks Unlimited, I served as the Director of Michigan Department of Natural Resources, including a 32-year career with the agency in a multitude of responsibilities. I have also served on a wide variety of national and international committees related to fish and wildlife through the Association of Fish and Wildlife Agencies.

Ducks Unlimited got its start in 1937, during the "dust bowl days" when North America's drought stricken waterfowl populations plunged to dangerous and unprecedented lows. Determined not to sit idly by while the continent's waterfowl dwindled beyond recovery, a small group of sportsmen joined together to form what soon became Ducks Unlimited. The mission

was simple: Habitat Conservation. Adhering to that single mission for decades, Ducks Unlimited is now the world's largest and most effective private wetlands and waterfowl conservation organization. DU is able to deliver its on-the-ground conservation work by forging partnerships with private individuals, landowners, agencies, scientific communities and other entities.

Waterfowl obviously are not the only beneficiaries of DU's habitat work. Wetlands improve the overall health of our environment by recharging and purifying groundwater, moderating floods and reducing soil erosion. Wetlands are nature's most productive ecosystems, providing critical habitat to more than 900 wildlife species and invaluable recreation opportunities for people to enjoy. The United States alone has lost more than half of its original wetlands and continues to lose more than 80,000 acres of wetlands crucial to wildlife each year.

DU's approach to wetlands and waterfowl conservation is continental in its scope and approach. To date, Ducks Unlimited and its thousands and thousands of partners have conserved approximately 4.3 million acres of critical wildlife habitat in the United States, 6.2 million acres in Canada, and 1.8 million acres in Mexico.

Conservation on such a large scale would not be possible without working with agricultural producers from across the country. This is perhaps what makes DU one of the more unique conservation groups: we actually work with farmers and ranchers to restore and improve the landscape for waterfowl and other wildlife. Whether its rice producers in California or the lower-Mississippi alluvial valley, ranchers in the prairie pothole region of the northern Great Plains, specialty crop farmers in Michigan, or any place in between, Ducks Unlimited staff are on the landscape assisting farmers and ranchers to conserve, restore and enhance critical habitat for North America's migratory birds. And underpinning most of these projects are the programs that comprise the Conservation Title of the Farm Bill.

Being that it is Great Lakes week in Washington, DC, I thought I would focus my time on the impacts of conservation programs on the Great Lakes watershed. The Great Lakes are a national treasure and contain 20 percent of the world's fresh water. They supply drinking water for millions of Americans and Canadians, provide abundant waters for a wide diversity of agricultural crops and products, habitats for a multitude of fish and wildlife, and a great source of

recreation for those that hunt, fish, watch wildlife, boat and enjoy our great outdoors. But the Great Lakes are in peril from a diversity of threats, including invasive species, wetland loss and degradation, and excess nutrients and pollutants.

Conservation programs in the Farm Bill are a major factor in reducing and eliminating these threats to the Great Lakes. Although much more needs to be done, without the Farm Bill conservation title the Great Lakes would be in much worse shape. Let me tell you about a couple of examples that have contributed to the health of the Great Lakes.

The Wetlands Reserve Program (WRP) has been instrumental in helping farmers find better uses for those extremely difficult places to farm. WRP has enabled farmers and ranchers to restore vital wetlands on their property, improving water quality and providing vital wildlife habitat for not only waterfowl, but threatened and endangered wildlife as well. Funds from WRP provides a great tool for producers to invest in more and better tillable acres, while deriving many other benefits from their WRP acres. Many of our landowner partners have marveled at the great hunting and wildlife viewing opportunities their WRP wetlands have provided for their family and friends.

WRP has been used also to compliment other state, federal and private conservation ventures within watersheds. In Muskegon County, Michigan, WRP is being used in conjunction with the Great Lakes Restoration Initiative and state wildlife conservation programs in a partnership of local, state, private and federal partners to remove historic phosphorus contamination, filter 30 square miles of agricultural waterways, provide wildlife habitat, and restore fishing and swimming in Mona Lake. It's these types of innovative and collaborative partnerships that we need more of!

WRP needs to continue in this next Farm Bill so that projects like this can continue to thrive. WRP is a great incentive to restore wetlands on agricultural lands, which is exactly what we need in many other parts of the country that are feeling the impacts of excess nutrients, like Lake Erie,

the Mississippi River, Chesapeake Bay and several other areas. WRP wetlands can be critical to remove excess nutrients that need to be filtered before they enter our precious waterways. DU supports the consolidation of easement programs as developed by both Congressional Agricultural committees late last year. However, for WRP and other conservation title programs to be effective, technical assistance funds need to be commensurate with federal assistance funds. This issue is paramount to ensure we can serve our agricultural producers through these programs.

Another key program is the Conservation Reserve Program (CRP) and its companion the Conservation Reserve Enhancement Program (CREP). Today we are fortunate to have in the room Dave and Pat Jenkins who grow corn, soybeans, sweet corn, and other fruits and vegetables on their family farm along the Illinois River near Peoria, Illinois. The Jenkins are active conservationists who were one of the first families in Woodford County to enroll in the Illinois River Conservation Reserve Enhancement Program (CREP). Over the course of several years they enrolled 89 acres altogether in filter strips and wetland wildlife habitat. Most recently, Dave and his brother Dan enrolled another 83 acres of frequently flooded cropland in the Wetlands Reserve Enhancement Program (WREP) under NRCS's Mississippi River Basin Initiative. Ducks Unlimited is proud to be a conservation partner working with the Jenkins to assist them with wetland restoration on their land.

CREP is a model program involving a federal/state partnership, often enhanced and leveraged through private partnerships with organizations like Ducks Unlimited and Pheasants Forever, to establish conservation practices in critical watersheds. Along the Illinois River, CREP has been instrumental in establishing critical buffers, wetlands and riparian corridors to filter nutrients, reduce erosion and improve water quality, not to mention provide excellent habitat for waterfowl and other wildlife.

The next Farm Bill should build upon the successful partnerships like those I have mentioned. Farmers and ranchers, conservationists and sportsmen, and all citizens have much to gain from successful, sustainable farming that conserves soil, water and wildlife. The regional partnership program developed in the Super Committee report is a great idea that needs to find its way in this

next Farm Bill. Regional partnerships fueled by local diverse interest groups and supported by federal, state and private funders, are a key to accomplish watershed approaches and solutions that will yield a good farm economy and a healthy sustainable environment. I encourage the Senate Agricultural Committee to include the Regional Partnership program in this next Farm Bill.

Although the Great Lakes region has seen tremendous progress towards restoring wetlands and wildlife habitat, there is much more that needs to be done. Currently there are growing challenges on the landscape that if left unaddressed, will result in potential reductions in migratory birds not seen since DU was started 75 years ago. The CRP, perhaps our nation's most successful wildlife conservation program, was reduced in the 2008 Farm Bill from 39.2 million acres to 32 million acres. Now I've heard discussions that it will be reduced from its current level to as low as 20 million acres. The impacts on waterfowl populations and other wildlife would be drastic. In 2012, over a million acres of CRP will be expiring in the Dakotas with over 900,000 of those acres in the prairie pothole region. In 2013, another 364,000 acres will be expiring in the Dakotas with over 337,000 in the potholes. The loss of this pothole habitat and the millions of ducks produced on these CRP acres, as well as the pheasants and other wildlife that called these restored grasslands home, will be severe.

What does all of this mean? Quite simply, it means jobs. While we all know that conservation programs protect the soil, clean the water and create abundant wildlife, what we often overlook is the economic activity generated through conservation. For example, hunters and anglers spend approximately $86.1 billion pursuing their passions every year. Wildlife watchers spend roughly $51.3 billion each year. These expenditures include everything from rods and reels, guns, ammunition, boats, decoys, bows and arrows and tree stands, to hotel stays and dinners in small rural towns across the country. These jobs are important, especially in the small, rural towns throughout America, and most importantly, these are jobs that stay at home and cannot be exportable to other countries! In Michigan alone, 1.37 million hunters and anglers spend $9.4 million dollars a day, supporting more than 46,000 jobs. To put it in a little bit different perspective, Michigan sportsmen annually spend more than the combined cash receipts for dairy, greenhouse/nursery, corn, soybeans and cattle, the state's top five agricultural commodities!

($3.4 billion vs. $2.9 billion). And furthermore, we do not have to choose between the two. Adequately funded conservation title programs protect both the hunting and angling economy as well as the agricultural economy. It's equally important to note that during these increasingly difficult times, sportsmen spending generates $406 million in federal taxes per year and state and local taxes of $378 million per year. Conservation programs like CRP and WRP help provide the backbone to support the diversity of wildlife that drives this essential sector of our economy. So, when you are weighing how much and which programs to cut in the upcoming farm bill debate, and we all understand that that needs to be done, remember, when you save money from reducing conservation programs, there is a direct cost to the outdoor related sports industry through loss of opportunities and loss of jobs.

So Madame Chairwoman and Members of the Committee, a strong conservation title yields great benefits to all sectors of our society and economy. Farmers and ranchers gain in conserving soil, water and air, the essential ingredients for their economic success and well being. Sportsmen and women gain with healthy populations of fish and wildlife and recreation lands. Our environment benefits though programs that protect the quality of our precious water resources, keep soil on the land, and ensure nutrients and pesticides perform as they should.

And all of those benefits ensure a strong economy, so that my producer friends are productive, my daughter Jenn, my son Joel and I can successfully hunt and fish and rural communities can thrive from both a healthy agricultural economy and hunting and fishing industry. Thank you for your attention, and please know that Ducks Unlimited stands ready to assist you in developing a strong conservation title in the next Farm Bill.

Written Statement for the Record

Carl R. Mattson
President, George Mattson Farms Inc.
Chester, Montana

Strengthening Conservation through the 2012 Farm Bill

Before the United States Senate
Committee on Agriculture, Nutrition and Forestry

The Honorable Debbie Stabenow, Chairwoman

February 28, 2012
Washington, D.C.

Carl Mattson

Senate Ag Committee Testimony

Thank you Chairwoman Stabenow, Ranking Member Roberts, Montana Senator Baucus and members of the committee for the opportunity to speak to you today about something that is very important to me.

My name is Carl Mattson and I have farmed with my family near Chester, Montana my entire life. Today, our family members own and manage a successful, no-till, dry land wheat farm located near the Canadian border. Our success as a family farm can be attributed to our corresponding successes in the adoption of conservation practices.

The wind blows in Montana; always has. During the mid 1960's while in grade school I recall my school bus being sent home early due to blowing dust. Time to time as we bounced along the dirt road the driver would stop and wait for the dust to clear so he could see well enough to safely continue. Dust would sift through the loose-fitting slide-up windows eventually settling on the seats thick enough for us draw the # and play tic-tac-toe. Our son is 33, lives where I grew up and has never experienced dust events like that.

The implementation of conservation practices has a history of working.

While the most sensitive acres should remain and likely will remain in the Conservation Reserve Program, with economics prevailing, many acres in Montana, suitable for farming, will not be re-enrolled in CRP. These acres will be used to produce food. But we have to protect our original conservation investment. So, it's critical that farmers have the incentives and assistance that working land programs provide to farm these acres in an environmentally satisfactory way.

When we made the transition to no-till farming in the early 1990's we didn't realize we were sequestering carbon at the same time, no one did. Our experience has been that each conservation practice we adopt opens doors to additional possibilities. Adopting conservation practices; doing the right thing for the environment has helped our farm prosper.

The rewards of the no-till system have been both immediate and accumulative in nature. For instance, the adoption of no-till provided an immediate 33% per acre reduction in diesel fuel used over the previous year. This represents a reduction in cost that we have continued to realize for the past 19 years.

The addition of auto steer to our field machinery reduced and nearly eliminated overlaps. Prior to GPS guided auto steer, field operation experience taught us to calculate at least a 4 % overlap cost. With every GPS guided field activity employed, we now realize that 4% as a

reduction in costs plus we are able participate in the associated environmental benefits. The savings are especially rewarding with the high cost major operations such as planting, fertilizing, spraying, and harvesting.

The accumulative benefits are directly attributable to long term soil health. Over the years we have increased our soil organic matter and that in turn has increased our water holding capacity. More water directly translates to more wheat. In the absence of tillage earthworms now populate our fields. Their tunnels further aid the percolation of water deeper into the soil profile. The layer of residual plant material allowed to lie on the soil surface reduces evaporation. Water and soil erosion are all but eliminated thus preserving the valuable nutrients residing in the precious top soil. All wildlife has flourished but especially the birds choose to populate the standing stubble. These are but a few of the benefits.

We find ourselves standing at an important crossroads for US ag policy, especially for conservation programs. What we do here matters to U.S. farmers.

By 2050 our world will face the daunting prospect of having to increase food production by as much as 70 to 80 percent. While some of those gains will clearly be captured by developing farmers using technology and advancing their own farming practices, the reality is that much of the need will and must be met here, by U.S. farmers. We must not underestimate the importance of meeting this need. Food security is not just about feeding people it's about creating political stability, averting famine, mass migrations and preventing despair and disease worldwide.

For those of us meeting that need on American farms and ranches, we must ensure our ability to balance the competing demands of high productivity with the equally important need to maintain overall sustainability within our agricultural system. We must find ways to generate more with less without degrading soil and water quality or creating further losses to limited wildlife habitat. Just maintaining our current levels of conservation practices, frankly, may not be enough to meet the unprecedented requirements of feeding 9 billion people.

I suggest that investing now to enhance and protect our natural resource base is crop insurance for a nation; a prudent risk mitigation strategy initiated by this generation to feed the next.

EQIP and the Conservation Stewardship Program provide the incentive platform needed to assist farmers with the implementation of necessary conservation practices on working lands.

A frequently used word in farm business discussions today is sustainability. I can say that each and every conservation step we've taken on the Mattson farming operation has moved our farm towards being more sustainable. Like others we define sustainability to mean an operation that is economically viable, environmentally responsible and socially beneficial and

we understand that sustainability is a journey; not a destination it's an attitude motivating one to constantly strive to improve.

Sustainability is a relatively new word used to describe an evolving agricultural process that has existed in America since our nation was founded. With the help of lenders and universities we have developed the financial metrics necessary to measure the economical viability of a farm. With the help of the NRCS and others, we understand what is necessary and what it means to be environmentally responsible. Developing the metrics necessary to measure and define the social benefits of our individual farming operations will be the next step requiring farmer participation as we move forward on the sustainability journey.

Water limits wheat production on the Mattson farm. We transitioned to no-till farming to conserve more water and to protect the soil surface from the ravages of wind and water erosion. We aggressively pursued the adoption of no-till farming and precision agriculture techniques. Pioneering these practices in our state placed us in a position to be awarded the Montana's first Conservation Security Program contract. We are proud of that accomplishment.

To strengthen conservation in the next farm bill vigilance is needed to ensure that we do not create perverse incentives that lead to unintended consequences and present moral hazards.

Accompanying each new conservation practice is a required learning curve and the necessity to adapt that practice to a particular locale. "Early Adopters" are visionaries who tend to understand the potential of a practice, long before others. "Early Adopters" are the human vehicles that provide the local knowledge necessary for the fast, efficient, large scale adoption of each new conservation practice by others. Our capacity to meet the future will require significant breakthroughs in conservation practices.

We must create an atmosphere where innovators are encouraged to innovate.

Top down government regulation such as the Endangered Species Act, discourages innovation, and limits our producers' ability to keep working lands working. As a nation, we must find innovative ways to replace burdensome regulation with proactive voluntary approaches that provide win-win solutions for both agriculture and wildlife.

USDA's Sage Grouse Initiative provides a roadmap for this type of innovation that could be replicated throughout the country. Through the Sage Grouse Initiative, NRCS is orchestrating a paradigm shift in at-risk species conservation by replacing undo regulatory burdens with voluntary incentive-based approaches that mutually benefit agriculture and wildlife.

The key to the Initiative's success is a shared vision of wildlife conservation through sustainable ranching—what's good for ranching is good for wildlife—with SGI, both agriculture and wildlife win. Ranchers and their partners have rallied around this innovative concept, and in just two short years the results are rolling in—conserving land, reducing sage grouse mortality and boosting both livestock and grouse productivity. Specific examples include:

- Conservation easements were secured on 208,000 acres to maintain large and intact working ranches in some of the highest sage-grouse abundance areas of the West. Easements reduce the threat of fragmentation, the overarching reason for a potential listing under the Endangered Species Act.

- Ranchers have implemented grazing systems on 1.3 million acres of large and intact sagebrush to increase hiding cover for nesting birds. Additional grass cover is expected to improve rangeland productivity while increasing sage-grouse populations by 8 to 10 percent.

I especially appreciate the difficult choices this body made during the budget negotiations of 2011 and the hard work you did to ensure a balanced approach to conservation's role in U.S. agriculture even in a time of competing pressures and difficult choices.

In closing, I stress that American agricultural producers like me care about conservation and are committed to enhancing the working lands and rural communities that provide our food and fiber. Innovative, flexible, and voluntary approaches are the foundation on which we reaffirm our ongoing commitment to food production and natural resource conservation in the future.

Thank you.

Statement of Darrel Mosel
Farmer, Darrel Mosel Farm, Gaylord, MN

Hearing on Strengthening Conservation in the Farm Bill
U.S. Senate Committee on Agriculture, Nutrition and Forestry

February 28, 2012

Good morning Chairwomen Stabenow, Ranking Member Roberts, and Members of the Senate Agriculture Committee. Thank you for the opportunity to testify about the value and practical use of the farm bill working lands conservation programs from a farmer's perspective. I believe these are some of the most important investments that our farm bill makes in ensuring food security, protecting our natural resource base, and keeping farm families farming.

My family and I operate a 600 acre diversified crop and dairy operation in Sibley County near Gaylord, Minnesota. I have been farming for 32 years. At present, half of our farm is managed organically and half, which is rented acreage, is conventional. Roughly 40 percent of our acreage is corn, 30 percent is soybeans and about 30 percent is split between small grains and alfalfa, in a diversified crop rotation. We milk Holsteins and operate a small feedlot. We have about 150 cattle on the farm at all times.

Roughly 25 percent of our crops are fed to our livestock and the remaining portion is marketed through various means. A portion of our corn goes to the local ethanol plant, Heartland Corn Products, in which we own shares. The organic crops are typically sold to individual farmers seeking organic feed. For example, just last week I sold a semi load of corn to an organic poultry producer in southern Iowa. And some portion of our crop is also sold through the local elevator or co-ops in the Gaylord area.

I am a member of a number of farm organizations and am here today as a farmer member of the Land Stewardship Project (LSP). LSP is a non-profit organization located in Minnesota dedicated to fostering a stewardship ethic and developing sustainable agriculture systems and strong rural communities. LSP is one of the 40 member organizations from all around the country that comprise the National Sustainable Agriculture Coalition, a grassroots alliance that advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities.

Sibley County has been blessed with productive soils and it's been our family's good fortune to have the opportunity to farm in this community. Both of my sons, Christopher and Michael are hoping to join the farm operation or farm on their own, and I hope they can do that. But just like most agricultural areas, we have natural resource demands. In our area particularly, soil and wind erosion along with nutrient runoff are serious concerns.

It is my fundamental belief that we farmers need to be good stewards of the land. Despite the pressures we face, we must constantly ensure that what we are doing from year to year will not hinder the land's ability to provide both for ourselves and for the greater community now and long into the future.

During my three decades of farming, I have had the opportunity to participate in a number of USDA conservation programs, including the Environmental Quality Incentives Program (EQIP). The program played a key role in helping me take initial steps to protect and enhance natural resources on my land. EQIP is an essential piece of USDA's conservation toolbox, providing one-time cost-share payments for structural practices as well as initial cost-share support to farmers who want to begin to increase their level of stewardship through management changes.

There are several issues within EQIP that should be corrected in the next farm bill. **First, in order to ensure the program is achieving results and the biggest bang for the buck, progressive planning requirements should be restored.** A progressive planning requirement was at one point applied to EQIP; however, the program currently has no planning standard at all. Re-instituting an EQIP progressive planning requirement will help ensure that practices funded by the program are aimed at solving resource problems. Under progressive planning, all funded projects would address priority resource concerns and promote progress toward (though not necessarily achievement of) the non-degradation or sustainable use criteria for those priority resource concerns. In these difficult fiscal times, it seems to me important to ensure we are spending limited and much in demand conservation assistance dollars with specific goals and outcomes in mind.

Second, the farm bill should eliminate the separate and unequal $20,000 payment limitation for organic farmers through the EQIP Organic Initiative. The same EQIP payment limit should apply regardless of type of farm. I have not personally made use of the EQIP organic provision from the 2008 Farm Bill, but as a producer who is partly organic, I can attest to the unfairness of holding organic producers to a much lower payment limit than all other producers. The new farm bill should end this inequity.

At the same time, however, we should expect the program to serve as many farmers as possible and thus to put some reasonable limits on how much any one farmer can expect to receive. **Third, therefore, EQIP funds should be better targeted to increase program effectiveness and save money.** The program-wide payment limit for EQIP should be reduced to $200,000 in any five-year period, or $40,000 per year in the case of annual management practices.

In addition to EQIP, I have also had the opportunity to take advantage of the Conservation Stewardship Program (CSP). This is a program that allows farmers to farm and at the same time enhance the conservation performance and environmental outcomes of their operation. I believe that CSP is a shining example of what's right in farm policy.

The CSP is a whole farm and comprehensive working lands conservation program administered by USDA's Natural Resource Conservation Service (NRCS). Unlike EQIP, its primary focus is management and vegetative practices. CSP targets priority resource issues in specific states and watersheds, paying farmers for the adoption of new conservation enhancements and the active management of ongoing conservation activities to help solve priority resource concerns. CSP payments are directly calibrated to environmental benefits derived from particular practices and conservation systems.

In 2009 I received a 5-year contract worth right about $15,500 a year, slightly more than the national average that year, and slightly less than the national average in 2010 and 2011. I received support for actively managing and maintaining conservation practices such as no-till, waterways, and grass

buffers, and was also enabled to add a series of new conservation activities on the farm to help be an even bigger part of the solution to the major resource concerns in our watershed.

One of conservation enhancements that I elected to use that really fit my farm was the resource-conserving crop rotation. A few years back, because of some erosion issues, I worked with NRCS to use the Environmental Quality Incentives Program to lay contour strips on a portion of the farm. That EQIP support was important to get the practice in place. Now with CSP and its resource-conserving crop rotation enhancement, I can actively manage those strips with a good crop rotation combined with a limited tillage approach. We now have an excellent long rotational system that also incorporates those additional conservation measures. In my experience the two programs, EQIP and CSP, complement each other while being distinctly different in what they offer.

Another CSP conservation enhancement that I took advantage of was re-establishing shelterbelts on the farm. These can be really important in addressing wind erosion, wildlife habitat, and protection of the farm site. In Minnesota, we are facing a decimation of our Ash trees, which are under attack from the Emerald Ash Borer. Ash trees populate many of the shelterbelts in our area, including ours. I'm now implementing a planting regiment that re-establishes a variety of trees to address this threat and enhance the shelterbelt. Without CSP, it's unlikely that I would have done this.

The pressures in agriculture are immense. I am concerned that we are losing a diversity of crops and farms that are good for rural communities, the environment and our economy. I believe CSP is part of the answer to helping maintain that diversity on the land. Without the Conservation Stewardship Program it would have been more profitable the last couple years to plant my entire farm into one crop like corn, but with the Conservation Stewardship Program I was able to maintain a four crop rotation which helps reduce erosion and provides for greater wildlife habitat.

The Conservation Stewardship Program helps farmers use their management skills to maintain and enhance the land and the food, fiber, and fuel that it produces. In the first three enrollment years (2009, 2010, and 2011), CSP enrolled 30,197 farmers and ranchers operating nearly 38 million acres of farm and ranch land that is now under five-year, renewable CSP conservation contracts. In each of those years, demand for the program exceeded acreage available by about two to one, resulting in very competitive enrollments.

In its latest iteration, the 2012 sign-up for CSP is offering 37 conservation practices and 68 conservation enhancements as well as the supplemental payments for resource-conserving crop rotations. A conservation measurement tool (CMT) is used to assign environmental benefit points to each practice and enhancements. Conservation performance is tied to how effectively the activities and enhancements address the priority resource concerns for the state or region within a state, and payment rates are calibrated directly to expected environmental benefits.

The enhancements are unique to CSP and help drive advanced conservation. For instance, for cropland, some of the top ranking enhancements include continuous cover cropping, using cover crops as nitrogen sources, resource-conserving crop rotation, continuous no-till, extension in the size and scope of riparian buffers and field borders, transition to organic cropping systems, and advanced high level integrated pest management. Top livestock enhancements include intensive managed rotational grazing, rotation of feeding and supplementation areas, and managing access to water bodies and streams.

Top wildlife and biodiversity enhancements include restoration of rare and declining habitat, establishment of pollinator habitat, prairie restoration, and renovation of windbreaks and hedgerows. About 20 percent of all the conservation enhancements and practices selected by CSP farmers to date have been specifically designed for wildlife habitat benefits, though many of the soil and water activities in the 80 percent balance also have positive indirect wildlife benefits as well, making it a very wildlife-friendly program.

While agronomic commodity crops not surprisingly represent the majority of CSP cropland enrollments to date, specialty crops have nonetheless fared quite well. Data is not yet available from 2011, but in just the first two years, NRCS reports that 1.8 million acres of enrolled farmland reported specialty crops as the primary farm enterprise. It is difficult to know with precision what percentage of that total is land planted to specialty crops, but if it was even just half of the total, it would still represent over seven percent of total specialty crop acres nationwide. The program is also serving rangeland and ranchers. By the end of the current 2012 enrollment process there should be between 8 and 10 million acres of rangeland in the program. It is truly a national program serving all of agriculture, while at the same time zeroing in on the priority local resource concerns.

As deliberations continue on the next farm bill, I urge members of this committee to maintain a strong funding base for the Conservation Stewardship Program. That is my main recommendation. I wish more of the farm bill were like CSP.

Beyond a strong funding base, there are a number of changes that could be made to increase the program's effectiveness and make it work better for farmers and ranchers. I recommend that the following improvements be made to CSP in the next farm bill:

- **Increase the national average CSP payment by at least a modest amount to enable the program to support higher cost, bigger environmental payoff conservation activities.** If necessary, the cost of the change should be offset by modestly reducing the total nationwide annual acreage enrollment goal. By statute the average payment per acre for CSP is $18 nationwide. As a result of trying to meet this national average, some conservation practices, especially on cropland, are undervalued and underpaid relative to what it actually costs the producer to implement these practices. In some cases, the payment by USDA to implement conservation practices is less than half of the income forgone by the producer to implement the practice.

In my view, the Committee made a reasonable guess back in 2008 as to what a reasonable average cost per acre would be, but now, with three years of experience and a fourth sign-up in process, it has become clear that if the average rate were a bit higher, the program would do even better at encouraging management-intensive, high pay-off conservation activities.

- **Simplify the program while zeroing in on rewarding environmental benefits and an outcome-based approach by eliminating the five statutory factors used to rank CSP applications. Instead, applications should be ranked solely according to the environmental benefits score secured by the total conservation system.** Currently, the majority of the "ranking factors" used to rank CSP applications are crediting producers for implementing new conservation activities, meaning that new conservation activities are given far greater weight than active management of existing conservation activities, even if the environmental benefits of each are equal. Every aspect of the CSP regulation and program design, including payment formulations and

ranking, should keep the focus on outcomes, and thus should focus on adaptive management and continual improvement, not on the timing of initial adoption.

- **Increase the stewardship requirements and thresholds**. A key aspect of the CSP is for the farmer participant to help address priority resource concerns in a region or watershed by exceeding prescribed stewardship thresholds through a combination or suite of conservation practices and activities. The stewardship threshold is an excellent idea and the Committee is to be congratulated for including it in the last farm bill. It could be further improved in the next farm bill in two ways:

  - First, **increase the stewardship value of CSP contracts by requiring participants to meet or exceed the stewardship threshold for at least two additional priority resource concerns by the end of the stewardship contract, in addition to the one stewardship threshold that applicants must meet at the time of the contract offer.** In watersheds with three priority resource concerns, this would mean exceeding all the thresholds for all the priorities by the end of the first contract period.

  - Second, **the stewardship thresholds themselves should be increased**. This upgrade could be accomplished in one of two ways. The preferred method would be to direct NRCS to set them based on the Quality Criteria for the Resource Management System (the non-degradation or sustainable use) levels for the particular resource concerns. A second best approach would be to at least set them based on actual data from CSP sign-ups to date, using enrollment data to move thresholds closer to the cut-off point for acceptance into CSP. Data from the first two CSP signups suggest that the current stewardship threshold levels were initially set too low by NRCS. Some mid-course correction has already been made by NRCS, but more should be done. Increasing the thresholds will also increase the conservation value of the program.

- **Change the regulatory mandate for the first new enhancement from the first contract year to the first payment year.** It is unfair and unrealistic to mandate, as NRCS now does, that conservation activities be implemented a year prior to the first CSP payment. The first CSP payment to a producer is made in October (the start of the new fiscal year) following the contract year, and then every October thereafter for the term of the contract. Given that payment schedule established by statute, it does not make sense to mandate the adoption of at least one enhancement in the first year of the contract. Such a mandate requires the farmer to pay the full cost of the enhancement well before the first payment. While there will certainly be some enhancements where this is possible and some farmers for whom it might be possible in any event, and while it should certainly be encouraged wherever it is possible, it is blatantly unfair to make this a universal mandate. The impact on limited resource, beginning, and socially disadvantaged farmers and ranchers is particularly severe.

- **Explicitly direct NRCS to include comprehensive conservation planning as a conservation activity.** While the language of the 2008 Farm Bill encourages comprehensive conservation planning as a conservation activity within CSP, it was sadly not included in USDA's final rule for the program. Supporting conservation within the context of planning helps clarify choices and improve long-term outcomes. Comprehensive conservation planning could be delivered as a conservation enhancement, or it could receive ranking points within the Conservation Measurement Tool (CMT) but receive a payment calculated separately from the CMT. The

Committee did the right thing on this issue in the last farm bill, but now needs to remove any remaining bit of ambiguity to ensure comprehensive conservation planning is actually included by NRCS as an option in the future. Doing so will also further increase the long-term conservation value of the program.

- **Allow a farmer to apply for CSP enrollment on land enrolled in a Conservation Reserve Program contract that is expiring at the end of the fiscal year in which the farmer applies for CSP enrollment.** If the CSP contract is accepted by the Secretary, CSP payments in the first fiscal year of enrollment would be contingent on the expiration of the CRP general sign-up contract and the cessation of CRP payments on the land enrolled in the CSP. Land enrolled in the CRP is not eligible for enrollment in the CSP. NRCS has interpreted this farm bill language to mean that producers cannot even apply for CSP while their CRP contracts are active.

Unfortunately, CRP contracts all end September 30, the last day of the fiscal year; so unless the CSP application deadline for a given fiscal year is extended, a landowner would have to apply to CSP after September 30 and, if accepted, wait until October 1, a full year later, to receive their CSP payment. This is clearly a disincentive to practicing good stewardship on expiring CRP lands. Millions of acres are set to expire from the CRP over the next several years. This simple change would provide an opportunity for producers to maintain conservation values on this land as it transitions back into working land for crops or livestock.

- **Allow producers to renew their CSP contracts so long as they have satisfied all previous contract obligations and increased their conservation score since the previous renewal by addressing additional resource concerns or adding or improving conservation activities within existing resource concerns being addressed**. Currently, CSP contracts can only be renewed once. This creates a barrier to fulfilling the purpose of the program, to advance ongoing, iterative and adaptive land stewardship to maintain and improve environmental performance.

- **Increase program transparency** by requiring USDA to develop and publish within 18 months of enactment a user-friendly and interactive version of the Conservation Measurement Tool (CMT) online so that interested producers can explore how differences in their baseline answers and enhancement choices change their scores and the environmental outcomes for their farms and ranches as they work through the tool.

Beyond publishing a working version of the CMT online, the 2012 Farm Bill should require USDA to make every effort to increase accessibility and transparency in the delivery of the program. For example, USDA should make scoring information about conservation enhancements, bundles, and practices available in an easy to understand format for study both before and during application and run contract scenarios with farmers and ranchers upon request. While the CMT serves an important administrative function for the CSP, and indeed is one of the great advances toward an outcome and performance based approach to conservation, the program will not achieve its full potential until users can learn for themselves and with the assistance of NRCS how maintaining and changing their management practices impacts their CMT conservation performance scores.

- **Strengthen support for farmer-driven On-farm Research and Demonstration within CSP**. On-farm Research and Demonstration is currently offered as a CSP enhancement within the CMT rather than an "additional payment," as the 2008 Farm Bill stipulates it should be offered. Basing

research and demonstration payments on the actual costs of the project and, where applicable, income forgone, would be more logical and make it more attractive and understandable to the producer. For payment purposes, the Farm Bill should direct NRCS to take On-farm Research and Demonstration out of the CMT point value structure and stipulate that these payments be made on a more traditional basis of simple cost calculations. Using CSP participation to also further the research objectives of the agency and the farmer creates a very valuable double payoff for the public investment, but the way the agency is delivering this option currently is discouraging participation and needs to be changed.

The CSP is a unique program that provides comprehensive conservation assistance to agricultural producers and gives states the flexibility to decide, on a statewide or watershed basis, what conservation issues to prioritize for enrollment. It is critical to improving water and air quality, increasing biodiversity and wildlife habitat, and protecting the soil and enhancing soil quality to provide lasting food security. It is the only program that rewards farmers on a whole-farm basis for actively managing, expanding, and improving existing conservation activities and adding new ones. It is critical that the program receive strong financial support from Congress in the next farm bill. At the same time, there are real and significant improvements that should be made to the program in the next farm bill, as outlined above.

I appreciate this opportunity to share my experiences and speak to what I believe is an effective approach to supporting farmers, the soil, and the environment, and I will be happy to try to answer any questions you may have. Thank you.

Statement of
Bruce Nelson
Farm Service Agency Administrator
Before the Committee on Agriculture,
Nutrition, and Forestry, U.S. Senate
February 28, 2012

Good Morning, Madam Chairwoman, Ranking Member Roberts, and Members of the Committee. Thank you for the opportunity to discuss the Farm Service Agency's (FSA's) conservation programs in light of the 2012 Farm Bill.

USDA is currently working with thousands and thousands of farmers and ranchers to implement voluntary conservation practices that clean the air we breathe, filter the water we drink, and prevent soil erosion on our agricultural lands. Over the past 25 years, farmers, ranchers, conservationists, hunters, fishermen and other outdoor enthusiasts have made the Conservation Reserve Program (CRP) the largest and one of the most important in USDA's conservation portfolio.

The CRP, first authorized by the 1985 Farm Bill, is a voluntary program with a legacy of successfully protecting the nation's natural resources, while providing significant economic and environmental benefits to rural communities across the United States. CRP protects our most environmentally sensitive lands from erosion and sedimentation, and helps sustain groundwater, lakes, rivers, ponds, and streams. Last year's dust storms highlight the importance of CRP, particularly in the historic "Dust Bowl" portion of the country, where the year-round vegetative cover on enrolled fields prevented soil from blowing away and helped mitigate these dust storm events. We are initiating a new "Highly Erodible Land" initiative to combat just such concerns, which I will describe in more depth below.

CRP currently contains nearly 30 million acres of grasses, trees, riparian buffers, filter strips, restored wetlands, and high-value wildlife habitat. This public-private partnership provides many benefits. For example, CRP reduces the costs of providing safe drinking water to constituents in both rural and urban areas. It reduces the need for agricultural disaster relief and reduces floodwater and other types of damage. CRP helps support rural economies by enhancing wildlife populations, providing jobs associated with hunting and other outdoor recreation. For example, Pheasant hunting annually brings $250 million in economic activity to South Dakota.

As we look to the future of CRP, FSA will continue to look for ways to ensure that CRP focuses on the most environmentally sensitive acres through the general sign-up and increasingly through continuous enrollments. Given the pressure on the program from rising crop prices and from a difficult fiscal environment, it is critical that FSA ensure that the program maximize the public benefits from each acre enrolled in the program.

In addition to CRP, FSA has longstanding experience with the Emergency Conservation Program (ECP) and administers the Grassland Reserve Program (GRP) jointly with the Natural Resources Conservation Service (NRCS). We have also implemented several new programs authorized under the 2008 Farm Bill, including the Transition Incentives Program (TIP), the

Emergency Forest Restoration Program (EFRP), and the Voluntary Public Access-Habitat Incentives Program (VPA-HIP).

To implement our conservation programs, FSA relies on technical assistance from NRCS, the Forest Service, State Forestry agencies, State agriculture and environment departments, conservation districts, non-governmental organizations, and the private sector. These partners help us with many activities, including eligibility determinations, conservation plan development, outreach, and monitoring the impacts of conservation programs.

Conservation Reserve Program (CRP)

The Conservation Reserve Program provides cost-share assistance, annual rental payments, and in some cases, additional incentives to farmers and ranchers to establish long-term contracts (10 to 15 year) for conservation cover on eligible farmland. Rental payments, which total about $1.7 billion annually, are based on the agricultural rental value of the specific parcels of land accepted into the program. Cost-share assistance is provided for up to 50 percent of the participant's costs in establishing approved conservation practices. Additional incentive payments are made when high-value practices such as riparian buffers and grass filter strips, are enrolled. We strive to enroll parcels that have the greatest conservation benefits relative to the Federal government's cost.

A conservation plan is required for each CRP contract (regardless of whether it is general or continuous signup). NRCS, the Forest Service, and technical service providers are responsible for eligibility determinations and for developing conservation plans. FSA is responsible for compliance determinations, consultations with other federal agencies, such as the U.S. Fish and Wildlife Service, and determining the environmental benefits index (EBI) for general signup CRP. (The EBI is an index used to rank and target offers.) FSA has an agreement with the Forest Service to provide conservation planning for participants installing tree practices under the CRP and EFRP.

Cropland regularly enters and leaves CRP as new land is enrolled and as CRP contracts expire. There are now 29.7 million acres in the program, down nearly 20 percent from a high of 36.8 million acres at the end of FY 2007. With contracts on 6.5 million acres scheduled to expire at the end of FY 2012, USDA recently announced that a new CRP general sign-up would begin on March 12 and end on April 6, 2012. To be eligible for general signup, land must be highly erodible, located in a conservation priority area, or be under an expiring CRP contract; land must also meet certain crop history and ownership criteria.

In addition to general signup, FSA offers year-round "continuous" CRP signup, which addresses high-priority environmental concerns outside of the CRP's general sign up process and has been steadily increasing in importance. Continuous signup grew from 3.7 million acres in 2007 to 5.3 million acres in 2012, and now constitutes about 18 percent of the 29.7 million acres currently enrolled in the program. Continuous signup enrollments are non-competitive, with parcels tending to be relatively small in size and involving buffer, wetland-related, and wildlife-directed practices. Land is targeted to achieve specific environmental concerns, such as reducing agricultural runoff and improving wildlife habitat.

FSA believes there are a number of opportunities to expand continuous enrollments in a way that focuses CRP on the most important acres. For example, on February 18, 2012, Secretary Vilsack announced a new Highly Erodible Land Initiative, which will allow up to 750,000 acres of the most highly erodible land to enroll in CRP via continuous sign-up. This initiative is targeted to lands with an erodibility index of greater than or equal to 20. These lands, when cropped, have an erosion rate in excess of 20 tons per acre per year. Through the creation of conservation covers, this initiative will not only reduce soil erosion, but also improve water quality, reduce the incidence of dust storms in the Western States, and provide substantial wildlife benefits. It complements this spring's general signup and is available to producers in all States. We will continue to identify targeted benefits from CRP through USDA monitoring and evaluation activities, including the Conservation Effects Assessment Program (CEAP), and will use these results to better focus CRP enrollment and continue to improve and adapt program management in the future.

The environmental benefits associated with CRP are substantial. Since the program began in 1985, more than 8 billion tons of soils have been prevented from eroding, helping to reduce dust storms like those we saw this past summer and protecting our nation's rivers and oceans. The tremendous reductions in nitrogen and phosphorus releases from fields enrolled in CRP also help protect America's valuable water resources. In 2011, nitrogen and phosphorus releases from enrolled acres were reduced by an estimated 623 million pounds and 124 million pounds, respectively. By providing long-term vegetative cover on the land, CRP acreage reduces the impacts of downstream flood events and recharges aquifers.

From a wildlife perspective, CRP also provides numerous benefits. For example, a jointly-authored U.S. Fish and Wildlife, U.S. Geological Survey, and University of Montana study estimates that terminating CRP would result in reductions in grassland bird populations ranging from 2 to 52 percent in the Prairie Pothole region, depending on the species. In addition, CRP has sequestered more carbon dioxide on private lands than any other federal program. In 2011, CRP reduced greenhouse gas emissions by the equivalent of an estimated 51 million metric tons of carbon dioxide.

Given budgetary pressures, the FY 2013 President's Budget proposes capping CRP at 30 million acres, down from the 2008 Farm Bill cap of 32 million acres. If passed into law by Congress, this cap would be attained by natural attrition through expiring contracts and by setting future enrollments at slightly lower levels. CRP would continue to deliver substantial benefits to producers and to conserve soil, enhance water quality, and improve wildlife habitat on the most environmentally sensitive lands. This action is estimated to save $977 million over 10 years.

Conservation Reserve Enhancement Program (CREP)

The Conservation Reserve Enhancement Program (CREP) is a form of continuous CRP signup that involves close Federal collaboration with State governments and local partners to address geographically-specific concerns with tailored conservation systems. Both USDA and States contribute to the significant incentives that CREP offers to enhance participation, with States generally providing 20 percent of the funding. CREPs are used to protect water supplies,

improve water quality, provide critical habitat for threatened and endangered wildlife, and reduce soil erosion.

There are currently 45 CREP agreements in 33 States. Colorado, Mississippi and Pennsylvania are developing proposals for new CREP agreements. In each participating State, enrollment is limited to specific geographic areas and practices. Overall, about 1.3 million acres are currently enrolled in CREP nationwide.

As noted above, CREPs target assistance toward a wide variety of critical needs. For example, the first CREP agreement was signed in 1997 to protect the Chesapeake Bay. Now, USDA has CREP agreements with all five Bay States and CREP is a critical part of the Chesapeake Bay restoration strategy. As another example, the New York City/Catskill CREP helps farmers reduce nutrient, pathogen, and sediment inputs to streams and reservoirs that supply drinking water to New York City. For more than a decade, the Oregon CREP has been improving the water quality of streams providing habitat for nine salmon and two trout species listed under the Federal Endangered Species Act.

CREPs are also important in the Midwest. The Illinois CREP provides producers in the Illinois and Kaskaskia River watersheds with an opportunity to restore grasslands, wetlands, and certain highly erodible acres. The Iowa CREP focuses on using constructed wetlands to reduce nitrogen loadings in watersheds dominated by tile-drained cropland. Monitoring data from the Iowa project indicate that these wetlands remove 40-90 percent of the nitrate flowing into the wetlands. The cost to reduce nitrogen load using such a constructed wetland approach is estimated to be $1.38 per pound per year (based on information from the first 27 wetlands), considerably lower than the $5.89 per pound per year for the next best removal system.

State agricultural and environmental agencies contribute significant technical assistance for CREP development and implementation, including outreach, conservation planning, and engineering services. They also monitor CREP outcomes. While states are generally required to contribute twenty percent of the total project cost, State agricultural and environmental agencies typically contribute ten percent of the total project cost in the form of "in kind" technical assistance services.

Continuous Signup Initiatives

In addition to CREP, continuous signup includes various initiatives to enroll lands that provide especially high environmental benefits. States are not required to provide funding as they do for CREPs. Moving forward, FSA believes that these targeted enrollments can play a more prominent role within CRP. In addition to the Highly Erodible Land Initiative that I mentioned earlier, these initiatives include:

- ***Wetlands Initiatives***, which were created to restore wetlands located within 100-year floodplains, to restore playa lakes and wetland complexes located outside 100-year floodplains, and to restore floodplains by establishing bottomland hardwood trees. They provide vital habitat for many wildlife species, filter runoff, improve water quality, and reduce downstream flooding.

- The ***Quail Initiative***, which was created because Northern bobwhite quail populations have declined due to habitat loss. It creates early successional grass buffers along agricultural field borders in 35 States that

have historically been the home to bobwhite quail. These buffers also benefit many other species, including the grasshopper sparrow, dickcissel, and Henslow's sparrow.

- The ***Longleaf Pine Initiative***, which was developed to address the decline of longleaf pine in the Southeast. Its goal is to re-establish longleaf pine stands, protecting wildlife and enhancing water quality.

- The ***Duck Nesting Habitat Initiative***, which is designed to restore wetlands in the Prairie Pothole region of the Northern Plains. It provides critical habitat and nesting cover for ducks, sandhill cranes, and other species, while filtering runoff and reducing downstream flooding

One of the largest initiatives is ***State Acres for Wildlife Enhancement (SAFE)***, which targets at-risk and economically important wildlife species and habitats in 35 States and Puerto Rico. About 616,000 acres are currently enrolled nationwide. One of the more popular is the Texas Mixed Grass SAFE, which has over 77,000 acres enrolled. It is designed to reconnect isolated populations of lesser prairie chickens by creating native mixed grass prairie and travel corridors. South Dakota and Washington also have large enrolled SAFE acreages. The South Dakota Pheasants SAFE contains nearly 50,000 acres and provides nesting, brood-rearing, winter-roosting, and escape cover acreages for ring-necked pheasants and other upland birds. The Washington Sage and Sharp-tailed Grouse SAFE has enrolled more than 50,000 acres that are benefiting native prairie grouse and other shrub-steppe wildlife species that have declined because of ongoing habitat loss.

Transition Incentives Program (TIP)

The Transition Incentives Program (TIP), newly authorized by the 2008 Farm Bill, provides $25 million through FY 2012 to promote the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land to production using sustainable farming techniques. Land enrolled in a CRP contract that was scheduled to expire on or after September 30, 2009, is eligible.

Under this program, the retired party is eligible to receive annual rental payments for up to 2 additional years beyond the contract expiration provided that the land is not transitioned to a family member. As of February 24, 2012, TIP payments totaling about $20.5 million have been obligated to retiring or retired land owners or operators, with over 1,500 approved TIP contracts in 26 states totaling nearly 250,000 acres. The States with the largest TIP participation are Iowa, Kansas, Minnesota, Montana, Nebraska, and North Dakota.

Emergency Conservation Program (ECP)

The Emergency Conservation Program (ECP) provides emergency cost-share funding (generally, up to 75 percent) and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought. For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would impair or endanger the land or materially affect the land's productive capacity. Also, the land must be so costly to rehabilitate as to required Federal assistance to return the land's productive capacity. Local FSA county committees determine land eligibility based on on-site inspections of damage. Funding for this program is appropriated by Congress.

The 2012 Appropriations Act provided an additional $122.7 million in ECP funding targeted to counties receiving Major Disaster declarations pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). Using this funding and carryover funding from previous years, FSA has allocated over $102 million this year to states across the nation to help producers address damage from drought, floods, hurricanes, tornadoes, wildfires, ice storms and other types of disasters.

Timing of ECP assistance is critical to producers facing disasters, and FSA and NRCS staff work hand in hand at the state and county level to provide efficient and timely service. Assistance is provided based on agency expertise. For example, FSA provides assistance regarding debris removal, fence restoration, and grading and shaping of damaged land. In addition, FSA has an agreement with NRCS to provide technical assistance for practices requiring greater conservation expertise, including restoration of conservation structures and installations and drought emergency measures.

Emergency Forest Restoration Program (EFRP)

Similar to ECP, the EFRP helps owners of nonindustrial private forest land carry out emergency measures to restore land damaged by a natural disaster. Subject to availability of funds, county committees are authorized to implement EFRP for all disasters except drought and insect infestations (which are authorized at the FSA national office). While ECP is one of our oldest conservation programs, EFRP is new with the 2008 Farm Bill. Technical assistance for EFRP is mainly provided by State Foresters under an agreement with the Forest Service.

Like ECP, funding for EFRP is appropriated by Congress. The Supplemental Appropriations Act of 2010 provided $18 million in regular funding for EFRP for expenses resulting from natural disasters that occurred on or after January 1, 2010. FSA has allocated virtually all the EFRP regular funding on a "first come-first served" basis. There is no EFRP regular funding available to address the $2.4 million in outstanding unfunded requests that are not officially declared as major disasters.

The 2012 Appropriations Act provided an additional $28.4 million in EFRP funding targeted to counties receiving Major Disaster declarations pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act). FSA has allocated over $12 million of this "Stafford Act" limited funding (as opposed to the "regular" funding noted above) to Alabama, Arkansas, Georgia, Iowa, Massachusetts, Maine, Mississippi, North Carolina, New York, and Tennessee. There is a recent request for approximately $80 million from Texas for wildfire and drought damage that is currently under review. The majority of this request is for counties that have received major disaster declarations, but the balance available for Stafford Act limited funding is insufficient to fund this request.

Voluntary Public Access-Habitat Incentives Program (VPA-HIP)

VPA-HIP helps States and Tribal Governments encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for public access for

wildlife-dependent recreation, including hunting or fishing. The 2008 Farm Bill provided $50 million of mandatory funding for FY 2009-2012 for this new program. Funds may be used to install gates, fences, signage, and other related expenses. Lands enrolled in VPA-HIP must provide appropriate wildlife habitat.

VPA-HIP has been well-received. Currently, there are 26 State fish and wildlife agencies and one Tribal Government entity (the Yakima Nation) participating in the program. Nearly $30 million in funding has been obligated to date. The FY 2012 Appropriations Act effectively ended any new obligations, or modifications to existing obligations, under VPA-HIP. Absent this language, all remaining funding would likely be expended.

The President's FY 2013 budget called for the continuation of this program and for shifting it to NRCS in FY 2013.

Grassland Reserve Program (GRP)

FSA and NRCS jointly administer the Grassland Reserve Program (GRP). GRP participants voluntarily limit cropping while retaining the right to conduct grazing practices and operations related to the production of forage and seeding, subject to certain restrictions during nesting seasons. Applications may be filed for a rental contract or an easement with NRCS or FSA. NRCS provides all on-the-ground technical assistance for easements and rental contracts, while FSA makes payments for rental contracts and easement acquisition. Currently, FSA has 1.19 million acres under GRP rental agreements at an annual cost of approximately $10.2 million.

The Future of CRP

We believe that CRP can become an even more valuable program over time. Through the general sign-up process and greater reliance on continuous enrollments, we believe the program can become even more focused on marginal and environmentally sensitive lands. This will ensure that CRP provides the greatest public benefit to the American taxpayer.

In an era of reduced resources, we look forward to working closely with Congress to meet critical U.S. conservation needs. We also look forward to working more closely with not only our inter-agency partners within USDA, but also with the private sector and other government agencies. By doing so, we aim to better leverage resources, share ideas, and deliver programs that ensure sustainable conservation activities and programs for agriculture and rural areas.

TESTIMONY OF DEAN STOSKOPF
BEFORE THE SENATE COMMITTEE ON
AGRICULTURE, NUTRITION AND FORESTRY
FEBRUARY 28, 2011
WASHINGTON D.C.

Chairwoman Stabenow, Ranking Member Roberts and Members of the Committee: Thank you for allowing me to present a central Kansas view of the Conservation Programs and their role in the 2012 Farm Bill.

My name is Dean Stoskopf. My wife and I own and operate a diversified dryland family farm near Hoisington, Kansas. We raise wheat, grain sorghum, alfalfa and forages. We also have a 125-head Red Angus cow-calf herd.

Conservation has been a significant priority on our farm. My parents were married during the Dust Bowl in 1938. They planted shelterbelts and windbreaks and watered the trees using horses and wagons. In the 1950's, they received the Kansas Bankers County Conservation Award for their soil and water conservation efforts. My wife's parents received the same award for their conservation work in north central Kansas. To bring conservation full circle, my wife and I were recognized for our own conservation efforts with the same Bankers Conservation award in 1996.

As farmers, our goal is to leave our land in better condition than we found it. For me personally, it is to leave the land better for the 5th generation of our family to farm. To me, this defines sustainability -- the ability to farm the same land for multiple generations with each generation contributing to the success of future generations.

Today's hearing is titled, "Strengthening Conservation through the 2012 Farm Bill." Considering ever-increasing budgetary pressures, this will be a challenging goal. As I begin my testimony, I think it is important to share a quick word on the success of our current conservation programs and the conservation efforts of America's farmers. The Great Plains saw the worst drought of my lifetime in 2011. The twelve months from October 2010 to September 2011 represented the driest year on record. By the end of the summer, all but five of Kansas' 105 counties were under a drought declaration and although Kansas farmer's sustained 1.7 billion dollars in economic losses, we didn't see the devastation of our natural resources that occurred in dust bowl days of the 1930's – despite hotter, and drier weather.

After talking with many of my fellow producers, I would like to share the following guidelines that I believe will allow our conservation programs to continue the legacy of success they have built.

1. Keep programs simple.
2. Keep programs local.
3. Keep the staff of the USDA Natural Resources Conservation Service as friends and advisors to farmers, not enforcement agents for the federal government.

Keep conservation simple: Currently, there are too many programs with similar objectives. In the 1970s and 1980s, we used the Great Plains Conservation Program. That program used an approach that provided numerous options to improve the soil and water quality of our farm. This flexible approach worked well. We could use the options that made sense for us to implement on our own farm.

A major component of simplifying programs is the consolidation of programs. Already there are proposals before you to combine existing programs into three core programs; working lands, land retirement and land easement programs. Reducing complexity should reduce the overhead associated with administering dozens of different programs and allow program dollars to reach their intended purpose. This will help NRCS Chief David White in his goal of putting boots on the ground.

Within those groups, I see several areas for potential improvement of conservation programs. In working lands, I believe EQIP has largely become the workhorse in my mind. Working lands programs should be designed to enhance land, while improving soil, water and wildlife habitat quality. EQIP offers producers a wide range of options and practices and results in many successful partnerships. One program I am concerned doesn't offer the same level of benefits for our investment is the Conservation Stewardship Program. Although it is intended to be a comprehensive approach to conservation with payments made for implementing specific practices, I see compliance issues that lead to mistrust and dollars being spent without the same level of benefit of other programs.

The Conservation Reserve Program remains our premier land retirement program. In Kansas we have 2.53 million acres enrolled. Major drought years like 2011 serve as excellent reminders of the value of CRP. It provides vegetative cover in droughts, holds fragile soil in place and also provides a much needed cushion in the form of emergency haying and grazing to provide additional forage resources for strained cattle herds. In Kansas last year, nearly 60,000 acres were hayed and more than 200,000 acres were grazed under the emergency provisions of the CRP. The drought remained devastating, but this program provided some much needed relief. I do see several potential areas for improvement with regard to CRP's ability to mitigate the effects of a major drought.

1) Allow hay harvested from CRP land under an emergency declaration to be sold. Land enrolled in CRP can be leased to another producer for grazing purposes, but under current regulations, hay taken under the emergency haying provisions can't be sold. This regulation often prevents one producer who may not have cattle from being able to provide hay to another who does.

2) Expand emergency haying and grazing operations beyond the disaster declared counties. When a county has been released to start emergency haying and grazing operations, they are already experiencing an extreme drought. Although the limited forage produced by the drought-stricken land is no doubt beneficial, allowing neighboring counties that aren't as drought-stricken to perform emergency haying and grazing operations could greatly increase the amount of forage available. This

policy would truly be established for one producer, with the blessings of rain to be able to help another that is impacted by drought.

3) Examine procedures for releasing counties for emergency haying and grazing. The current provisions for releasing a county work well when the severe weather is limited to a small area, but it is too cumbersome a process for a drought as large as the one in 2011. There is a need to release counties more quickly and in a fashion that clearly lets producers know and plan for their release. I suggest providing additional latitude to the State FSA committee to release larger areas.

4) Allow the State FSA committee to determine which CRP practices are eligible for managed and emergency grazing. Local and state entities are in the best position to make decisions regarding practices on CRP acres. For example, in Kansas Conservation Reserve Program land enrolled under the CP-25 "Rare and Declining Habitat" provision is planted to native grass. Native grassland in Kansas was grazed historically and grazing provides significant benefits to the land enrolled in CP-25 contracts, just as it does in other grass-based CRP contracts where grazing is allowed. Land enrolled in this particular program varies from one region of the nation to another. In only a few states are CP-25 contracts grasslands, meaning this isn't a widespread need, but it is an example of an area that greater local control could yield great benefits. CP-25 contracts comprise 29% of CRP land in Kansas.

The Conservation Reserve Program Continuous sign up has also yielded tremendous environmental benefits and is an example of prudent use of available dollars. It simply makes more sense to expand the enrollment of highly sensitive areas of land, typically in smaller tracts such as buffers, filters or strips that improve the soil, water and wildlife habitat quality.

Keep conservation local: Every region of the country has different conservation needs and require locally tailored solutions. The challenges farmers face in the Corn Belt are different that they challenges farmers face in the South, and practices that work well in the Pacific Northwest may not apply to the arid Great Plains. Farmers working with their local USDA Natural Resources Conservation Service staff are best able to develop solutions that will work for their area.

The theme of keeping programs local should especially be applied to working lands programs. They should be administered as locally as possible, and no higher than the state level. Local landowners, tenants, and advisors have a much better understanding of the needs in their area, as well as the solutions that will work.

National initiatives, especially those that require a state to dedicate a certain portion of their budget to a particular initiative should be avoided. Management from Washington, D.C. rarely works. I disagree with any approach to apply conservation initiatives at the national level. Our state staffs, along with the state committees work day to day with the challenges we face. I believe they do an excellent job of setting priorities and making programs work in the field.

Advice and support vs. enforcement: The USDA Natural Conservation Resource Service staff and the staff of the local Conservation District have always been technical consultants and advisors, working cooperatively with local farmers to find solutions and advance conservation. As farmers, we trust those advisors to help us improve the soil and water quality on our farms, which has always been the goal of conservation programs. If the Natural Resources Conservation Service becomes an enforcement agency, that trust will be lost, along with the cooperation.

Thank you for the opportunity to address your committee today for taking my views and opinions into consideration as you deliberate on the Conservation title of the 2012 Farm Bill.

Cooperation between agricultural producers and the government has created a legacy of positive conservation efforts in this vast country. Together, we can continue this legacy for future generations.

**TESTIMONY OF JEFF TRANDAHL, EXECUTIVE DIRECTOR,
NATIONAL FISH AND WILDLIFE FOUNDATION,
BEFORE THE SENATE COMMITTEE ON AGRIGULTURE REGARDING
STRENGTHENING CONSERVATION THROUGH THE 2012 FARM BILL
February 28, 2012**

The National Fish and Wildlife Foundation (NFWF) was established by Congress in 1984 to leverage federal and private funds to conserve fish, wildlife, and their habitats. Since inception, NFWF has been successful in bringing together public and private partners to build strategic partnerships to address the most significant threats to fish and wildlife populations and their habitats.

NFWF works actively with 14 federal agencies and more than 50 corporations and private foundations to coordinate and leverage funds for conservation through competitive grant programs. To date, NFWF has leveraged $576 million in federal funds into $2 billion through 11,600 conservation projects. Through our grantmaking, NFWF strives to support conservation actions that are cost-effective and maximize sustainable outcomes for fish, wildlife, plants and other natural resources while positively impacting working lands and local economies.

The goal of NFWF is to ensure abundant wildlife species in order to allow the economic health of our nation to continue. The key elements of our approach include:

(1) Leverage
(2) Efficiency
(3) Partnerships
(4) Impact
(5) Measurable Outcomes

Since inception, NFWF has focused on the stewardship of private working lands and provided hundreds of grants to agricultural organizations to benefit thousands of agricultural producers in all 50 states. To advance these efforts, NFWF established a formal partnership in 2000 with the Natural Resources Conservation Service (NRCS) to work with other federal agencies and private partners to provide grants for working lands conservation in specific geographies and habitats.

Our partnership has expanded in recent years to include technical assistance grants and this effort with NRCS has been formalized through NFWF's new Conservation Partners Program. This partnership approach has proven to be successful and we believe it is a model that should be replicated in the 2012 Farm Bill.

We appreciate the opportunity to discuss our innovative partnerships with NRCS, NFWF's Conservation Partners model, and our role in partnering and leveraging to provide more technical assistance for the effective delivery of Farm Bill conservation programs.

NFWF's Conservation Partners Program

NFWF is successfully building bridges between the federal government and private sector to benefit NRCS's mission to "work with landowners through conservation planning and assistance designed to benefit the soil, water, air, plants, and animals that result in productive lands and healthy ecosystems". As the NFWF-NRCS partnership has grown, we have identified positive alignment in many of our conservation priorities and opportunities to further leverage our resources. As a result, more financial and technical assistance is available for landowners to keep working lands working while providing conservation stewardship of natural resources.

To achieve success, we have worked with NRCS to select the best opportunities to bring together limited resources to maximize conservation outcomes for select species, habitats, and regional landscapes. This approach culminated in the announcement of a new NRCS partnership with NFWF that focuses on providing technical assistance to landowners in priority conservation areas. The Conservation Partners Program (CPP), administered by NFWF, will provide nearly $20 million in grants on a competitive basis to support field biologists and other habitat conservation professionals working with NRCS field offices in providing technical assistance to farmers, ranchers, foresters, and other private landowners to optimize wildlife habitat conservation on private lands. These grants will increase the technical capacity of NRCS, leverage additional funds for their work, and expedite the delivery of programs such as Wildlife Habitat Incentives Program (WHIP), Environmental Quality Incentives Program (EQIP), and Conservation Reserve Program (CRP).

CPP will build on NFWF's existing partnerships with NRCS to benefit species and ecosystems of mutual interest. CPP grants will be awarded in the following priority areas: Great Lakes, Shortgrass Prairie, Longleaf Pine, Gulf of Mexico, Chesapeake Bay, Northeast Forests, Upper Mississippi River Basin, Prairie Potholes, and Bay Delta. Several of these established conservation initiatives in which CPP will be utilized are described below.

- **Great Lakes -** Concurrent with the federal government's Great Lakes Regional Collaboration in 2005, NFWF established a grant program in partnership with the U.S. Environmental Protection Agency, NRCS, U.S. Fish and Wildlife Service, Forest Service, and National Oceanic and Atmospheric Administration. ArcelorMittal, the world's leading steel company, joined the partnership in 2008 and contributes significant resources to the program. The purpose of the Sustain Our Great Lakes grant program is to sustain, restore and protect fish, wildlife and habitat in the Great Lakes basin by leveraging funding, building conservation capacity, and focusing partners and resources toward key ecological issues. The program helps to implement the federal government's Great Lakes Restoration Initiative through on-the-ground habitat restoration projects and conservation technical assistance to private landowners.

  To date, Sustain Our Great Lakes has awarded 133 grants worth $20.6 million in federal and corporate partner funding. Grantees matched this funding with an additional $21.8 million, for a total conservation investment of $42.4 million. Priority investments include improving the quality and connectivity of tributary, wetland and coastal habitats, controlling aquatic invasive species, and reducing phosphorous inputs to streams and lakes. Within this priority

framework, this year's grants will include a stronger focus on agriculture-based conservation. We expect to make significant technical assistance investments in projects that address dairy operations in the Fox River watershed in Wisconsin, sugar beet farms in the Saginaw River watershed of Michigan, and corn and soybean farms in the Maumee River basin of Michigan and Ohio.

- **Shortgrass Prairie/Lesser Prairie Chicken -** NFWF and NRCS also share an interest in conserving the shortgrass prairie ecosystem and improving habitat for the Lesser Prairie Chicken. Historically, NFWF has awarded various grants in Kansas, Colorado, New Mexico, Oklahoma, and Texas to benefit shortgrass prairie species. Grant recipients include the Playa Lakes Joint Venture, Cattlemen's Agricultural Land Trust, and various Resource, Conservation & Development Councils and Conservation Districts. Support from NRCS has enhanced NFWF's ability to leverage and coordinate a diverse array of federal and private resources for the region.

  In Kansas we have initiated an effort with TradeWind Energy to offset the impact of its Caney River, Kansas wind farm. TradeWind has provided $8.5 million to NFWF to permanently protect 18,200 acres of native prairie, restore thousands of additional acres of prairie and support needed research on ground nesting birds including Greater and Lesser Prairie-chickens. This is a landmark project that seeks to proactively and comprehensively offset the wildlife impact of a wind farm. To achieve maximum wildlife benefit in this program we are working closely with the U.S. Fish and Wildlife Service, Kansas Department of Wildlife and Parks and NRCS.

  We anticipate awarding $1.5-2 million of federal and non-federal funds in the near future to benefit Lesser Prairie-Chickens and other imperiled species of the short grass prairie. Importantly, a focus of the program is to support field biologists and other habitat conservation professionals to work with NRCS field offices in providing technical assistance to farmers, ranchers, and other private landowners to optimize Lesser Prairie-Chicken conservation on private lands. We have already seen the success of this model in New Mexico where nearly a dozen new private lands biologists will be working for the New Mexico Association of Conservation Districts and with private landowners to improve grassland conditions within the shortgrass prairie in 2012. We expect at least 100,000 acres of habitat to be improved, thereby accelerating recovery of the Lesser Prairie-Chicken and other grassland birds.

- **Gulf of Mexico -** NFWF has a long history of grantmaking in the Gulf region and was well-positioned to respond immediately when the Deepwater Horizon oil spill occurred in 2010. NFWF staff quickly met with biologists, species experts, and other partners, including NRCS, to discuss both short and long-term actions to protect fish and wildlife affected by the oil spill. The consensus was that migratory birds would be some of the hardest hit species and a comprehensive approach focusing on areas outside the spill zone was necessary to minimize impacts to these species. NFWF worked with NRCS to develop a strategy to encourage farmers and other private landowners to rapidly create aquatic and wetland habitats for stopover and overwintering habitat in advance of the fall migration.

Through philanthropic contributions by BP and WalMart, NFWF granted a total of $4 million to Ducks Unlimited, The Nature Conservancy, Alabama Wildlife Federation, Mississippi Wildlife Foundation, Texas R.I.C.E, and other local organizations with technical capacity to help NRCS enroll landowners into Farm Bill Conservation programs. NFWF's ability to leverage private contributions greatly accelerated the agency's Migratory Bird Habitat Initiative and helped create over 500,000 acres of new habitat for waterfowl and other migratory birds in the Gulf region.

- **Longleaf Pine** - Building on nearly a decade of investment to restore vanishing longleaf pine forests in the southeastern United States, NFWF established the Longleaf Stewardship Fund in 2011. This is a landmark public-private partnership that includes NRCS, U.S. Department of Defense, Forest Service, U.S. Fish and Wildlife Service, and Southern Company. With the combined financial and technical resources of the group, the expanded program will support accelerated restoration of the longleaf pine ecosystem and implementation of the Range-Wide Conservation Plan for Longleaf Pine.

  Organizations will receive grants to expand technical assistance to landowners in order to promote longleaf pine ecosystem stewardship on private lands. NFWF is working with our corporate and federal partners to establish specific measurable conservation goals that can be tracked over time. These goals will support the recovery of important keystone species of the longleaf pine ecosystem and advance specific habitat restoration goals outlined in the Range-Wide Plan.

- **Chesapeake Bay** - NFWF established the Chesapeake Bay Stewardship Fund in 2000. NRCS is a long-term federal partner in this public-private partnership, along with the other partners in the Chesapeake Bay Program including key partners such as EPA and the Forest Service. The Federal partnership has helped to attract corporate funders such as Altria and FedEx. The program plays a critical role in local implementation of the most innovative, sustainable and cost-effective strategies for restoring and protecting water quality and vital habitats within the Chesapeake Bay watershed. Grants, technical assistance, information sharing, and monitoring are all important components of the program that ensure project success and sustainable outcomes.

  Chesapeake Bay grants specifically focus on accelerating adoption of proven and innovative conservation practices on farmland, including outreach to Plain Sect farmers and others who may not be participating in Federal cost-share programs. The Fund has invested in livestock exclusion fencing, rotational grazing, cover crop decision support tools, precision agriculture, demonstrations of manure injection technologies, as well as alternative uses for excess manure. The Fund also invests in targeted habitat restoration on farmland, including wetland, forest buffer and stream restoration. With support from federal and private partners, more than $10 million was awarded for grants in the 5 states located within the Chesapeake Bay Watershed region and Washington, D.C. in 2011.

Background on NFWF-NRCS Partnerships

For over a decade, NFWF has worked with NRCS to provide grants to local organizations with the technical capacity to work with farmers, ranchers, foresters and other private landowners to conserve habitat on private lands and effectively deliver Farm Bill Conservation Programs. NFWF's partnership with NRCS began with direct congressional appropriations to NFWF and has grown through multiple cooperative agreements with the agency. Through these arrangements, NFWF has demonstrated our ability to leverage NRCS funds, coordinate strategic conservation activities, and effectively partner with NRCS programs to maximize federal investment in getting conservation on the ground. A brief summary of these partnerships is provided below.

- **Conservation Innovation Grants (CIG) -** In 2010 and 2011 NFWF was awarded five Conservation Innovation Grants through a competitive process that total approximately $2 million. CIG projects include "Accelerating and Sustaining Longleaf Conservation on Private Lands," and "Using Excess Manure to Generate Farm Income on the Chesapeake's Phosphorous Hot Spots." These are public-private partnerships that involve non-profit organizations such as the Longleaf Alliance and state agencies such as the Maryland Department of Agriculture. The multiple benefits to having all of these partners at the table include leveraged financial resources, developing a cohesive and coordinated strategy, and having common metrics to measure success.

  NFWF partnered with NRCS in 2008 through a cooperative agreement to administer the entire national Conservation Innovation Grants Program and the Chesapeake Innovation Grants Program for a total of $19 million. Grants ranged from "A Cooperative Conservation Framework for Improving Watershed Health" by the Iowa Soybean Association to work by the University of Missouri on "Helping Corn and Cotton Producers to Reduce Nitrogen Loss Using Crop Sensors." NFWF has been working with fifty-six organizations toward the completion of these projects.

- **Private Lands Technical Assistance Program (PLTAP) -** In 2010 NFWF and NRCS partnered through PLTAP to provide technical assistance at the field level. This program's intent was to try and get "more boots on the ground." NRCS field staff and local and state partners have been finding that they have a greater need today for this type of assistance than ever before. Farmers and ranchers need a variety of technical disciplines to get proper conservation plans in order to enter into Farm Bill programs that address energy development, modern agronomic practices, endangered species, water issues, and a host of other challenges facing agricultural production.

- **Coral Reef Conservation -** NFWF and NRCS established the Coral Reef Task Force Initiative in 2010 to provide support for underserved and disadvantaged farmers in the Guanica Watershed of Puerto Rico to reduce runoff from their crops that negatively impacts corals.

- **Long Island** – NFWF is helping to provide technical assistance to growers on Long Island to implement conservation practices that will help preserve the tradition of sweet corn production on the Island.

- **Strategic Watershed Action Teams** - NFWF is administering Strategic Watershed Action Teams, or SWATs, in the Longleaf Pine region (SC, GA, FL) and in New Mexico for Lesser Prairie-Chicken and Shortgrass Prairie habitat.

- **Direct Appropriations FY 2000-2006** - NFWF received an average appropriation of $3 million annually to further the mission of NRCS through a matching grant program focused on private lands conservation. Together, NRCS and the Foundation supported over 500 grants to conservation districts, universities, Resource Conservation and Development Councils, and non-profit organizations who partner on working lands with farmers, ranchers, and foresters to support conservation efforts on private land.

  Through direct appropriations, NFWF leveraged $21 million in NRCS funds into more than $85 million to conserve fish and wildlife habitat, reduce agricultural runoff, and remove invasive species. NFWF-NRCS grants were specifically targeted in specific geographies like the Great Lakes and working landscapes such as sagebrush and private forestlands. Examples of corporate and foundation partners in these efforts included Anheuser-Busch, ConocoPhillips, Kellogg Foundation, McKnight Foundation, and Southern Company, all of whom have a special interest in conserving habitat on private agricultural lands.

Recommendations

There is significant potential to strengthen the delivery of Farm Bill Conservation Programs through innovative partnerships with the non-profit sector and other non-federal entities. We are applying this paradigm in our CPP partnership and we encourage the Committee adopt a similar approach in the 2012 Farm Bill and to consider the consolidation of existing programs, such as Agricultural Water Enhancement Program and the Cooperative Conservation Partnership Initiative, that are similar in function.

In addition, we recommend that the Committee consider the following items to promote collaborative efforts and continue the success of agricultural stewardship within the Farm Bill:

- Flexibility – NRCS has been successful using existing authorities to achieve positive outcomes through public-private partnerships. New and/or consolidated programs should be streamlined, avoid additional bureaucracy and structured to implement programs in a timely manner. Importantly, NRCS needs the freedom to establish innovative and strategic partnerships with non-federal organizations.

- Leverage – The 2008 Farm Bill identified the importance of leverage. This should be reinforced and prioritized in the 2012 Farm Bill. There is significant potential to complement NRCS programs with the financial resources of non-federal organizations in the form of cash, equipment, people, or products. This is the basis for quantifiable leverage, meaningful partnerships and impactful projects.

- Measurable Outcomes – NRCS is incorporating measurable outcomes into their programs and this should continue. As a partner, NFWF is also committed to tracking and demonstrating results and seeks to promote adaptive management, demonstrate results, and continuously learn from project investment. It is important that all NRCS partnerships require demonstrable outcomes for fish, wildlife, water, soil, and other natural resources.

Conclusion

NFWF and NRCS have an incredible history of partnership and success. NFWF was established to leverage federal funds with private contributions to conserve fish and wildlife habitats and we have effectively catalyzed partnerships to benefit the mission of NRCS and voluntary conservation activities. NRCS has a variety of popular and successful programs that are critically important to the future of sustainable agriculture and stewardship of our natural resources. It is our objective to make the best technical assistance available, foster participation, and help NRCS meet the demand for enrollment in their programs.

NFWF adds value to NRCS and Farm Bill Conservation Programs by providing financial and other resources and, ultimately, helping to bridge the divide between agricultural production and working lands stewardship. During a time of fiscal constraint and limited staff within NRCS and other federal agencies, enhanced partnerships with non-federal organizations are especially important and mechanisms to foster these partnerships, at the lowest cost and greatest efficiency, should be prioritized in the 2012 Farm Bill.

We look forward to our continued partnership with NRCS and providing assistance to effectively deliver the 2012 Farm Bill Conservation Programs.

Testimony of Dave White, Chief

Natural Resources Conservation Service, USDA

Before the United States Senate Committee on Agriculture Nutrition, and Forestry

February 28, 2012

Good Morning, Madam Chairwoman, Ranking Member Roberts, and Members of the Committee. Thank you for the opportunity to appear before you today to explore the Nation's investment in conserving our soil, water, and other natural resources, and opportunities to strengthen conservation through the 2012 Farm Bill.

The Natural Resources Conservation Service's (NRCS) uses the existing suite of Farm Bill authorities and programs to help farmers and ranchers make and implement conservation choices that help them to achieve their environmental and economic objectives – from addressing regulatory pressures to ensuring that their lands remain in agriculture over the long-term. These conservation programs have a proven track record. They are good for farmers, ranchers and private forest landowners and they work for all Americans – helping to secure a strong American agriculture that is the foundation of our Nation's food security – for today and for future generations.

The 2012 Farm Bill can improve upon this solid foundation by continuing the commitment to a strong conservation title that streamlines conservation programs; increases flexibility to address the most pressing conservation needs of agriculture; and emphasizes projects that address regional priorities and leverage resources so that the public conservation investment goes further.

My testimony today will focus on three areas where NRCS has made strides over the past several years and that will be important in shaping conservation programs that work well for agriculture in the future:

1) Conservation results,

2) Improving performance, and

3) Innovation for the next era of conservation.

CONSERVATION RESULTS

Voluntary conservation on private lands works. Farm Bill conservation programs designed by Congress and implemented by NRCS are delivering results. Consider that between 2009 and 2011, NRCS working with farmers, ranchers and other partners have:

- Enrolled more than 127 million acres of land in 12 Farm Bill conservation programs. This is an area about twice the size of Wyoming that will now be improving in natural resource condition because of conservation applied through these Farm Bill conservation programs.
- Obligated over $6 billion in financial assistance in nearly 214,000 contracts with farmers and ranchers. This federal investment in many cases will be matched or exceeded by the contribution of the program participant, meaning that up to another $6 billion in private investments can be stimulated through these Farm Bill conservation programs.

So what does this mean for the health and condition of the landscape? A few examples demonstrate the breadth of the conservation portfolio:

The Environmental Quality Incentives Program (EQIP) continues to be the workhorse for American Agriculture. Between 2009 and 2011, EQIP helped farmers and ranchers implement conservation measures on over 38 million acres, focusing on addressing the most pressing natural resource concerns - voluntarily. And it works! Conservation practices like nutrient and grazing management, stream buffers and others implemented by farmers and ranchers were instrumental in removing eight Oklahoma streams from the US Environmental Protection Agency's impaired waters list in 2010. And this is just one example.

In order to continue this important work, the President's FY 2013 budget proposes better targeting of conservation programs in critical and impaired watersheds to accelerate agriculture's progress in meeting water quality goals. The budget builds upon the collaborative process already underway among Federal partners, including the Environmental Protection Agency, to demonstrate substantial improvements in water quality from conservation programs by ensuring that USDA's key investments through Farm Bill conservation programs and related efforts are appropriately leveraged by other Federal programs.

The Conservation Stewardship Program (CSP) reinvigorated in the 2008 Farm Bill is now among the largest USDA conservation programs, with nearly 38 million acres enrolled from FY2009 to 2011. Participants emphasize installing new conservation and use CSP funding to take the next steps to improve their stewardship. A key fact about CSP is that is places a premium on higher level management skills with higher payments for more complex management efforts, such as advanced nutrient management, that generate a greater

environmental benefit. Producers enrolled in this program are being equipped with the skills needed to farm sustainably in the future – a critical element as the world's population expands to 9 billion.

The Hannahville Indian Community in the heart of Michigan's Upper Peninsula found CSP to be a good fit for managing its natural resources. While gaming is currently a major economic activity, the tribe is working to develop a natural resources-based economy, and enrolled 4,000 of its 5,500 acres of land in CSP to further that effort. The tribe generates income from its land by using it sustainably, for example, timber is harvested about every 10 years, while herbs and other plants are harvested from the forest understory. Through CSP, the tribe is applying conservation measures to improve their wetlands, forest, and aquatic wildlife resources, which will help them to generate income from the land while conserving natural resources. Tribal leaders believe that sustaining the tribe's natural resources is the way to a prosperous future.

The Wetlands Reserve Program (WRP) will enter its 20th year in 2012. At 2.5 million acres nationwide, WRP provides a diverse array of benefits to the American public ranging from increasing wildlife habitat and improving water quality to reducing flood damages, and sequestering carbon. A few years ago, the first Louisiana Black Bear cubs to be born in the Mississippi Delta in 30 years, were born on a former soybean field that had been restored to wetland conditions through WRP. And even better news – at least one of those cubs has now had two cubs of her own. Once nearly gone from the State, the black bear population is 120 and climbing. Nationwide, landowner demand for WRP is stronger than ever, averaging over 210,000 acres enrolled each year during the 2008 Farm Bill.

The Farm and Ranch Lands Protection Program (FRPP) helps farmers and ranchers who decide to ensure that their productive land stays in agriculture for use by future generations. Owners of a Vermont dairy operation made that decision in 2009 and enrolled their 441-acre farm in FRPP. The family had farmed in Bridport since the 1950s and is in the dairy business for the long haul. The farm, a modern dairy with over 1,000 cows, also produces hay and corn. Manure is managed with the help of a methane digester that also produces energy. The easement was a business decision for the family, helping with their bottom line while ensuring that their land would be available for hay, corn, and cows over the long-term. It is a good example of how FRPP protects the most productive agricultural land from irreversible non-agricultural development. Between FY2009 and FY 2011, NRCS and partners enrolled approximately 476,000 acres, bringing total enrollment to over 980,000 acres.

Farmers and ranchers enrolled over 2.7 million acres in the Wildlife Habitat Incentive Program (WHIP) between 2009 and 2011. These participants are demonstrating that land can be agriculturally productive and wildlife friendly. For example, a producer in the Loess Hills of western Iowa enrolled in WHIP to restore prairie grasslands, which are high quality forage for grazing and critical habitat for grassland birds. The producer cleared invasive trees, improved grazing management, and installed fencing and wildlife areas along with grass buffers. The ranch's wildlife-friendly plan manages the grassland for the cattle and the birds in one of Iowa's most unique landscapes.

Conservation results are about much more than the number of acres and contracts or examples of positive outcomes, although these are important measures as well. Through the 2002 Farm Bill, Congress emphasized that USDA should be able to report on the benefits of conservation practices. In response, USDA initiated the Conservation Effects Assessment Project (CEAP) in 2003 to develop a scientific understanding and method for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP is built on partnerships and working collaborations involving Federal agencies inside and outside of USDA, land-grant universities, State agencies, and nonprofit organizations.

The first CEAP assessment of the effects of conservation practices on cultivated cropland was released in FY 2010 (Upper Mississippi River Basin), and followed in FY2011 by three additional reports (Chesapeake Bay Region, Great Lakes Region, and Ohio-Tennessee Basin). Common to all of these studies is that they document the strides that farmers have made in reducing sediment and nutrient losses from cropland, while also revealing that there is a clear opportunity for conservation efforts to deliver greater benefits for farmers and ranchers, their communities, and the Nation as a whole. These assessments show that:

- **The voluntary, incentives-based approach is achieving results** from the structural and management practices that are in place to control erosion and improve nutrient management.
- **Despite the gains, we can make even more progress** and in most places our focus has to be on nutrient management.

- **Conservation systems are needed to manage complex loss pathways** to control soil erosion and manage nutrients. This means managing for the four Rs of application—***right rate, right form, right timing,*** *and* ***right method.***
- **Targeting the most critical acres delivers the largest benefits** having twice or more the impact of treating the acres with low or moderate need for treatment.

These CEAP findings document the long-standing empirical evidence that conservation is delivering intended benefits, and help lay the foundation for improving program effectiveness.

Landscape-scale Initiatives are a perfect example of how conservation programs can respond to critical natural resource issues by merging science and program delivery, and targeting practices and geography to make a real difference on the landscape for natural resources and for farmers and ranchers. Over the past few years, NRCS has initiated 15 landscape initiatives, focusing on a variety of regionally important resource issues from wildlife species, such as the greater sage grouse and lesser prairie chicken, to water quality in Mississippi River Basin, Great Lakes, and Chesapeake Bay, and iconic landscapes such as the New England forests and North Central wetlands. In FY 2011, approximately $324 million in financial assistance was directed to these landscape-scale initiatives . To date in FY 2012, a total of $243.5million in financial and technical assistance was directed to landscape – scale initiatives. Participating farmers, ranchers, and other partners' contributions increase the investment significantly, making these initiatives an effective leveraging approach to resolving conservation objectives.

NRCS implements landscape conservation initiatives through a combination of conservation programs. The choice of program depends upon the nature of the resource concern within a

particular landscape and the programs that can best address those concerns. The Cooperative Conservation Partnership Initiative (CCPI) provision from the Farm Bill has been a very effective tool. CCPI offers opportunity to leverage Farm Bill programs with partner contributions to increase the amount available to target the natural resource need. Studies conducted under CEAP identify that targeting the areas with the greatest potential for improvement brings the best return on investments in conservation. Landscape conservation initiatives enable NRCS to most effectively address priority natural resource concerns by applying selected practices in target areas.

NRCS' commitment to conservation results is further demonstrated through the agency's progress in developing and implementing outcome measures to track performance across all of its conservation activities. In 2013, we will measure and report on how our activities have improved: soil health on cropland, grazing and forestland sustainability, water quality, fish and wildlife habitat, and air quality, among others. By developing, testing, and using outcome measures, NRCS will improve its ability to focus Farm Bill programs to achieve the greatest benefits for the land, the landscape, and the farmers and ranchers who are our partners in conservation.

IMPROVEMENT EFFORTS

The President's 2013 Budget Proposal released earlier this month makes clear that while a strong commitment to conservation exists, we will need to find more efficient and effective ways to meet our customers' needs. NRCS is committed to managing effectively in this budget climate.

Consistent with the USDA Blueprint for Stronger Service, NRCS is taking a holistic look at our entire organization to identify opportunities to excel as a 21st century organization that can thrive through changing budgetary climates and ultimately put more conservation on the ground.

For example, NRCS is currently working on a Conservation Delivery Streamlining Initiative (CDSI) to make participation in USDA's conservation programs easier for customers and the delivery of programs less complex for employees. Through the CDSI, NRCS is redesigning its business model and processes and identifying integrated IT solutions to do just that. In February of this year, NRCS is piloting two new tools designed around this streamlined approach:
(1) The Conservation Desktop will remove some administrative burden so that planners can spend more time in the field working with our clients. We estimate that this will eventually allow field staff to spend as much as 75 percent of their time in the field with clients.
(2) The web-based Client Gateway will allow our customers to work with NRCS at their convenience 24/7, to apply for programs; start the process of checking their eligibility; evaluate plan alternatives, view plans, maps, and contracts for their farm; and eventually sign many documents. We estimate that this could save our clients over 750,000 hours annually in travel time and document management tasks. The Client Gateway will eliminate the need for a client to visit our offices to do business with NRCS.

Nationwide release of these two tools is planned for the end of 2012, while nationwide rollout of Mobile Planning technology is expected in late 2013. Mobile Planning will mean that our conservationists will have access to all the data and tools they need while in the field with the

client. By eliminating duplicate data entry and extra trips, NRCS will significantly enhance the timeliness of program delivery, and create the equivalent of 1,200 additional staff years in field assistance to customers.

INNOVATION FOR THE NEXT ERA OF CONSERVATION

This Nation's agricultural conservation commitment, established in 1935 and improved each year following, has a remarkable record. Resulting conservation efforts agricultural lands have generated significant benefits, from bringing productive land back from the brink of devastation in the dust bowl days to helping speed recovery of imperiled species to restoring streams that have been "listed" as unfit for their intended uses.

Today, we are challenged to sustain the conservation gains of the past while taking the next increments in improving natural resource quality and condition. The challenge is heightened in a future where federal dollars may begin to take a back seat to private capital. To rise to these challenges, our conservation effort will have to adapt and improve. In this budget climate, we need to:

1) Make conservation more accessible.

2) Engage new partners in supporting conservation, and

3) Develop and test new approaches that provide farmers, ranchers, and their communities with a more varied set of tools and incentives.

Make conservation more accessible

NRCS is increasing access to conservation assistance in a number of ways from outreach to historically underserved groups and nontraditional producers to increasing the availability of technical assistance through innovative partnership agreements.

NRCS has made a concerted effort both in program funding and outreach to improve participation by Historically Underserved Producers, including socially disadvantaged, beginning farmers, and limited resource producers. In FY2011, we increased participation in all of these groups, most notably participation by socially disadvantaged producers. Overall, of the nearly 23 thousand applications received from these groups almost one-half were funded for a total of nearly $236 million in financial assistance.

Outreach to nontraditional producers, such as specialty crop and organic producers, through special initiatives is increasing their participation in conservation programs. The 2011 Organic Initiative saw a 20 percent increase in the number of participants from 2010. Producers enrolled more than 95,000 acres in the initiative, which helps them apply conservation measures for existing or transitioning organic production systems. High tunnels, often used in organic production, have been very successful since the pilot started in 2010. In just 2 years, nearly 4,500 high tunnels have been installed; this practice provides a controlled environment that helps with water quality, pest management, and soil quality, and extends the growing season.

Getting participants signed up is a first step, but increasing conservation on the ground requires technical assistance. In 2011, NRCS deployed Strategic Watershed Action Teams (SWAT) to

help meet the needs in Landscape Scale Conservation Initiatives areas. SWATs were developed under partnership agreements with nongovernmental organizations (NGOs), State and local units of government, universities, and other entities that could provide the needed technical skills and personnel. The teams are supervised by the partner organization but work under the technical direction and guidance of NRCS. In FY 2011, NRCS committed $20 million through partnership agreements, which leveraged another $11.8 million in non-federal funds to address priority resource concerns in these initiatives.

The partnership agreements enabled NRCS to leverage additional resources, with partners contributing at least a 25 percent match to the NRCS commitment, and some partners brought well over a one-to-one match. In addition, the agreements helped NRCS build stronger relations with partners. The Longleaf Pine Initiative provides an example. Under an agreement between NRCS and the National Wild Turkey Federation (NWTF), NRCS provides technical assistance funds to NWTF, which provides financial and technical assistance to help individual participants develop conservation plans. NRCS then provides financial assistance to help the participant implement the plan.

Engage new partners in supporting conservation,

To expand the reach of our conservation programs, going forward we will need to bring in new partners and new resources. Existing programs do an outstanding job of leveraging conservation investment. Consider that funds made available through our working lands programs, like the Environmental Quality Incentives Program, provide only a share of the total cost of conservation practices. Producers provide the balance, which many times is an equal share; in effect doubling

the public investment in conservation measures that will generate natural resource benefits for their operations, communities, and watersheds.

Through our Earth Team program, volunteers donate their technical skills to accelerate conservation adoption. In FY 2011 alone, volunteers nationwide donated more than 435,000 hours, equivalent to about $9.3 million in assistance to getting conservation on the ground. Right now, in our Clarksville, Tennessee, Field Office, soldiers wounded in the line of duty in Iraq and Afghanistan are working as Earth Team volunteers with our people to put much-needed conservation practices on the land. These soldiers are giving us the benefits of their motivation and discipline while they learn new skills and get a civilian work reference as they recover.

While current programs have a demonstrated track record in leveraging resources, in this budget climate we will be looking for ways to leverage more non-federal resources for the purposes of conservation. Environmental markets and credit trading will be one avenue to explore.

The 2008 Farm Bill provided direction to USDA to explore opportunities for environmental markets as a tool for leveraging non-federal resources to achieve clearly defined natural resource outcomes. While still in their infancy, environmental markets show promise for encouraging innovation and investment in conservation, improving accountability, reducing costs of restoration, and expanding economic opportunities for landowners. NRCS' emphasis on measuring outcomes is an important stepping stone to further development of environmental markets.

USDA has formed and is leading an interagency Environmental Markets Team to coordinate among federal agencies, States and stakeholders in the development of trading programs in the Chesapeake Bay, as well as facilitating work on other market-based approaches in habitat, wetland, stream and shoreline restoration, marine markets and other applications.

Through the Conservation Innovation Grants (CIG) program, NRCS is supporting local organizations in their efforts to pilot credit trading projects to achieve locally important objectives. For example, in FY 2011, The Freshwater Trust in Oregon was awarded a CIG to demonstrate environmental market tools to benefit rural communities and farmers. The example starts with a temperature total maximum daily load (TMDL) in rural Oregon. The CIG project partners were able to finalize a first of its kind water quality trading program for a small utility that will help the utility meet the TMDL requirements and bring $10 million in new conservation funding to establish and improve riparian areas on working agricultural lands in the next 10 years. These conservation efforts cost significantly less than gray infrastructure and generate multiple environmental benefits such as improving habitat for birds and other species, reducing carbon in the atmosphere, stabilizing banks to control sediment and reducing runoff from agriculture and roads. Long-term, water quality trading programs could steer millions of dollars in compliance investment to producers, making conservation a more profitable component of productive farms, forests and ranches.

NRCS continues to explore new opportunities to accelerate conservation adoption. The experience with focused initiatives has yielded demonstrated benefits for producers, natural resources, and the public.

Certainty offers another promising addition to the conservation toolbox. As the name implies, this approach provides certainty that the good conservation efforts of farmers and ranchers will be recognized, and that policy actions won't affect their operations so long as they continue their conservation actions. Certainty can take many different forms; from the "safe harbor" approach that has long been used for the protection of threatened and endangered species to newer models seeking to address water quality objectives. Our experience with this new approach touches on both.

The Greater Sage Grouse Initiative focused in 11 western states, has been in place for nearly 2 years. Through that effort, USDA worked with the Fish and Wildlife Service to establish a certainty process to protect this iconic western bird, a candidate species for listing under the Endangered Species Act, while also preserving the ranching heritage that underpins the economy and the social fabric of the region. In FY2010 and 2011, over 400 producers enrolled 1.7 million acres of land in conservation efforts to improve and protect habitat that is essential to the grouse and essential to the viability of ranching. The combination of conservation easements that protect large and intact working ranches and conservation measures that improve habitat are expected to yield population increases over time. For example, grazing systems implemented on 1.3 million acres is increasing hiding cover for nesting birds and is expected to increase greater sage-grouse populations by 8 to 10 percent. Participating farmers and ranchers are provided certainty that they can continue to conduct these conservation practices, such as prescribed grazing, even if the bird is eventually listed under the Endangered Species Act (ESA); and the proactive efforts of farmers and ranchers are critical in precluding the need to list.

This approach is now being duplicated in five States where NRCS and its conservation partners are helping farmers and ranchers enhance, restore and protect habitat for the Lesser Prairie Chicken. This grassland-nesting upland bird is found in mixed grass, sand-sage and shinnery oak prairies of western Kansas, southeast Colorado, northwest Oklahoma, the Texas panhandle, and eastern New Mexico. Once widely distributed, the Lesser Prairie Chicken has experienced a 92 percent reduction in population since European settlement. As with the Greater Sage Grouse, many of the conservation practices that promote healthy grazing lands are also productive for this reclusive bird as well as other wildlife.

The certainty approach applies to more than habitat and wildlife. With our partners, USDA has been exploring opportunities to apply the concept successfully to improving water quality. In January 2012, USDA signed a Memorandum of Understanding (MOU) with the U.S. Environmental Protection Agency and the State of Minnesota to support the State's development of a new program designed to increase the voluntary adoption of conservation practices that protect local rivers, streams and other waters. Through this partnership, producers who undertake a substantial level of conservation activities to reduce nutrient run-off and erosion will receive assurance from the State that their farms will meet Minnesota's water quality standards and goals during the life of the agreement. Establishment of this program will protect water resources by providing assurances and incentives to participating farmers that their good deeds – their strong commitment to conservation – will be recognized. Farmers will know the rules of the game while the state, EPA and the public will know that this program will lead to cleaner water. There is much yet to be defined as Minnesota goes forward in developing its Minnesota Agricultural

Water Quality Certification Program (AWQCP), but the MOU signing formalizes the state-federal partnership and confirms a joint commitment to developing and implementing the program.

There is every reason to be confident that the Minnesota effort will be a success. The Michigan Agricultural Environmental Assurance Program (MAEAP), in place since 1999 has a proven track record in accelerating conservation adoption and delivering results. MAEAP was developed by a coalition of farmers, commodity groups, state and federal agencies, and conservation and environmental groups to help protect and enhance the quality of natural resources. It is a partnership effort unified for the protection of natural resources and advancement of positive community and neighbor relations. With confidentiality guaranteed by law, MAEAP provides a structure under which Michigan farmers can be assured they are effectively following all current Right to Farm Generally Accepted Agricultural and Management Practices (GAAMPs) and are working to comply with state and federal environmental laws specific to each system of the program.

Likewise, the Louisiana Master Farmer Program helps agricultural producers voluntarily address the environmental concerns related to production agriculture, as well as enhance their production and resource management skills that will be critical for the continued viability of Louisiana agriculture.

Over the past several years, USDA has been discussing a framework for certainty with Chesapeake Bay states that could serve as a tool for engaging producers in conservation

activities while providing some certainty to producers who have concerns about how they might be affected by the TMDL. And there are other models as well. In 2011, the State of Virginia took legislative action to provide certainty to agricultural landowners or operators who implement a resource management plan that they are in full compliance with State nutrient and sediment water quality requirements.

Like any other conservation tool, certainty is not a panacea but expands the options for achieving our shared objectives for sustaining agriculture and the natural resources upon which we all depend. NRCS is committed to a continued effort to explore and innovate to provide conservation solutions that make economic and environmental sense for farmers, ranchers, and other private land owners and managers – to do our part in supporting an American agriculture built to last.

CONCLUSION

We have extraordinary challenges ahead – creating new opportunities for economic growth in rural America, transforming our energy supply, safeguarding the health of the environment, and providing a safe and sustainable food supply. The Farm Bill programs designed by Congress will have an important role to play in our Nation's success with each of these challenges.

Our farmers and ranchers know better than anyone the value of clean water, clear air and healthy soil for agricultural production. They know that land stewardship secures the future, and they have made incredible strides to protect the land they rely on. Through programs such as the Environmental Quality Incentives Program and the Conservation Stewardship Program, NRCS

builds partnerships with farmers, ranchers, and forestland owners to make their operations more sustainable. These conservation efforts improve soil fertility and reduce soil erosion, improve fertilizer use and water use efficiency, reduce energy use, and enhance overall productivity.

The Nation's investments in private lands conservation are good for farmers, ranchers, and forestland owners—reduced input costs directly help the bottom line, while improved soil and water quality help maintain and enhance long-term productivity while minimizing regulatory pressures. These same investments in conservation work for all Americans, by contributing to healthy landscapes, healthy communities, and to the food security of our nation and the world.

The 2012 Farm Bill can improve upon this solid foundation by continuing the commitment to a strong conservation title that:

1) Streamlines conservation programs so that they make the most sense for participants and are more straightforward for those that deliver them;

2) Increases flexibility so that programs can be used most effectively to address the most pressing conservation needs of agriculture; and

3) Emphasizes projects that address regional priorities and leverage resources so that the public conservation investment goes further.

Thank you for the opportunity to be here today to discuss opportunities to strengthen conservation programs. I am happy to answer any questions from the Committee members.

DOCUMENTS SUBMITTED FOR THE RECORD

FEBRUARY 28, 2012

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February 28, 2012

The Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

The Honorable Pat Roberts
Ranking Member
Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

Thank you for your Committee's efforts to reauthorize the 2008 farm law and the opportunity to comment on conservation programs therein.

The National Cotton Council (NCC) is the central organization of the United States cotton industry. Its members include producers, ginners, cottonseed handlers, merchants, cooperatives, warehousers and textile manufacturers. U.S. cotton is a cornerstone of the rural economy. The scope and economic impact extend well beyond the approximately 19,000 farmers that plant between 9 and 14 million acres of cotton each year. Taking into account the diversified cropping patterns, the nation's cotton farmers cultivate more than 30 million acres of land each year.

A majority of the industry is concentrated in 17 cotton-producing states, while the downstream manufacturers of cotton apparel and home furnishings are located in virtually every state. Farms and businesses directly involved in the production, distribution and processing of cotton employ almost 200,000 workers and produce direct business revenue of more than $27 billion. Annual cotton production is valued at more than $6 billion at the farm gate, the point at which the producer sells. Accounting for the ripple effect of cotton through the broader economy, direct and indirect employment surpasses 420,000 workers with economic activity well in excess of $100 billion. In addition to the cotton fiber, cottonseed products are used for livestock feed, and cottonseed oil is used as an ingredient in food products as well as being a premium cooking oil.

Conservation programs are extremely important to cotton producers across the country. They provide an avenue for producers to not only protect the environment but also implement changes in their operation to improve productivity while reducing ever increasing costs. According to the most recent USDA Agricultural Resource Management Survey (ARMS) data, in 2007 10% of acres planted to cotton were enrolled in a cost share conservation program (similar to other commodities); 76% were in the Environmental Quality Incentives Program (EQIP) and 23% were in the Conservation Security Program (interest in the re-formed Conservation Stewardship Program (CSP) was also very high across the cotton belt).

The NCC continues to support voluntary cost share conservation programs as an effective complement to commodity provisions. However, conservation funding must be balanced with budget considerations that effectively fund the commodity provisions under Title I. We recognize the budget constraints the Committee faces and look forward to working with the Committee for balanced commodity and conservation provisions that provide a safety net and support for conservation efforts. The following are more specific comments.

Conservation programs should be voluntary, reward producers for current environmentally-friendly practices and encourage adoption of new practices. Programs such as EQIP, CSP, the Conservation Reserve Program (CRP) and the Wetlands Reserve Program (WRP) achieve these objectives by providing assistance for approved conservation practices, rewarding producers for implementation of basic and enhanced conservation programs on working lands as well as providing means to devote marginal production acres to long-term conservation uses. It is our understanding that your recommendations to the Joint Committee on Deficit Reduction included a sizeable consolidation of programs. We believe this is a step in the right direction. Consolidating programs streamlines the overall structure for producers as well as the Natural Resource Conservation Service (NRCS) employees who implement these programs.

As your Committee further reviews these programs, we believe that conservation programs should be prioritized within the specific regions of the country so that the highest emphasis is placed on the most critical issues instead of relying solely on national priorities. This approach would allow states to better tailor programs that are vital to critical acres in their state or region. In addition, it complements the consolidation of programs that has already been proposed.

For any conservation programs to maximize federal expenditures with conservation benefits, they should be applicable to commercial-size farming operations. It is important to have farmers of all sizes in conservation programs. Unfortunately, some of the current eligibility requirements for programs such as CSP make it restrictive for commercial-size operations to participate. For example, producers farm in multiple counties and possibly even multiple states are required to have all the land under their control in a CSP contract to participate in the program. This makes little sense when the topography, soil and water issues may vary vastly from one portion of the property to the other, which could be many miles away. In addition, the NRCS has not implemented the payment limitations provisions of CSP consistent with the intent of Congress. Arbitrary limits should never be imposed on conservation or commodity programs. However, if Congress chooses to include limitations within CSP, the intent of Congress that was included in the 2008 law should be reaffirmed. Congress clearly intended a limitation to apply to individuals or legal entities and not contract amounts. The Farm Service Agency has already established a complex set of eligibility requirements for farm support programs that most producers are

familiar with. Eligibility requirements between NRCS and FSA should be consistent to avoid administrative confusion and minimize organizational difficulties experienced by participants.

It is our understanding that one of the proposals within your recommendation to the Joint Committee on Deficit Reduction was a reduction in CRP acreage as current acreage expires. Of the 6.5 million acres set to expire this year, 2 million of those acres are within cotton belt states. CRP has been instrumental in reducing soil erosion across the cotton belt. This is especially true in West Texas where dust storms have dramatically decreased as more land was enrolled in CRP. It is our hope that despite these reductions, USDA will still have the ability to enroll critical lands in this program.

Finally, to maximize the availability of land-based conservation programs, adequate technical support and communications should be employed by NRCS, including the use of consultants when needed. While the vast majority of NRCS employees do an outstanding job, there is always room for improvement. NRCS employees need to consistently interpret program requirements to avoid confusion among participants in different geographic areas. In recent years, we have heard from far too many producers who were interested in various conservation programs but did not sign up because of incorrect information from their local NRCS office. As programs are streamlined through consolidation, it is critical that technical assistance be available for the producer as well as adequate training for NRCS personnel. In addition, the consolidation of programs should result in the streamlining of the application processes to minimize paperwork and ease implementation. By operating the programs in a consistent manner with FSA eligibility rules, minimizing the paperwork and ensuring the expert knowledge is available, we believe conservation programs can continue to protect and improve our environment while also improving the capabilities of food and fiber producers across the country.

Thank you for the opportunity to comment on these programs. We look forward to working with you and your staff as the reauthorization process continues.

Sincerely,

C.B. Coley
Chairman

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Sam Brownback, Governor

February 28, 2012

Honorable Senator Debbie Stabenow, Chairwoman
Honorable Senator Pat Roberts, Ranking Member
Senate Committee on Agriculture, Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC 20510

RE: 2012 Farm Bill

Dear Chairwoman Stabenow, Ranking Member Roberts and Committee Members,

The State of Kansas respectfully requests your consideration of conservation program adjustments under the 2012 Farm Bill. Our requests focus on the issues of water conservation and drought response.

Water Conservation

Strategic program adjustments of the USDA Natural Resource Conservation Service's Environmental Quality Incentive Program (EQIP) are recommended so the program may more effectively address High Plains aquifer conservation.

The High Plains aquifer, which consists of the Ogallala and smaller interconnected aquifers, has been a reliable, primary water source for portions of eight states. However, the recharge, or the amount of water entering the aquifer, is much less than the amount of water being withdrawn. Over the past 60 years, withdrawals have caused water level declines of up to 100 feet in some areas. Crop irrigation is the largest use with withdrawals having grown to more than 16 million acre-feet annually[1]. Conserving and extending the life of the High Plains aquifer will provide economic stability to the region and long-term benefits to producers and other water users.

Kansas has a long history of successful agricultural production in the High Plains region. Kansas' 1st Congressional District is the nation's top congressional district in value of marketed agricultural products. Roughly two-thirds of Kansas' agricultural economic value comes from the counties overlying the Ogallala aquifer. Nationally, the High Plains region supplies approximately 25 percent of the nation's agricultural production.

[1] Stanton, Jennifer, et al, February 2012. Selected approaches to estimate water-budget components of the High Plains, 1940 through 1949 and 2000 through 2009, U.S. Geological Survey, Scientific Investigations Report 2011-5183.

This production success in the High Plains states is exacting a serious over-draft on the aquifer. Now, more than ever, conserving and extending the life of the aquifer is absolutely necessary to continue to serve national and international markets, provide for the future of agribusiness, and support rural communities and healthy land management.

There have been tremendous advances in agricultural equipment and techniques that improve irrigation application efficiencies. The bioscience industry is making strides in plant physiology and genetics for drought-tolerant crops and higher yields. However, adoption of improved biotechnology or irrigation technology without water reductions or water use restrictions has not been shown to conserve water. It is instead more efficiently and productively using the same, or, in some cases, greater quantities of water.

The USDA Natural Resource Conservation Service's EQIP program is an important tool to address groundwater conservation. But there are changes that could greatly improve the lasting impacts of the support provided through EQIP and the Agricultural Water Enhancement Program (AWEP,) a subprogram of EQIP.

Kansas is seeking long-term High Plains aquifer conservation in areas of serious decline. The NRCS EQIP water conservation contracts are typically for three years of payment for four years of implementation; the AWEP has five years of payment for six years of implementation. In both cases, the practice is only required for that implementation period, and the payments reflect foregone income during that period. It is not uncommon for landowners to go back to full irrigation after the NRCS contract expires, particularly during years of high commodity prices. Although the EQIP contracts provide short-term benefits, an opportunity to obtain lasting conservation is lost.

We respectfully request the following modifications:

1. Authorize NRCS EQIP to address the High Plains aquifer declines with support for land use change that results in permanent water conservation. Amend an existing conservation practice, such as CP449 Irrigation Water Management, to incorporate limited or no irrigation. The state, or natural resource district if groundwater is managed at the local level, would be responsible for assuring the water right associated with the enrolled acreage is permanently dismissed, or using another mechanism to assure the enrolled acreage would have permanent groundwater conservation.

2. Authorize EQIP water quantity contracts to offer an option that supports permanent agricultural land conversion from full to limited irrigation, which, for purposes of this program, would be a 20 percent or greater reduction in the crop irrigation requirement. Studies have indicated it can be more beneficial to the producer and regional economy to reduce the amount of water applied per acre on more acres, than an equivalent level of conservation from dryland conversion on fewer acres. A similar amount of water conservation can be achieved with much different economic impacts during the transition

period. The partial water right retirement on the enrolled acreage, or other legal mechanism for limited irrigation, would be the responsibility of the state or local natural resource district, as an eligibility requirement and not a responsibility of NRCS.

3. Allow EQIP water quantity contracts to be extended over ten years, with payments at a level that reflects the foregone income during that timeframe, for acres enrolled that will have a permanent, significant reduction in the level of irrigation. This could include a tiered payment based on the level of deficit irrigation. The attached table from USDA Risk Management Agency indicates an anticipated reduction in crop production based on a reduction in the irrigation water applied (based on a Nebraska study). This could serve as a guide in determining the foregone income for cropped acreage transitioned to limited irrigation.

4. Consider implementation of the above modifications in a pilot program within EQIP for the High Plains aquifer.

5. Within the High Plains aquifer conservation pilot program, allow use of conservation practices that use new technologies currently eligible within NRCS's Conservation Stewardship Program which could benefit groundwater conservation. These include use of telecommunications with irrigation systems, variable frequency drive motors, and GPS-guided irrigation system automation.

Drought Response

Kansas has experienced and continues to experience drought conditions in many parts of the state. According to the latest U.S. Drought Monitor, the southern half of the state remains in a moderate to extreme drought. In 2011, 71 of Kansas' 105 counties received USDA disaster declaration for drought. All-time records for high temperature and low precipitation were established in Dodge City and surrounding areas.

Cooperation from USDA was excellent in the delivery of disaster assistance and emergency program provisions. However, there are several areas that could be improved:

1. Change national policy on permitting authority for releasing Conservation Reserve Program (CRP) emergency activity. During extreme drought conditions, it is recommended that FSA State Committees be given broader authority to release larger areas instead of by individual counties. We encourage the use of the U.S. Drought Monitor or similar quality monitors to facilitate and expedite emergency CRP provisions.

2. Change national policy during extreme drought to release emergency CRP activity to counties beyond disaster declared counties. This action would allow haying, in areas of adequate rainfall, to be eligible for harvest, when a drought disaster has been declared, and also permit the donation of forage resources from CRP lands to producers within those defined disaster areas.

3. Permit Emergency and Managed Grazing on CRP practice CP-25, Rare & Declining Habitat, in states where the practice is devoted to grassland practices. Managed grazing for this grassland practice will provide the same benefits to the land as other traditional grassland CRP practices where grazing is allowed.

Thank you for your consideration of these items.

Respectfully,

Sam Brownback, Governor
State of Kansas

Dale Rodman, Secretary
Kansas Department of Agriculture

Tracy Streeter, Director
Kansas Water Office

PC: Tom Vilsack, Secretary, U.S Department of Agriculture
Eric Banks, Kansas State Conservationist, USDA NRCS
Rebecca Davis, Regional Director, USDA RMA

The Honorable Debbie Stabenow,
Chairwoman
The Honorable Pat Roberts,
Ranking Member
Senate Committee on Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC, 20510

The Honorable Frank D. Lucas,
Chairman
The Honorable Collin Peterson,
Ranking Member
House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC, 20515

February 27, 2012

Dear Chairwoman Stabenow, Ranking Member Roberts, Chairman Lucas and Ranking Member Peterson:

The Partnership of Rangeland Trusts (PORT) is an association of seven statewide, agriculturally oriented land trusts in California, Colorado, Kansas, Montana, Oregon, Texas and Wyoming, which are affiliated with statewide agricultural organizations in our respective states. Collectively, PORT members hold and administer over 1,150 permanent conservation easements encompassing more than 1.8 million acres of private, working lands. We believe that voluntary agreements on private lands provide one of the most efficient uses of limited public conservation dollars, produces extraordinary conservation results, and also supports the natural and economic health of our nation. **We therefore believe that the proposal made by the leadership of the House and Senate Agriculture Committees in the Budget Control Act process last year demonstrates that the Conservation Title can continue to meet vital national needs while sharing in budget reductions.**

Essential to America's great landscapes and the people, economies and wildlife that depend on them are critically situated, privately owned agricultural lands. These are lands of significant and under-rated value for public resources that supply essential services and benefits to citizens across the nation: the watersheds that store drinking water for America's cities and which provide essential winter ranges and migratory habitats for game species from ducks to deer; the meadows and fields that grow food and offer national food security and the open lands that buffer streams and rivers carrying water and nutrients for commerce and recreation.

Conservation Title programs in the Farm Bill help to protect these resources in a uniquely successful way – by funding a variety of voluntary partnerships and cooperative conservation efforts between the U.S. Department of Agriculture and private landowners. These conservation programs are essential to the sustainability of U.S. agriculture and forestry and to meeting the growing demand for food and fiber at home and abroad. Voluntary agreements between the USDA, non-governmental organizations and farmers and ranchers result in real conservation with multiple benefits for every region of America.

While America has become a more urban nation, agriculture, forestry and outdoor recreation continue to be essential to America's economy. According to USDA, farm and farm-related employment includes about 24 million jobs.

Estimates by the American Forest and Paper Association are that forest management and forest dependent industries account for approximately 5 percent of the total U.S. manufacturing GDP, produce about $175 billion in products annually, and employ nearly 900,000 people.

A study by US Fish and Wildlife Service found that hunting, angling and wildlife-dependent recreation contribute $122 billion annually to our national economy. Much of this economic activity is located in rural areas where these activities are vital to local economies. Natural resources-based products represent a significant proportion of the export sector so essential to our economic health. Indeed, U.S. agricultural exports exceeded $137 billion and accounted for a $42 billion farm trade surplus in 2011, one of the few bright spots in the American economy last year.

We urge you to reauthorize the Farm Bill in a manner that sustains the integrity and effectiveness of the Conservation Title. We, along with agricultural affiliates and conservation-minded landowners with whom we work, urge you to maintain conservation funding that meets our national needs by keeping our working lands in agriculture and available to wildlife and the rural communities which depend on them.

Thank you for your consideration of our views on this critical matter and for your service to the United States of America in these challenging times.

Signed,

California Rangeland Trust
Colorado Cattlemen's Agricultural Land Trust
Ranchland Trust of Kansas
Montana Land Reliance
Oregon Rangeland Trust
Texas Agricultural Land Trust
Wyoming Stock Growers Agricultural Land Trust

For more information, please contact:
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Other Supporting Organizations:
California Cattlemen's Association
Sacramento, CA

Colorado Cattlemen's Association
Arvada, CO

Kansas Livestock Association
Topeka, KS

National Cattlemen's Beef Association
Washington, DC

Northwest Rangeland Trust
Walla Walla, WA

Washington Cattlemen's Association
Ellensburg, WA

Wyoming Stock Growers Association
Cheyenne, WY

Supporting Individuals:
7K Ranch
Casper, WY

Allison Ranch
Hillside, CO

Banjo Sheep Company
Slater, CO

Barnett Ranch
Meeteetse, WY

Battle Creek Ranch
Parshall, CO

Beaver Mesa Ranch
Norwood, CO

Bear Lodge Cattle Co.
Devils Tower, WY

Beatty Canyon Ranch
Kim, CO

Bray Ranch
Norwood, CO

Brush Creek Ranch
Saratoga, WY

Budd Ranches Inc.
Big Piney, WY

C Lazy J Ranch
Savery, WY

Centennial Ranch,
Montrose, CO

Clear Creek Cattle Co.
Lost Cabin, WY

Cold Mountain Ranch
Carbondale, CO

Cordova Ranch
Colorado Springs, CO

Cummings Ranch
Trinchera, CO

D & W Livestock Co.
Newcastle, WY

Darnell Ranch
Newcastle, WY

Double D Ranch
Ridgway, CO

Drews Valley Ranch
Jack and Bev Sparrowk
Lakeview, OR

Focus Ranch
Slater, CO

Grindstone Cattle Co.
Daniel, WY

Hanson Ranch
Lusk, WY

Hat Ranch
Meeteetse, WY

Hell Creek Ranch
Walden, CO

Herbst Lazy TY Ranch, LLP
Shoshoni, WY

Hellyer Ranch
Lander, WY

Highline Ranch
Saratoga, WY

Holmestead Ranch
Fairplay, CO

Iva Mae Ranch
Walden, CO

King Ranch
Cheyenne, WY

Levalley Ranch
Hotchkiss, CO

Maxwell Cattle, Inc.
Larry and Sally Maxwell
Lakeview, OR

Mishurda Mountain Ranches
Thermopolis, WY

M and D Land Company
Casper, WY

Nuckolls Ranch Inc.
Hulett, WY

Lazy EZ LLC
Cheyenne, WY

Maxwell Cattle, Inc.
Lakeview, OR

Mendenhall Ranch
Rocky Ford, CO

North Fork Land & Cattle Company
Lander, WY

Notquitea Ranch
Freedom, WY

Oxbow Lazy U
Torrington, WY

Padlock Ranch Company
Dayton, WY

Patterson Ranches
Kim, CO

Rocking U7 Ranch
Collbran, CO

Rafter 26 Ranch
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Ramblin M Ranch
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Razor Creek Ranch
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River Meadows Ranch
Saratoga, WY

Rocking U7 Ranch
Collbran, CO

Rusk Ranch
Westcliffe, CO

Salisbury Livestock Company
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Salt Works Ranch
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Scanga Ranch
Poncha Springs, CO

Shahan Ranch
Chromo, CO

Summer Ranch
Steamboat Springs, CO

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Wild Divine Ranch
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Del Norte, CO

Wood River Ranch, LLC
Meeteetse, WY

XH Land and Cattle Company
Saratoga, WY

Testimony Submitted to the United States Senate Committee on Agriculture, Nutrition and Forestry

Grand Traverse Regional Land Conservancy
Glen Chown, Executive Director
Traverse City, Michigan

In partnership with the

Food and Farming Network of the Grand Vision-
Grand Traverse Bay Region, NW Lower Michigan
and
Heart of the Lakes Center for Land Conservation Policy (HOL)
Grand Ledge, Michigan

In solidarity with

The Land Trust Alliance (LTA)
and American Farmland Trust (AFT)

For the

2012 Farm Bill Hearing: Strengthening Conservation Through the 2012 Farm Bill

February 28, 2012

Thank you, Chairwoman Stabenow, Ranking Member Roberts and members of the committee, for the opportunity to provide written testimony regarding the Farm Bill's Conservation Title and the critical role it plays in providing our nation's farm families and businesses with the crucial financial and technical tools they need to preserve and protect our nation's working lands and associated natural resources while insuring these assets remain available for America's future.

First, let me commend you and your colleagues in the US House Committee on Agriculture for your collaborative, expeditious and thoughtful work in providing recommendations from your Committee to the Joint Select Committee on Deficit Reduction. It was not without notice to our friends and colleagues in the state and national conservation community that your Committee alone heeded the call for proactive collaboration toward reasonable funding reductions through the 2012 Farm Bill to address our nation's debt. *We feel strongly that the framework for the Conservation Title programs most critical to us and our partners throughout Michigan and the country were thoughtfully addressed in those recommendations and we sincerely hope that framework will provide the foundation for the further development of the Conservation Title.*

The Grand Traverse Regional Land Conservancy (GTRLC) is a 501(c)3 land trust organization founded in 1991 with the following mission: *Protecting Significant Natural, Scenic and Farm Lands, and Advancing Stewardship, Now and for All Future Generations.* Our service area includes Grand Traverse, Antrim, Kalkaska, Benzie and Manistee Counties in the Northwest Lower Peninsula of Michigan along the shore of Lake Michigan and its Grand Traverse Bay. This last summer we celebrated our 20th Anniversary and the protection of more than 35,500 acres of land and 113 miles of shoreline through the ownership of

33 nature preserves and 208 conservation easements held by our organization. A significant portion of those land protection efforts were done in collaboration with local units of government in our service area as well as the State of Michigan. Of the 208 conservation easements that we hold, more than 60 of them are agricultural conservation easements protecting over 1,600 acres of farmland. Working in partnership with the local farmland preservation programs in Peninsula Township on the Old Mission Peninsula as well as Acme Township on the eastern shore of the Lake Michigan's East Arm of Grand Traverse Bay, that total rises to over 5,000 acres of permanently protected farmland. Coupled with the robust farmland preservation program of the Leelanau Conservancy, the total of protected farmland in the Grand Traverse Bay region is well over 7,500 acres.

We submit this testimony in collaboration with the Food and Farming Network of the Grand Vision, a 6-county regional farm system support network established in 2008. At this organization's annual gathering last week, the Network adopted as its primary federal policy platform wholehearted support for the 2012 Farm Bill framework contained in our recommendations to the "Super Committee." We also speak on behalf of all of our state's land trusts through Heart of the Lakes Center for Land Conservation Policy, a statewide organization dedicated to promoting land conservation policy that advances the collective mission of land conservancies throughout the state. Our federal advocacy work is undertaken in solidarity with the Land Trust Alliance and American Farmland Trust, national membership and advocacy organizations that work to advance the goals of all of our nation's land trusts and farmland conservation programs.

At GTRLC, we are fortunate to have two local government partners in our farmland preservation work, each with dedicated local property tax revenue dedicated to the cause through initiatives of their respective voters. The farmland preservation program in Peninsula Township, established in 1994, is the oldest local-level farmland preservation program in the entire Great Lakes Region. Acme Township's program is one of the newer local programs in the region. In a report on the status of Peninsula Township's program in 2008, Dr. Tom Daniels of the University of Pennsylvania, a widely recognized expert on farmland preservation, characterized the program in Peninsula Township as "one of the most successful township-level land preservation programs in the United States." With nearly half of all active farmland in the township protected by agricultural conservation easements, this program has established a thriving long-term business environment for agriculture with a continuous stream of on-farm and new business investment and successful transition of farmland to the next generation of family farm operators and beginning farmers. Acme Township's program is headed toward the same level of success with nearly all of the township's farming families now officially requesting an opportunity to sell an agricultural conservation easement on their land.

The programs in this area of Michigan are located in the "West Michigan Fruitbelt," which has been identified by American Farmland Trust as one of the nation's most threatened agricultural regions in their landmark 2002 "Farming on the Edge" report. The collective and collaborative efforts in our region have protected considerable prime and unique farmland, including farmland that is globally unique by virtue of its location in the micro-climate made possible by the influence of Lake Michigan. This micro-climate uniquely allows for the production of stone fruits such as red tart cherries and, increasingly, nationally award winning viticulture. For nearly 100 years, Traverse City has been heralded as the

"Cherry Capital of the World" and is home to the National Cherry Festival – our country's oldest national harvest festival. The success of the farmland preservation programs in our region has served as inspiration for a host of other programs, such as the Ann Arbor Greenbelt Program. This program involves a partnership between the City of Ann Arbor and surrounding townships to protect the rich farmland surrounding the city as well as the rural character and quality of life these resources bring the area's residents and businesses alike. More than two dozen additional programs have taken hold in the state over the last several years, with 16 actively purchasing conservation easements on farmland, but with requests for funding consistently far exceeding funding available. More and more these communities are electing to tax themselves to generate revenue to purchase conservation easements on working lands and thereby secure a long-term business environment for agriculture in their areas of the state and secure the ancillary benefits these lands provide to the state's thriving tourism industry as well as the rural character that makes these communities attractive areas for people to live and work. *All of these programs, as well as the State of Michigan's own Farmland Preservation Program, have benefited enormously from the funds made available since 1996 through the Farm Bill's Farm and Ranchland Protection Program (FRPP).* From the program's advent in 1996 through 2010 $23.4 million in matching funds was allocated to the State of Michigan through the FRPP program. Those funds leveraged more than $42.9 million additional funds in entity-match and landowner donations, and permanently and strategically protected nearly 12,000 acres of farmland in the state. Clearly, with nearly a 2:1 match for every federal dollar, the program has been tremendously successful in garnering additional financial support. While we appreciate and readily support the host of conservation programs contained in the Farm Bill, we elect to contain this testimony to the working lands conservation easement programs currently prominent in the 2008 Farm Bill – primarily FRPP as well as the permanent easement purchases inherent in the Grasslands Reserve Program (GSP).

These programs are addressing a critical issue vital to the economy of the State of Michigan as well as our nation. *According to the National Resource Inventory, from 1982 to 2007, our country lost more than 23 million acres of farmland – an area the size of the state of Indiana. During the same period, Michigan alone lost more than 720,000 acres of farmland, with a disproportionate amount of farmland loss in those areas of the state best suited for fruit and vegetable production.* Michigan's agri-business economy is estimated at over $70 billion dollars annually, with one in four jobs in the state related to agriculture. Then US food and farming system contributes more than $1 trillion dollars to our national economy – more than 13 percent of GDP – and employs 17% of our workforce. Senator Stabenow and others are right to characterize the Farm Bill as a "jobs" bill, and the working lands easements made possible through the Farm Bill are critical agricultural business investment tools.

The statistics regarding farmland loss and the impact of agriculture in Michigan and to the country are startling and all too often missing from our national discourse. It is tempting in our farmland preservation work to get preoccupied with dollar signs and acreage goals, and while those totals tell a significant story of success, they do not adequately address the underlying challenges our nation is facing regarding the advancing age of our farmers and the pending intergeneration transfer of wealth of the "baby boomer" generation. For our farm families, that wealth is largely tied up in their farmland. *Without the tools needed to transfer these critical working lands into the hands of our next generation of farmers and farm families, these lands are at tremendous risk of conversion to non-agricultural uses,*

threatening our nation's food security and our regional economies. At the Grand Traverse Regional Land Conservancy, and with our state and national partners, the vast majority of all farmland preservation projects that are being undertaken are addressing this transfer of land to the next generation in the family or to a beginning farmer, and produce capital that is directly re-invested into the local and regional farm economy. The solutions made possible through opportunities to sell an agricultural conservation easement (infusion of capital, reduction in the base land cost, debt retirement opportunities etc.) on a family's farmland provide a much richer and more compelling narrative that should not be lost on your committee and the fundamental tools you can provide.

Transfer of the Family Farm

In Peninsula Township, where land prices have escalated tremendously over the last 20 years, the Edmondson family took quick advantage of the opportunity to sell agricultural easements through the township's farmland preservation program with matching funds from the Farm and Ranchland Protection Program. Over the course of several years, the family elected to protect all of their farmland – several hundred acres - retaining only those residential rights to accommodate the family's future housing needs. When both Ms. and Mr. Edmondson passed away, the funds from these sales made it possible for the other children to be fairly treated in the settlement of the estate - all too frequently the missing vital element in enabling the family farm to remain in agricultural use - and the restricted farmland accordable for the son who managed their farms to continue the farm operations. With new capital though the easement sale, the family was also able to expand their operation by adding a local farm market that sells primarily fresh fruit on a main thoroughfare in downtown Traverse City capitalizing on residents, visitors, and a growing list of restaurateurs interested in buying locally sourced fruits and produce.

In Leelanau County, Gary and Christi Bardenhagen owned a 184-acre property that produces much-celebrated local strawberries that are sold at area markets along with cherries and blackberries.

Christi's great-grandfather, Johann Bremer, homesteaded the land in 1865. The Bardenhagen's son Steve, 38, who has now taken over the farm operation, is the fifth generation to work this hilly, beautiful land. Steve and his parents say they could not have made the generational transfer of land without the help of the Leelanau Conservancy and the matching funds from the Farm and Ranchland Protection Program allowing them to sell a permanent conservation easement which allowed for Gary and Christi's retirement while making the farm affordable for Steve to purchase it from his parents.

Steve, like Christi and Gary, had a professional life off the farm for some time, but ultimately wanted to return to run the family farm. "It's a win-win," Gary stated in an article published in the Leelanau Conservancy's newsletter and website, "We get income for our retirement and can now sell the land to Steve at a price per acre that he can afford and that will cash flow for him."

The Implications for our Agricultural Infrastructure

In anticipation of the reauthorization of the Farm Bill, we have received multiple letters of support for continuation of the FRPP program. Some of the most compelling support has come from our friends in the agricultural processing arena. Michigan has identified agricultural processing as a key economic development opportunity, but obviously, those investments are predicated on the long-term availability of raw product - fruit, vegetables or other agricultural crops.

In a letter from Shoreline Fruit LLC, one of the country's largest producers of dried cherries, headquartered here in Traverse City, the company delineated a critical nexus between preserved farmland and their company's investment strategy. Last winter, the company's primary drying facility was designated as an Agricultural Processing Renaissance Zone by the State of Michigan allowing for certain tax breaks in support of a planned expansion which will add another drier line and double their production. Currently the plant annually processes approximately 20 million pounds of red tart cherries. Based on average yields, that requires 5,000 acres of high quality red tart cherry producing farmland. With the pending expansion, that will rise to approximately 10,000 acres. Critical to the company's decision to undertake their expansion, and to do it here in Acme Township, a rural township east of Traverse City, was the number of acres of protected farmland suitable for fruit production in the area. In a letter to our organization this last summer, Ken Swanson, the company's CEO made the following statement, "An array of factors influence an agricultural processing expansion project like the one we have proposed but one factor I feel is important to note is the existence of significant local acreage under easement that will remain in productive agriculture." The Shoreline Fruit expansion project is projected to result in between 45 and 70 new jobs for our region. Already, the company has added 27 new jobs, and the physical expansion of the facility is not yet even underway.

In a letter from Peterson Farms, a family owned and operated fruit processing company located NW of the city of Grand Rapids in Michigan's "Fruit Ridge", prized for its prime apple producing lands, their President and CEO Aaron Peterson make the following observation, "The decision to make the long term investment in planting an orchard site is often weighed against the opportunity to sell the land for other uses. The FRPP program provides growers an alternative that in many cases helps keep the land in agricultural use. Several of the growers we work with have been and are currently involved in the program. On several of those farms we have seen growers invest in making additional plantings and/or replanting existing orchards. We have also noted generational transitions taking place that help to foster long term continuity of the operation. In particular areas of the Old Mission Peninsula, and now in the Acme area, the number of newly planted trees has increased substantially in the last few years. This is an indication that the fruit industry will continue into the future, and can be attributable in part to programs like FRPP. "

The Chief Operating Officer of Burnette Foods, headquartered in Elk Rapids, shared the following in a letter to me this past August, Burnette Foods "employs approximately 500 people working in four plants that are owned by the company and a fifth that is affiliated with the company. All five plants are located along the West side of Michigan producing pie filling, apple juices and sauces, green beans and other fruit and vegetable shelf stable products. The vast majority of what we produce starts with fruits and vegetables grown in Michigan. There is a huge advantage to our company when we have a grower base in close proximity to our plants. This gives us freight advantages and the ability to know firsthand the growers we purchase from. We are hopeful that in these times of difficult budget decisions, consideration will be given to maintaining, as best possible, funds to support protection of farm land as it is critical to our business, our growers, our customers and our employees. These funds protect jobs and support a critical industry in Michigan."

Priorities for Michigan and our Nation's Land Preservation Community

We wholeheartedly recommend and advocate for sustaining the efforts that began in the Committee's work on the *Recommendations to the to the Joint Select Committee on Deficit Reduction* and call on you

to embrace the thoughtful Farm Bill Conservation Policy Platforms of the Land Trust Alliance and American Farmland Trust.

In that urgent effort this fall, virtually unprecedented cooperation regarding the needed consolidation and identification of priority programs was reached by the leading conservation interests in Michigan and throughout the country. We are aware of the deficit reduction goals of Congress and are willing partners in an effort to streamline the "alphabet soup" of programs in a manner that achieves cost savings while creating program efficiencies. The consensus recommendations on the part of the farmland conservation interests in Michigan and as espoused by our key national organizational partners in the Land Trust Alliance and American Farmland Trust are as follows:

1) Maximize funding for perpetual working lands easements. A working lands easement program (which could be a combination of FRPP and GSP as anticipated in the Committee's work this fall) needs to be fully authorized and funded at a minimum of the $1 billion baseline for FRPP established in the 2008 Farm Bill. If the programs are combined, the $1 billion baseline would include work on qualifying grassland projects that were formerly completed under GSP which had no baseline in the 2008 Farm Bill.

2) Retain a robust Wetlands Reserve Program. This program allows organizations such as ours to properly retire and restore lands once drained for farming use to their appropriate wetland functions that are critical to water quality and wildlife habitat.

3) Encourage the holding of easements by cooperating entities for all working lands easements, reducing upfront and long-term costs to the federal treasury. It would be far more cost-effective to achieve program goals through easements held by cooperating entities (like land trusts), for which USDA pays no more than 50% of the easement value and for which the cooperating entity takes responsibility for monitoring and stewardship of the easement.

4) Embrace Matching Funds Alternatives: Don't limit landowner generosity – give landowners the option of donating easement value to fulfill the entire match requirement for NRCS funds. The current requirement for a cash match restricts the use of FRPP and GRP for many landowners and land trusts. State and/or private funds for conservation easement purchases are limited, or simply not available, in many states with great potential for landscape-scale conservation. We support a 50% match requirement, but believe that allowing it to be satisfied through the broadest possible match requirements affords NRCS the ability to better strategically target critically important productive lands.

5) Recognize state conservation tax credits as match for easement programs. While Michigan is not currently one of them, at least fourteen states offer tax credits for donations and bargain sales of conservation easements. Such credits help to leverage the federal investment in FRPP and GRP easements and represent a direct state investment in the transaction that should be recognized as a state match for NRCS dollars.

6) Restore Department of Defense's ability to provide a match for conservation easement programs. Prior to the 2008 Farm Bill, funding from the Department of Defense (DoD) Readiness and Environmental Protection Initiative (REPI) provided a vitally important source of match for FRPP in numerous states, allowing cooperating entities to purchase conservation easements from farmers and ranchers whose lands also helped insulate military bases from encroaching

development. When the 2008 Farm Bill essentially converted FRPP into a grant program, it had the unintended consequence of disallowing use of these funds under the "no federal to federal match" rule. In many cases buffer funds served as the only source of match for cooperating entities. Its loss has effectively shut down use of FRPP in these areas.

7) Streamline the landowner application processes. FSA and NRCS now require multiple forms from landowners, some of which require the landowner to register with outside organizations. We hope the Farm Bill and the agencies will consider ways to simplify these requirements, which can be difficult to comply with, particularly for landowners without reliable Internet access and when NRCS and FSA are not set up to effectively help landowners complete the application.

8) Streamline appraisal practices. Appraisal reviews are essential to preventing abuse, but delays in agency appraisal reviews have been the single largest factor in slowing down FRPP projects. We support recent changes in the final rules, and hope that a new NRCS initiative of contracting with outside appraisal firms, will resolve this problem. Improving this area is key to shortening the time needed to close FRPP transactions. Further, fully implementing the "certified entity" rule and making simple appraisal monitoring provisions for nationally accredited land trusts and mature state and local farmland programs can further mitigate this challenge for completing projects.

9) If changes are made to project requirements in the new Farm Bill, every effort should be made to minimize the confusion and delays caused by having different projects proceeding under different rules and requirements. Because FRPP projects have taken so long to close, at one point FRPP projects were proceeding under at least three different sets of rules and requirements. Avoiding a repeat of this situation will be key to a successful bill. *A robust "certified entity" framework that shifts the program model to one that supplies matching funds for the program's purpose and defers to the expertise of accredited land trusts and well-established farmland preservation programs can easily reduce the complexity of the program administration, provide for greater programmatic efficiencies and reduce the workload of the USDA NRCS in program administration.*

10) Allow reimbursement of transaction costs incurred by cooperating entities where it will enable important conservation. Landowners and cooperating entities have significant direct expenses, such as certified appraisals, surveys, environmental assessments, title searches, geologist reports, and legal fees. We suggest that cooperating entities be entitled to apply for reimbursement of such expenses up to 5% of the appraised value of the conservation easement.

11) Land trusts as well as state and local agencies should be able to be certified, but all land trusts should continue to be eligible for funding from Farm Bill easement programs. We appreciate the intent of certification to streamline processes for entities that have a demonstrated record of holding and administering easements, including land trusts accredited by the Land Trust Accreditation Commission or their state governments. It is important, however, to continue to allow land trusts and local governments that have not yet worked with NRCS to apply for and receive funding, so the program can expand to new areas.

12) Regional Conservation Partnership Program. This program was proposed in the committee's recommendation to the Joint Select Committee on Deficit Reduction. It provided for projects that improve soil quality, water quality, or wildlife habitat in "Critical Conservation Areas" though a competitive, merit-based process and was targeted toward projects in areas with particularly significant water quality and quantity issues facing natural resource regulatory pressures and included the Great

Lakes Basin along with other Critical Conservation Areas. A program of this type should be pursued and could readily leverage programs such as the Great Lakes Restoration Initiative by allowing the purchase of conservation easements of lands that help retain water quality etc.

On behalf of Michigan's land trusts and our local, state and national partners, we urge you to make a robust working lands easement program a critical component of the 2012 Farm Bill and look forward to the continued work of our committee.

Thank you again Chairwoman Stabenow and Ranking Member Roberts and members of the committee for your consideration of this testimony. With a rapidly increasing world population and global markets, the work of your committee to secure America's farmland resources is crucial to our world's food supply and our nation's economic future.

The Honorable Debbie Stabenow
Chairwoman
The Honorable Pat Roberts
Ranking Member

Senate Committee on Agriculture,
Nutrition and Forestry
328A Russell Senate Office Building
Washington, DC, 20510

The Honorable Frank D. Lucas
Chairman
The Honorable Collin Peterson
Ranking Member

House Committee on Agriculture
1301 Longworth House Office Building
Washington, DC, 20515

February 27, 2012

Dear Chairwoman Stabenow, Ranking Member Roberts, Chairman Lucas and Ranking Member Peterson:

Our organizations, which include millions of members from all across this country, are writing to express our strong support for the Conservation Title of the U.S. Farm Bill.

We understand, of course, that the deliberations needed to re-authorize the Farm Bill in 2012 will be particularly difficult given the need to reduce federal government spending. We believe, however, that the proposal made by the leadership of the House and Senate Agriculture Committees in the Budget Control Act process last year demonstrates that the Conservation Title can continue to meet vital national needs while sharing in budget reductions.

In our vast collective experience as landowners, farmers, ranchers, forest managers, agricultural and forest businesses, hunters and anglers, local and state government officials, and non-profit organizations representing a wide range of interests, we can say, without any doubt, that the programs within the Conservation Title work cost-effectively to serve the short and long term interests of the American people.

The Conservation Title programs recognize that the health of America's soil, water, and other natural resources is essential to the long term productivity and economic viability of agriculture and forestry, that protecting and managing our natural resources is critical to the future of American communities, and that most of our nation's opportunities for hunting, fishing, and observing nature depend upon privately owned habitat on farms, ranches and forest land. The Conservation Title programs help to protect these resources in a uniquely successful way—by funding a variety of voluntary partnerships and cooperative conservation efforts between the U.S. Department of Agriculture and private landowners. These conservation programs are essential to the sustainability of U.S. agriculture and forestry and to meeting the growing demand for food and fiber at home and abroad.

While America has become a more urban nation, agriculture, forestry and outdoor recreation continue to be essential to America's economy. According to USDA, farm and farm-related employment includes about 24 million jobs. Estimates by the American Forest & Paper Association are that forest management and forest dependent industries account for approximately 5 percent of the total U.S. manufacturing GDP, produce about $175 billion in

products annually, and employ nearly 900,000 people. A study by US Fish and Wildlife Service found that hunting, angling and wildlife-dependent recreation contribute $122 Billion annually to our national economy. Much of this economic activity is located in rural areas where these activities are vital to local economies. Natural resources-based products represent a significant proportion of the export sector so essential to our economic health. Indeed, U.S. agricultural exports exceeded $137 billion and accounted for a $42 billion farm trade surplus in 2011, one of the few bright spots in the American economy last year.

Farm Bill programs fund voluntary agreements between the USDA, non-governmental organizations and farmers, ranchers, and foresters -- to keep their land in agriculture and forestry, to preserve natural habitat in rural landscapes, to save the productivity and economic value of soil and water, and to assist in the management of agricultural and forest lands. The result is real conservation with multiple benefits for every region of America. Not the least of these is helping landowners to stay on the land as stewards of America's legacy of natural resources.

Thus we urge you to reauthorize the Farm Bill in a manner that sustains the integrity and effectiveness of the Conservation Title and maintains conservation funding that meets our national needs.

Thank you for your consideration of our views on this critical matter and for your service to the United States of America in these challenging times.

Respectfully,
643 National, State, and Local Organizations

National Organizations

Access Fund
America's WETLAND Foundation
American Bird Conservancy
American Farmland Trust
American Fisheries Society
American Fly Fishing Trade Association
American Forest & Paper Association
American Forest Foundation
American Forests
American Public Works Association
American Rivers
American Sportfishing Association
Association of Fish & Wildlife Agencies
Association of Metropolitan Water Agencies
Association of State Wetland Managers
Biophilia Foundation
CarbonVerde, LLC
Civil War Trust
CSA International, Inc.
Delmarva Ornithological Society
Delta Waterfowl
Ducks Unlimited
Environmental and Energy Study Institute
Environmental Defense Fund
Forest Resources Association
High Xpectations Whitetail Ranch
Irrigation Association
Land Trust Alliance
League of Conservation Voters
National Alliance of Forest Owners
National Association of Clean Water Agencies
National Association of Conservation Districts

National Association of Resource Conservation & Development Councils
National Association of State Foresters
National Bobwhite Conservation Initiative
National Catholic Rural Life Conference
National Network of Forest Practitioners
National Parks Conservation Association
National Shooting Sports Foundation
National Sustainable Agriculture Coalition
National Wild Turkey Federation
Nature Abounds
North American Grouse Partnership
Orion-The Hunters' Institute
Outdoor Alliance
Pacific Forest Trust
Partners for Sustainable Pollination
Pesticide Action Network
Pheasants Forever
Plum Creek
Pollinator Partnership
Pure Air Native Seed
Quail and Upland Wildlife Federation
Quail Unlimited
Quality Deer Management Association
Restore America's Estuaries
River Network
Rocky Mountain Elk Foundation
Ruffed Grouse Society
Save The Hens Foundation, Inc.
Sierra Club
Society for Range Management
Society of American Foresters
Soil and Water Conservation Society
The Conservation Fund
The Great Sunflower Project
The Izaak Walton League of America
The Lost Arts Collaborative of North America, Inc.
The Nature Conservancy
The Trust for Public Land
The Vital Ground Foundation
The Wildlife Society
Theodore Roosevelt Conservation Partnership
Trout Unlimited
Water Environment Federation
Whitetails Unlimited, Inc.
Wildlands Conservation
Wildlife Forever
Wildlife Management Institute

State and Local Organizations (alphabetical by state)

Sitka Conservation Society – AK
Cahaba Riverkeeper – AL
Weeks Bay Foundation – AL
The Longleaf Alliance – AL
Arkansas Wildlife Federation – AR
Northwest Arkansas Land Trust – AR
Arkansas Game and Fish Commission – AR
Friends of the North Fork and White Rivers – AR
North Country Conservancy – AZ
Central Arizona Land Trust – AZ
Arizona Elk Society – AZ
Kristina's Natural Ranch Market – CA
Greenbelt Alliance – CA
Ceres Community Project – CA
Roots of Change – CA
Sustainable Cotton Project – CA
Sequoia Riverlands Trust – CA
California Association of Sanitation Agencies – CA
Watershed Research & Training Center – CA
Friends of the Santa Clara River – CA
Endangered Habitats League – CA
Mountains Restoration Trust – CA
Northcoast Regional Land Trust – CA
Peninsula Open Space Trust – CA
Santa Clara County Open Space Authority – CA
Panoche Valley Land Conservancy – CA

Marin Agricultural Land Trust – CA
Sierra Foothill Conservancy – CA
Mendocino Land Trust – CA
Eagle Valley Land Trust – CO
Colorado Coalition of Land Trusts – CO
Mesa Land Trust – CO
Black Canyon Regional Land Trust – CO
Rio Grande Headwaters Land Trust – CO
Rocking U7 Ranch – CO
Front Range Chapter of The Izaak Walton League of America – CO
Connecticut Farmland Trust – CT
Connecticut Forest & Park Association – CT
Working Lands Alliance – CT
Connecticut Audubon Society – CT
Wilton Land Conservation Trust – CT
Connecticut Land Conservation Council – CT
Southbury Land Trust – CT
Kent Land Trust – CT
Roxbury Land Trust – CT
Housatonic Valley Association – CT
Farmington River Watershed Association – CT
Northeast Organic Farming Association-Interstate Council – CT
Association of Clean Water Administrators – DC
John L. Conner & Associates – DE
Delaware Nature Society – DE
Delaware Wild Lands – DE
Green Horizon Land Trust – FL
Tampa Bay Conservancy – FL
Northern Everglades Alliance – FL
Florida Wildlife Federation – FL
Old River Cattle Co. – FL
Conservation Trust for Florida – FL
Inland Coast Resources – FL
Loxahatchee Group, Florida Sierra Club – FL
Adams Ranch, Inc. – FL
1000 Friends of Florida – Fl
Audubon Florida – Fl
Alico, Inc. – FL
Latt Maxcy Corporation – FL
Tall Timbers Research Station & Land Conservancy – FL
Durando Ranches – FL
Joiner Consulting – FL
Everglades Foundation – FL
Athens Land Trust – GA
Citizens to Promote Pike – GA
Hawaiian Islands Land Trust – HI
North Shore Community Land Trust – HI
Hawaii Agriculture Research Center – HI
Hawaii Cattlemen's Council – HI
Iowa Safari Club International – IA
Prairie Rapids Audubon Society – IA
Quad City Audubon Society – IA
Soil & Water Conservation District, Henry County, Iowa – IA
Cherokee Co. Iowa Pheasants Forever, Habitat Committee – IA
Linn Soil & Water Conservation District – IA
Raccoon River Watershed Association – IA
Iowa Woodland Owners Association – IA
Iowa Division of The Izaak Walton League of America of America – IA
Oswald Family Farm – IA
Polk County Conservation Board – IA
Clayton Soil & Water Conservation District – IA
Grundy County Soil & Water Conservation District – IA
Conservation Districts of Iowa – IA
Cherokee County Soil & Water Conservation District – IA
Buchanan Soil & Water Conservation District – IA
Ty Smedes Nature Photography – IA
Butler County Conservation Board – IA
Agren, Inc. – IA
Iowa Audubon – IA
Iowa Tree Farm Committee – IA
Friends of the Prairie Learning Center – IA
Iowa Chapter Soil & Water Conservation Society – IA
Iowa Chapter of The Wildlife Society – IA
Soil & Water Conservation District, Story County, Iowa – IA

Cedar River Watershed Coalition – IA
Practical Farmers of Iowa – IA
Iowa Wildlife Federation – IA
Davenport Ikes – IA
Chickasaw County Conservation Board – IA
Environmental Task Force, Peoples Church – IA
Cedar River Coalition – IA
Neighborhood Network News – IA
Iowa Rivers Revival – IA
Howard County Women, Land & Legacy – IA
Mitchell Soil & Water Conservation District – IA
Howard Soil & Water Conservation District – IA
Iowa Breast Cancer Edu-Action – IA
Iowa Association of Water Agencies – IA
Black Hawk County Soil & Water Conservation District – IA
University of Iowa IIHR - Hydroscience and Engineering – IA
Iowa Soybean Association – IA
Des Moines Water Works – IA
Iowa Lakes Community College Conservation Club – IA
Canton Studios – IA
Iowa Natural Heritage Foundation – IA
Iowa Environmental Council – IA
Soil & Water Conservation District, Ida County, Iowa – IA
Lava Lake Institute for Science and Conservation – ID
Big Creek Ranch – ID
Sagebrush Steppe Regional Land Trust – ID
Palouse Land Trust – ID
Wood River Land Trust – ID
Gary Borger Chapter of Trout Unlimited – IL
Chicago Zoological Society – IL
Kendall County Forest Preserve District – IL
Oak Brook Chapter of Trout Unlimited – IL
Illinois Council Trout Unlimited – IL
DeKalb County Farmland Foundation – IL
Illinois Environmental Council – IL
Land Conservancy of Will County – IL
Safer Pest Control Project – IL
McHenry County Conservation District – IL
Fishin Buddies Inc. – IL
Kewanee Chapter of The Izaak Walton League of America – IL
Des Plaines Chapter of The Izaak Walton League of America – IL
Illinois Stewardship Alliance – IL
Prairie Rivers Network – IL
Prairie Hills Resource Conservation and Development – IL
Pullman Beekeepers – IL
Natural Land Institute – IL
DeKalb County Farmland Foundation – IL
Prairie Land Conservancy – IL
Chicago Botanic Garden – IL
Alliance for the Great Lakes – IL
Openlands – IL
NICHES Land Trust – IN
Hooiser Chapter of the Soil and Water Conservation Society – IN
Wabash Valley Audubon Society – IN
Steuben County Indiana Soil & Water Conservation District – IN
Save the Dunes – IN
Miami County Soil & Water Conservation District – IN
Howard County Soil & Water Conservation District – IN
Parke County Soil & Water Conservation District – IN
Vermillion County, Indiana, Soil & Water Conservation District – IN
Lincoln Hills Resource Conservation & Development – IN
Spencer County Soil & Water Conservation District – IN
Porter County Soil & Water Conservation District – IN
Fulton County Soil & Water Conservation District – IN
Lincoln Hills Resource Conservation and Development Area Fish and Wildlife Committee – IN
Sunman-Dearborn Intermediate School – IN
Northeastern Indiana Trout Association – IN

Indiana State Council of Pheasants Forever – IN
Porter County Chapter of The Izaak Walton League of America – IN
North Manchester Chapter of The Izaak Walton League of America – IN
Michigan City #7 Chapter of The Izaak Walton League of America – IN
Porter County Chapter of The Izaak Walton League of America – IN
Indiana Land Protection Alliance – IN
Oxbow of Indiana, Inc. – IN
Griffith Chapter of The Izaak Walton League of America – IN
DeKalb County Chapter, Izaak Walton League of America, Inc. – IN
Sycamore Land Trust – IN
Martin County Soil & Water Conservation District – IN
Lawrence County Soil & Water Conservation District – IN
Wells County Soil & Water Conservation District – IN
Cass County Soil & Water Conservation District – IN
Switzerland County Soil & Water Conservation District – IN
Shelby County Soil and Water District – IN
Upper White River Watershed Alliance – IN
Vanderburgh Soil & Water Conservation District – IN
Posey County Soil & Water Conservation District – IN
Hoosier Heartland Resource Conservation & Development Council – IN
Warren County Soil & Water Conservation District – IN
Brown County Soil and Water – IN
Indiana Park and Recreation Association – IN
Dearborn County Soil & Water Conservation District – IN
Scott County Soil & Water Conservation District – IN
Adams County Soil & Water Conservation District – IN
White County Soil & Water Conservation District – IN
Dearborn County Farm Bureau Inc. – IN
Lake County Parks and Recreation Department – IN
Indiana Association of Soil & Water Conservation Districts – IN
Indiana Wildlife Federation – IN
Lanesville Heritage Weekend, Inc. – IN
Association for the Wolf Lake Initiative – IN
Save Maumee Grassroots Organization – IN
Kansas Wildlife, Parks and Tourism – KS
Kansas Pheasants Forever – KS
Kansas Quail Forever – KS
Kansas Wildlife Federation – KS
Geary Co. Fish & Game Assoc. – KS
Kansas Chapter of The Wildlife Society – KS
Kansas Land Trust – KS
Bernheim Arboretum and Research Forest – KY
Kentucky Resources Council – KY
Louisville/Jefferson County Environmental Trust – KY
Kentucky Forest Industries Association – KY
Kentucky Waterways Alliance – KY
Guthrie Co. Cons. Board – LA
Louisiana Forestry Association – LA
Kestrel Land Trust – MA
Massachusetts Forest Landowners Association – MA
Neponset River Watershed Association – MA
Environmental League of Massachusetts – MA
Boxford Trails Association/Boxford Open Land Trust, Inc. – MA
The Trustees of Reservations – MA
Essex County Trail Assoc. – MA
Hilltown Anti-Herbicide Coalition – MA
Hilltown Land Trust – MA
Essex County Greenbelt Association – MA

Boxford Trails Association/Boxford Open Land Trust, Inc. – MA
Concord Land Conservation Trust – MA
Massachusetts Society for Promoting Agriculture – MA
Sharon Friends of Conservation – MA
Conservation Commission – MA
Massachusetts Land Trust Coalition – MA
Open Space Committee, West Newbury – MA
Gardening The Community – MA
Mount Grace Land Conservation Trust – MA
Berkshire Environmental Action Team – MA
Massachusetts Association of Conservation Commissions – MA
Massachusetts Audubon Society – MA
Littleton Conservation Trust – MA
Nonotuck Land Fund – MA
Sheffield Land Trust – MA
Nashua River Watershed Association – MA
New England Forestry Foundation – MA
New England Small Farm Institute – MA
Appalachian Mountain Club – MA
Friends of Herring Run Parks – MD
Rockville Chapter of The Izaak Walton League of America – MD
Talbot County Chapter of The Izaak Walton League of America – MD
Jim Piateski Remodeling Contractor – MD
Bethesda Chevy Chase Chapter of The Izaak Walton League of America – MD
Allegheny Highlands Conservancy – MD
Lower Shore Land Trust – MD
Harford County Chapter, Maryland Ornithological Society – MD
Potomac Conservancy – MD
Chesapeake Wildlife Heritage – MD
Chesapeake Bay Foundation – MD
Maine Farmland Trust – ME
The Maine Council of the Atlantic Salmon Federation – ME
York Land Trust – ME
Atlantic Salmon Federation – ME
Chippewa Watershed Conservancy – MI
Northwest Michigan Food and Farming Network – MI
Michigan Land Use Institute – MI
Northwest Michigan Food & Farming Network – MI
Michigan Trout Unlimited – MI
Lapeer Land Conservancy – MI
Michigan Karst Conservancy – MI
Southeast Michigan Land Conservancy – MI
Cadillac Area Land Conservancy – MI
Keweenaw Land Trust – MI
Six Rivers Regional Land Conservancy – MI
Kalamazoo River Cleanup Coalition – MI
Legacy Land Conservancy – MI
The Leelanau Conservancy (MI) – MI
Fenton Michigan Chapter of The Izaak Walton League of America – MI
Heart of the Lakes Center for Land Conservation Policy – MI
Grand Traverse Regional Land Conservancy – MI
WasteWater Education – MI
Audubon Chapter of Minneapolis – MN
Leech Lake Area Watershed Foundation – MN
Minnesota Division Izaak Walton League of America – MN
Audubon Minnesota – MN
Minnesota Conservation Federation – MN
Minnesota Land Trust – MN
Minnesota Center for Environmental Advocacy – MN
Minnehaha Chapter of The Izaak Walton League of America – MN
W. J. McCabe Chapter, Izaak Walton League of America – MN
Prairie Woods Chapter of The Izaak Walton League of America – MN
Great Lakes Forest Alliance – MN
Missouri Prairie Foundation – MO
Missouri Chapter Society of American Foresters – MO
Heartland Conservation Alliance – MO
Midwest Forest Consultants LLC – MO
Missouri Parks Association – MO

Missouri B.A.S.S. Federation Nation – MO
Greenbelt Land Trust of Mid-Missouri – MO
Little Blue River Watershed Coalition – MO
Missouri River Bird Observatory – MO
Forrest Keeling Nursery – MO
JR Fleming Forestry LLC – MO
Missouri Forest Products Association – MO
Conservation Federation of Missouri – MO
Bill McGuire Conservation, LLC – MO
Missouri Coalition for the Environment – MO
D.A. Watson & Company – MO
Shaw Nature Reserve – MO
Ozark Regional Land Trust – MO
Lower Mississippi River Foundation – MS
Mississippi River Trust – MS
Rolling Stone Ranch – MT
Five Valleys Land Trust – MT
Gallatin Valley Land Trust – MT
Swan Ecosystem Center – MT
Montana Association of Land Trusts – MT
Flathead Land Trust – MT
Bitter Root Land Trust – MT
North Carolina Chapter of The Wildlife Society – NC
No Port Southport North Carolina, Inc. – NC
Davidson Lands Conservancy – NC
North Carolina Coastal Land Trust – NC
Triangle Land Conservancy – NC
Buncombe Agricultural Advisory Board – NC
Buncombe Soil & Water Conservation District – NC
Conservation Trust for North Carolina – NC
Carolina Mountain Land Conservancy – NC
Saluda Community Land Trust – NC
Historic Flat Rock, Inc. – NC
Southern Appalachian Highlands Conservancy – NC
The Wildlife Society - Southeast Section – NC
South Carolina Conservation Credit Exchange – NC
Northeast Pasture Consortium – NC
National Committee for the New River – NC
North Dakota Natural Resources Trust – ND
North Dakota Natural Resources Trust – ND
Platte River Basin Environments, Inc – NE
Nebraska Sportsmen's Foundation – NE
Wayne Chapter of The Izaak Walton League of America – NE
Nebraska Sustainable Agriculture Society – NE
Nebraska Environmental Trust – NE
Friends of Pondicherry National Wildlife Refuge – NH
Mudd Family Partnership – NH
Bear-Paw Regional Greenways – NH
Monadnock Conservancy – NH
Northern Forest Center – NH
Ecosystem Management Consultants – NH
The New Hampshire Institute of Agriculture and Forestry – NH
New Jersey Highlands Coalition – NJ
New Jersey Conservation Foundation – NJ
Delaware and Raritan Canal Coalition – NJ
Transition Newton – NJ
Thonet Associates, Inc. – NJ
Garden Club of Madison – NJ
The Green Wei – NJ
Upper Rockaway River Watershed Association – NJ
Burnham Park Association – NJ
Great Egg Harbor Watershed Association – NJ
Raritan Headwaters Association – NJ
Friends of Hopewell Valley Open Space – NJ
New Jersey Audubon Society – NJ
Protect Our Wetlands, Water & Woods – NJ
Conserve Wildlife Foundation of New Jersey – NJ
Conservation Resources – NJ
The Land Conservancy of New Jersey – NJ
Farr Forestry Services, LLC – NJ
Ute Creek Cattle Company – NM
Williamson Cattle Company – NM
Milnesand Quilters – NM
Santa Fe Conservation Trust – NM

Bickley Farms – NM
Nevada Cattlemen's Association – NV
Oblong Land Conservancy – NY
New York Division, Izaak Walton League of America – NY
Somers Land Trust – NY
Warwick Conservancy – NY
Seneca Trail Resource Conservation & Development Council, Inc. – NY
Woodstock Land Conservancy – NY
Hudson Highlands Land Trust, Inc. – NY
Friends of Wertheim National Wildlife Refuge – NY
Farm Catskills – NY
Orange County Land Trust – NY
Three Village Community Trust – NY
Scenic Hudson – NY
Serpentine Art and Nature Commons, Inc. – NY
Cortland New York Chapter of The Izaak Walton League of America – NY
Catskill Mountainkeeper – NY
Plattsburgh Community Garden Group, Inc. – NY
Columbia Land Conservancy, Inc. – NY
North Castle Land Trust – NY
Agricultural Stewardship Association – NY
Rensselaer Land Trust, Inc. – NY
Audubon New York – NY
Hudson Highlands land Trust – NY
New York Agricultural Land Trust – NY
Indian River Lake Conservancy – NY
Empire State Forest Products Association – NY
Defiance Soil & Water Conservation District – OH
Clinton County Open Lands – OH
Southern Ohio Farmland Preservation Association – OH
Rivers Unlimited – OH
Partners For Clean Streams, Inc. – OH
New Agrarian Center – OH
Dryfork Chapter of The Izaak Walton League of America – OH
Capitol City Chapter of The Izaak Walton League of America – OH
Blanchard River Watershed Partnership – OH
Tri-County Beekeepers Association Inc. – OH
Buckeye All State Chapter of The Izaak Walton League of America – OH
Blanchard River Watershed Partnership – OH
First Source Biofuel LLC – OH
FDC Enterprises Inc. – OH
Western Reserve Land Conservancy – OH
Appalachia Ohio Alliance – OH
Ohio Environmental Council – OH
Ohio State Beekeepers Association – OH
Black Swamp Conservancy – OH
Ohio River Foundation – OH
Three Valley Conservation Trust – OH
Land Legacy – OK
Oklahoma Chapter of The Wildlife Society – OK
Central Oklahoma Quail Forever – OK
Greenbelt Land Trust – OR
Coalition of Oregon Land Trusts – OR
Deschutes Land Trust – OR
Elk River Land Trust – OR
Oregon Rural Action – OR
Wallowa Resources – OR
Oregon Division of the Izaak Walton League of America – OR
Oregon Habitat Joint Venture – OR
Lake County Resources Initiative – OR
Southern Oregon Forest Restoration Collaborative – OR
Savory Institute, LLC – OR
McKenzie River Trust – OR
Oregon Tilth – OR
The Central Coast Land Conservancy – OR
Berkley Conservation Institute, Pure Fishing – OR
Family Farm Alliance – OR
The Freshwater Trust – OR
Sustainable Northwest – OR
Ecotrust – OR
Siuslaw Institute – OR
PGH Home Sales – PA
Land Conservancy of Adams County – PA

Western Pennsylvania Conservancy – PA
Allegheny Land Trust – PA
Wissahickon Valley Watershed Association – PA
Pennsylvania State Division Izaak Walton League of America – PA
French Creek Valley Conservancy – PA
Bedminster Regional Land Conservancy – PA
Lebanon Valley Conservancy, Inc. – PA
Solebury Township Land Preservation Committee – PA
Montgomery County Lands Trust – PA
Buffalo Creek Watershed Alliance of the Linn Conservancy – PA
Chestnut Hill Historical Society – PA
Lackawanna County Farmland Preservation – PA
Lancaster Farmland Trust – PA
Natural Lands Trust – PA
Pennsylvania Land Trust Association – PA
Elk Creeks Watershed Association – PA
Foundation for Pennsylvania Watersheds – PA
Pennsylvania Council of Churches – PA
The Land Conservancy for Southern Chester County – PA
Farm & Natural Lands Trust of York County – PA
The Conservancy of Montgomery County – PA
Lake Erie Region Conservancy – PA
Delaware Highlands Conservancy – PA
South Kingstown Land Trust – RI
Aquidneck Land Trust – RI
Farm Fresh Rhode Island – RI
Grow Smart Rhode Island – RI
Narrow River Land Trust – RI
Burrillville Land Trust – RI
GrowFood Carolina – SC
South Carolina Coastal Conservation League – SC
ArborOne Farm Credit – SC
South Carolina Coastal Conservation League – SC
Conservation Voters of South Carolina – SC
Naturaland Trust – SC
Upstate Forever – SC
Hilton Pond Center for Piedmont Natural History – SC
Upper Savannah Land Trust – SC
Winyah Rivers Foundation – SC
South Dakota Grassland Coalition – SD
South Dakota Wildlife Federation – SD
Kampeska Chapter of The Izaak Walton League of America – SD
South Dakota Chapter The Wildlife Society – SD
Mississippi River Corridor - Tennessee – TN
Tennessee Forestry Association – TN
Mossy Creek Network – TN
Tennessee Clean Water Network – TN
The Land Trust for Tennessee – TN
Galveston Bay Foundation – TX
Texas Chapter of The Wildlife Society – TX
Hill Country Land Trust – TX
Houston Wilderness – TX
Katy Prairie Conservancy – TX
The Frontera Land Alliance – TX
Pines and Prairies Land Trust – TX
Texas Agricultural Land Trust – TX
Texas Land Trust Council – TX
Bar J Ranches – UT
Bridgerland Audubon Society – UT
Indian Creek Cattle Co. – UT
Virgin River Land Preservation Association – UT
Bear River Land Conservancy – UT
Utah Open Lands Conservation Association – UT
Ensign Ranches of Utah – UT
Selman Ranches – UT
Float Fishermen of Virginia – VA
Friends of the Rivers of Virginia – VA
Piedmont Environmental Council – VA
Old Dominion Land Coservancy – VA
New River Land Trust – VA
Rappahannock County Conservation Alliance – VA
Virginia Association for Biological Farming – VA

Virginia Division pf the Izaak Walton League of America – VA
Virginia Chapter of The Wildlife Society – VA
Roanoke Valley Chapter of The Izaak Walton League of America – VA
Goose Creek Association – VA
Fred-Rapp Chapter of The Izaak Walton League of America – VA
Winchester Chapter of The Izaak Walton League – VA
Virginia Association of Soil & Water Conservation Districts – VA
Land Trust of Virginia – VA
Citizens for a Fort Monroe National Park – VA
Virginia Native Plant Society – VA
Shenandoah Valley Network – VA
Middle Peninsula Land Trust – VA
Virginia Eastern Shore Land Trust – VA
Rockbridge Area Conservation Council – VA
Valley Conservation Council – VA
Virginia Forestry Association – VA
Southern Environmental Law Center – VA
Vermont Land Trust – VT
Greensboro Land Trust – VT
Mt. Adams Resource Stewards – WA
Okanogan Conservation District – WA
Northwest Watershed Institute – WA
Chelan-Douglas Land Trust – WA
Lummi Island Heritage Trust – WA
Vashon Maury Island Land Trust – WA
Jefferson Land Trust – WA
Whidbey Camano Land Trust – WA
San Juan County Land Bank – WA
Northwest Natural Resource Group – WA
Inland Northwest Land Trust – WA
Columbia Land Trust – WA
Wisconsin Division of the Izaak Walton League of America – WI
Brown County Chapter of The Izaak Walton League of America – WI
Tall Pines Conservancy – WI
Muskego Lakes Conservancy – WI
Caledonia Conservancy – WI
Natural Heritage Land Trust – WI
Driftless Area Land Conservancy – WI
A. D. Sutherland Chapter of The Izaak Walton League of America – WI
Wisconsin Audubon Council – WI
Madison Audubon Society – WI
River Alliance of Wisconsin – WI
Niagara Escarpment Resource Network – WI
Lakeshore Natural Resource Partnership – WI
Glacial Lakes Conservancy – WI
Baraboo Range Preservation Association – WI
Ozaukee Washington Land Trust – WI
Gathering Waters Conservancy – WI
Happy Tonics, Inc. – WI
West Virginia Division of the Izaak Walton League – WV
West Virginia Agricultural Land Protection Authority – WV
Wild Sheep Foundation – WY

February 24, 2012

The Honorable Debbie Stabenow
Chairwoman
Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

The Honorable Pat Roberts
Ranking Member
Committee on Agriculture, Nutrition & Forestry
United States Senate
Washington, DC 20510

Dear Senators Stabenow and Roberts:

Thank you for your leadership on the 2012 farm bill. We are heartened to see committee work progressing, and look forward to the upcoming Senate hearing on "Strengthening Conservation Through the 2012 Farm Bill."

We write to express our support for the framework for Title II, the Conservation Title, developed as part of the Joint Select Committee on Deficit Reduction process. That framework, as we understand it, contained provisions strongly supported by the farmers our organizations represent: simplification, flexibility, and consolidation.

The number and complexity of USDA conservation programs is daunting to many growers. Your success in consolidating 23 programs into 13 – reducing the number almost by half – is welcome news. We applaud your efforts to simplify these programs, keeping the same tools but merging them into fewer programs.

We also support your efforts to focus on working lands conservation. These programs have grown to be the largest in the conservation portfolio, and for good reason. Farmers value their ability to partner with USDA in protecting and conserving soil, water and other natural resources, particularly as a tool to help them prevent and/or comply with regulation. Agricultural conservation programs truly provide a win-win in this respect.

We appreciate the valuable work the committee has undertaken on Title II, and we offer our support in completing reauthorization of the farm bill this year.

Sincerely,

American Farm Bureau Federation
American Soybean Association
National Association of Wheat Growers
National Barley Growers Association
National Corn Growers Association
National Cotton Council
National Farmers Union
National Sorghum Producers
US Canola Association
USA Rice Federation

Colorado Coalition of Land Trusts
Conserve Colorado

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Executive Director
John Swartout
Director of Operations
Jeannie McGinnis
Policy Director
Greg Yankee
Center of Excellence Program Manager
Amanda Barker
Policy Fellow
Brandon Rattner

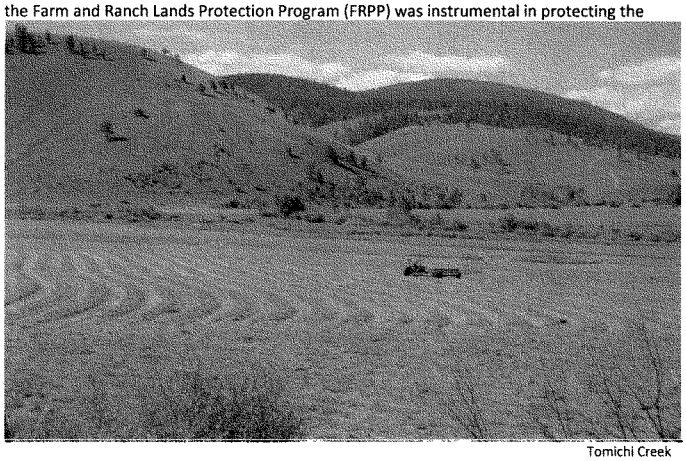
February 17, 2012

The Honorable Michael F. Bennet
458 Russell Senate Office Building
Washington, DC 20510

Dear Senator Bennet:

78% of Coloradans believe we can protect land and water and have a strong economy at the same time. That's the finding of a survey by Colorado College and Public Opinion Strategies released January 30th. Despite these hard times, Coloradans overwhelmingly identify themselves (67%) the way they always have identified themselves: as conservationists. The dedication of statewide lottery funds, aggressive tax benefits, numerous local government conservation programs, and a vibrant land trust community have all made Colorado a national leader in land conservation. Not the least of these participants has been the agricultural community. From the rich irrigated farmlands along the Front Range, to iconic high-altitude cattle ranches of the mountain valleys, to the highly productive orchards and vineyards of the Grand Valley, the commitment to conservation by the agricultural community has been undaunted.

Critical to Colorado's successes have been federal programs that leverage and magnify everyone's – private, local, state and federal – conservation achievements. In its first year, the Farm and Ranch Lands Protection Program (FRPP) was instrumental in protecting the



Tomichi Creek

1245 East Colfax Avenue
Suite 203
Denver, Colorado 80218
P 303.271.1577
F 303 271 1582
www.cclt.org

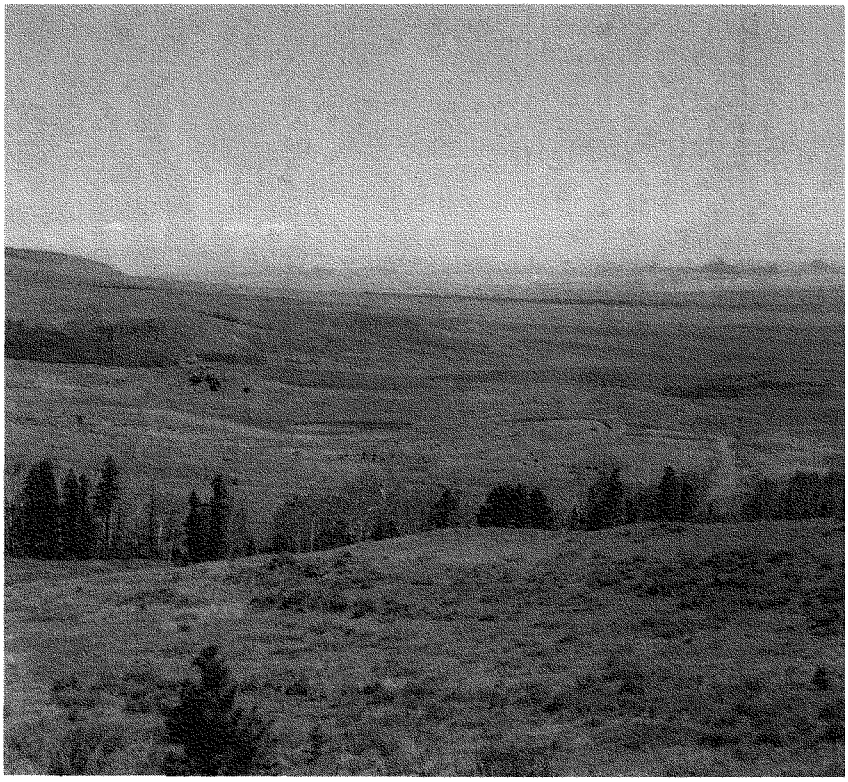
Peterson and Phelps ranches along Tomichi Creek, launching one of the most successful conservation/ranching partnerships in the Country – the Gunnison Ranchland Legacy – which has since protected nearly 15 miles of irrigated pasture along the Creek. Since 1996 over 100,000 Colorado acres have been enrolled in the FRPP and Grassland Reserve Program (GRP). These acres have leveraged tens of thousands of additional acres of protection.

The 2012 Farm Bill is critical to the continuation of the protection efforts of our organizations. While comprising only 1% of all Farm Bill spending, the easement programs within the Bill are essential to the protection of thousands of acres of irreplaceable agricultural land, natural habitat, and scenic benefits that working lands provide. A sampling of projects our organizations have achieved through the programs and leverage opportunities offered by the Farm Bill include:

Grand Valley farmland and orchards.
The productive soils, senior water rights and favorable micro-climate in the East Grand Valley produce renowned fruit that are enjoyed throughout Colorado and exported to dozens of states. The orchards around Palisade make Colorado one of the nation's top ten peach producing states. In the Palisade area, the Mesa Land Trust has used FRPP funds to protect 14 family farms covering 421 acres producing peaches, wine grapes and other crops. The $2.48 million NRCS investment has leveraged $2.03 million in other grants and $1.5 million in land donations. Each Federal dollar invested has protected $2.30 of conservation easement value.

Grand Valley Vineyard

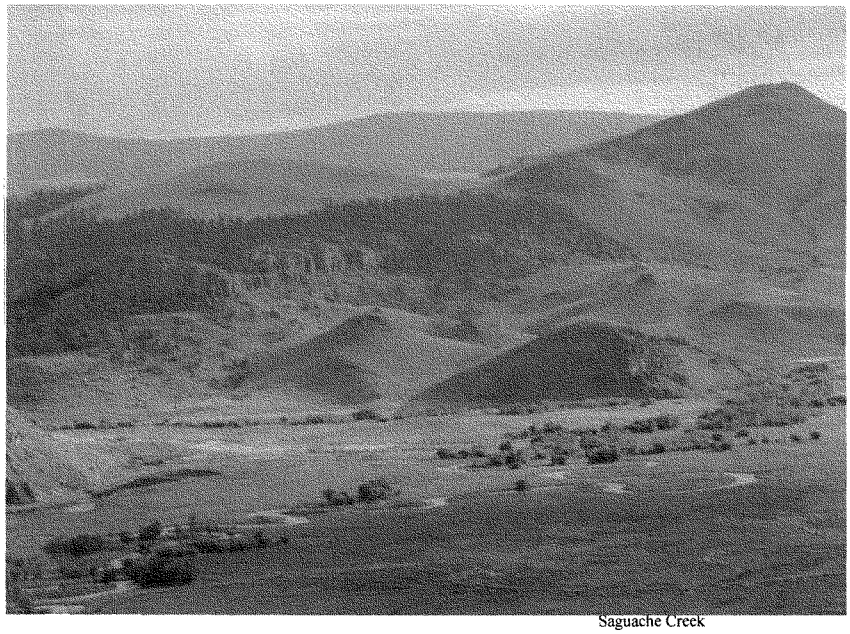
Music Meadows. The 3,800-acre Music Meadows Ranch is a diverse property comprised of native rangelands, forests, riparian areas and irrigated hay ground, in Custer County, Colorado. The ranch supports a commercially viable summer yearling cattle operation and is utilized by many forms of wildlife as primary and migratory habitat. The headwaters of Grape Creek and several of its tributaries cross the property, and are the source for significant water rights used for irrigation. The San Isabel Land Protection Trust protected 1,200 acres of the property in 2010 with funding from the first USDA Grassland Reserve Program easement to close in the country.



Music Meadows

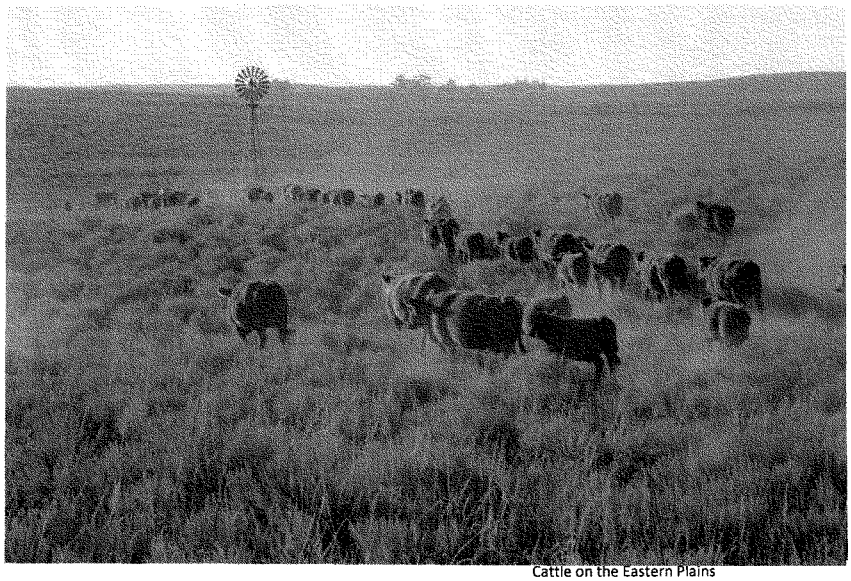
Ranching in the Gunnison Valley. According to a 2006 Colorado State University extension study, ranching in Gunnison County has a combined economic impact of $46 million annually for the local economy. Agriculture accounts for 96% of the total private land use in the County. FRPP has supplied $2.7 million for 13 conservation easements ensuring the protection of 5,297 acres in the Gunnison area. In just the last eighteen months, FRPP funds preserved both the Callihan Ranch on Razor Creek, which includes threatened Gunnison sage-grouse habitat; and the Cross Bar Ranch, 643 acres of irrigated meadow and grazing land along Marshall Creek and owned by Claudio and Yvonne Alvarez, who run 400 cow/calf pairs and put up approximately 1,000 tons of hay annually.

Saguache Creek Corridor. The Colorado Cattlemen's Agricultural Land Trust has protected over 35,000 acres statewide using FRPP funds. A prime example of these efforts is the Saguache Creek Corridor Conservation Project. Involving more than a decade of work by several conservation organizations, the FRPP program has helped to permanently protect 13 ranches, with easements valued in excess of $11 Million, encompassing more than 10,000 acres of viable agricultural land along a twenty mile stretch of Saguache Creek. As much as an additional 17,000 acres along Saguache Creek could be preserved with additional funding.



Saguache Creek

Eastern Plains Grasslands. Colorado's eastern plains contain expansive grasslands that are essential to the state's ranching economy and provide critical wildlife habitat. Conservation organizations, in partnership with NRCS and others, have been working with ranchers across the plains to conserve large, intact grasslands that support grazing operations, wildlife habitat, and help sustain local communities. A Grasslands Reserve Program grant of $288,000 to The Nature Conservancy recently conserved 7,880 acres of a Centennial Ranch in the far eastern portion of the state. This investment leveraged significant state and private funding, and will continue to provide important economic benefits associated with the local community's long-term viability and in protecting healthy and functional landscapes for ranching and wildlife.

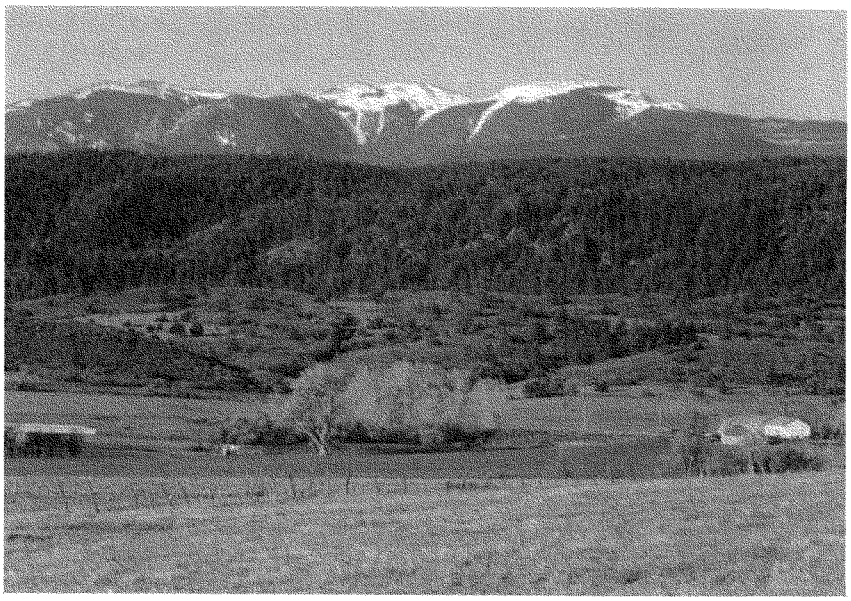


Cattle on the Eastern Plains

San Luis Valley. Agriculture is the main land base in Colorado's vast San Luis Valley. It is a top economic driver, and represents the heart and soul of the Valley's community values. In 2010, the Rio Grande Headwaters Land Trust, the Valley's local land trust, received a $950,000 FRPP grant to protect one of the Valley's top priority parcels. In the arid San Luis Valley, protection of water and land go hand in hand, ensuring the land remain in agriculture and providing wildlife benefits through the wetlands created by the agricultural flood irrigation. The FRPP funds, which were leveraged over 2.5:1 with other grants and donations, were absolutely critical for this project, and not only protected the ranch along nearly two miles of the Rio Grande River, but the most senior water rights on the River.

Rio Grande wetlands

The Wet Mountains. The land along the St. Charles River corridor contains some of the most productive agricultural lands in Pueblo County. The area is also rich with biological resources, including threatened and endangered species, and comprises a spectacular mountain backdrop for the City of Pueblo. Working with landowners, funders and other stakeholders, Colorado Open Lands has acquired 27 conservation easements and protected nine miles of the St. Charles River. Four FRPP grants totaling $630,000 have been matched by $1.88 million in other grants and donations, a 3:1 match, to protect nearly 2,100 acres at the heart of the project area.



St. Charles River

The impact of the USDA easement programs in Colorado is enormous. Since 1996 the FRPP and GRP have provided over $44 Million in funding to Colorado, and leveraged tens of millions of dollars in additional state, local and private matching funds and in land donations. To date, 78,000 acres have been directly protected with FRPP funding, and 25,000 acres with GRP funds. As indicated in the project descriptions above, in addition to protecting irreplaceable agricultural resources, these lands protect wildlife, recreational, and scenic resources as well, and are critical to local economies.

Colorado is home to some of the most stunning lands in the Country. National Parks, Scenic Rivers, National Monuments, National Forests and Grasslands are American treasures. Less visible but just as stunning, Colorado is representative of the American spirit. Native Americans, free roaming buffalo, fur traders, gold prospectors, pioneer settlers and western cattle ranches. American self-reliance is embedded in the land and agricultural heritage of Colorado.

Easement programs like FRPP and the Grassland Reserve Program protect that spirit and self-reliance just as National Parks protect the natural wonders of America. Under conservation easement programs the American farmer and rancher can continue to compete and produce, and feed the nation and the world. Easements insure their children and grandchildren that opportunity as well. Easements allow American enterprise to thrive while protecting its future. It's impossible to overestimate the importance of easements to America's future.

We are committed to the protection of these lands and this spirit. Passage of the 2012 Farm Bill is critical to that goal. We deeply appreciate your support.

Sincerely,

Rob Bleiberg, Executive Director
Mesa Land Trust

Lucy Waldo, Executive Director
Gunnison Ranchland Conservation

Chris West, Executive Director
Colorado Cattlemen's Agricultural Land Trust

Nancy Butler, Executive Director
Rio Grande Headwaters Land Trust

Daniel Pike, President
Colorado Open Lands

John Swartout, Executive Director
Colorado Coalition of Land Trusts

Ben Lenth, Director of Conservation
San Isabel Land Protection Trust

Tim Sullivan, Executive Director
The Nature Conservancy, Colorado

QUESTIONS AND ANSWERS

FEBRUARY 28, 2012

National Association of Conservation Districts

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Earl Garber

Chairwoman Debbie Stabenow

1) Your organization, the National Association of Conservation Districts, often speaks of the need for conservation programs to be locally driven and supported by science-based technical assistance to the producers. What role do you see for local conservation districts in these areas of Farm Bill delivery?

Farm Bill conservation programs should be resource-driven and locally-led with sufficient flexibility to direct funding to local priorities and concerns. Program delivery must be tailored to the natural resource needs in the states and local areas. Local Conservation District Boards, Local Working Groups and State Technical Committees must help identify local needs, apply limited financial assistance, and maximize conservation benefits.

The conservation program delivery system must be easily accessed by conservation program customers, and local conservation districts can help with this delivery system and can reach a broad customer audience.

Districts can assist the Natural Resources Conservation Service (NRCS) in putting boots on the ground through cooperative agreements and as Technical Support Providers. Districts can also assist NRCS with administrative work. This helps save taxpayer dollars, while allowing NRCS more time to deliver direct technical assistance to the landowners.

Senator Patrick Leahy

1) In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

The best way to avoid regulation is to take care of the resource needs that regulations seek to address. This includes having a strong conservation plan in place, strengthening pre-contract Technical Assistance, improving our understanding of current conservation on the land, and streamlining the conservation-program participation processes. For example, our work on Total Maximum Daily Loads (TMDLs) in Minnesota, Wisconsin, and Indiana demonstrate successful work in watersheds. By using Technical Assistance, we help producers implement practices such as using cover crops and no till/minimum tillage to reduce soil erosion and runoff. Having a conservation plan in place allows each producer to look at his resource needs in order to address the bigger picture of large watersheds.

I know that as a Committee we have all been hearing quite a bit about land prices, much of it being driven by the rise in commodity prices, and I am sure that is the case in your home states.

I happen to come from a part of the country where our farmers are not just competing with each other over farmland when they want to expand their operations or buy property as a beginning farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once grew corn, raised dairy cows, and tapped sugar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) trying to find land.

In Vermont, we have benefited greatly from the USDA's Conservation Easement programs, especially the Farmland Protection program, whose demand has far outpaced its funding. Can any of you speak to the development pressures which have resulted in land being lost to subdivision and real estate development in your regions? Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protecting our farms and forestland and ensuring that land is available for agriculture in the future.

Also, do you have any points to share with the Committee as we look to consolidate the current easement programs?

One definition of stewardship is "the individual's responsibility to manage his life and property with proper regard to the rights of others." E. William Anderson suggests stewardship is "essentially a synonym for conservation."

NACD acknowledges the increasing value of land; thus, the price of land goes up in the free market. However, the interests of our natural resources are best served when land is kept in production with good conservation practices in place. This includes having a strong easement program.

National Association of Conservation Districts

Conservation easement programs address resource needs on various landscapes. They must provide a balance of support for both those that set land aside for conservation priorities and those that provide incentives and cost share for working lands. Given the projected increase in world population, programs must provide assistance to implement or maintain conservation practices on working lands that produce much-needed food, feed, fuel, and fiber.

Easement programs are essential to keeping land in agricultural production for our future. We support consolidation efforts to Title II easement programs.

Consolidation should:

- *Be used as a tool to deliver more conservation.*
- *Result in increased simplicity and efficiency for both program staff and customers. The time savings resulting from fewer programs should be directed to providing more boots on the ground.*
- *Result in a more customer friendly process, including contracts and signups.*
- *Improve and strengthen the locally-led process across the country, resulting in more flexibility within and between programs to address local resource concerns.*
- *Include an increased effort to document the value of conservation practices to help set priorities.*
- *Include an increased commitment to providing technical assistance.*

NACD would like to see one easement program that should include all the options in the existing programs with local working groups and state technical committees prioritizing the money allocation on the state level. When funds are limited, the local decision makers can better determine how to target the funds.

2) I have read about each of your diverse operations involving corn, soybeans, rice, wheat, and alfalfa. I know that my Vermont farmers will be pleased that we have a dairy farmer testifying, as well. I am curious, though, about an issue I did not see addressed in the testimony. Am I correct in assuming that you have made use of a variety of commodity programs over the years?

Yes.

Therefore, am I right to assume that you are in compliance for highly erodible land and wetland conservation, also known as sodbuster and swampbuster rules?

Yes, my farm has met all certifications required by the sodbuster and swampbuster rules.

If so, then am I also correct in assuming that you have utilized crop insurance over the years as well? That being the case, as you think about your own operations, how would linking crop insurance to compliance, just as virtually all other USDA payments, loans, or other benefits, including those programs administered by FSA and NRCS are linked today, change the way you farm or manage your business?

Through the years, I have utilized crop insurance as part of my farm financial management. The main concern would be if direct payments are eliminated, or greatly reduced, and crop insurance would be the only safety net. If it were tied to compliance, the cost to meet compliance would be an additional burden on the back of the producer. However, if the compliance program would include incentives for the producer to meet compliance, then the burden would not be as great of an obstacle.

The incentives could include reduced crop insurance premiums for producers who have a conservation plan on their farm, and additional premium reduction for implementation of conservation practices called for in the plan to meet local priority conservation needs.

As always, conservation districts stand for locally-led, incentive-based programs to assist farms and landowners. This would give me additional financial security to provide to my financial institution for securing annual funding for production on my farm.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstock's on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefor make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

National Association of Conservation Districts

National Association of Conservation Districts

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?

Reducing on-farm energy consumption and developing renewable energy production is critically important for American agriculture and forestry. Energy conservation and production can be achieved through technologies such as wind, solar, anaerobic digestion, biomass, cellulosic biofuels, ethanol, biodiesel, as well as yet-to-be-developed technologies. Incentives should encourage agriculture to implement new and sustainable energy production.
An approved conservation, forest stewardship, or similar plan to protect soil and water quality and preserve land productivity into the future should be encouraged for all Farm Bill energy production projects. USDA energy policy should include practices both to generate and conserve energy; and all energy programs should not result in adverse impacts on production.

I believe that this concept would work. If a conservation plan or updated plan is required on the land, and if the practices required to meet local resource-concerns are implemented, the resource-base should be productive and protected for future generations. By allowing these lands to produce income, energy and reduce government financial burden, American taxpayers would see a return on their investment in natural resource conservation.

2) What are the implementation issues that would concern you most?

One of the concerns expressed is that the easements in perpetuity in the WRP program have created some problems which is costing the government excess expenditures which are not being experienced in 30 year contracts. Allowing producers to harvest grass from CRP every three years for feed or renewable energy production with a reduced rental rate for those acres may help. This will improve the plant health and allow the harvested resource to be used productively verses destroying it in the current mid-term management practices that are required.

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

I think the program would work well on GRP, but would be more difficult to accomplish on WRP. The ability to produce and harvest biomass in a wetland would present greater challenges, which may cost more than the revenue obtained from the product harvested, in addition to meeting regulations by the US Corp of Engineers 404 permit requirements.

National Association of Conservation Districts

Conservation Progress and the Role of USDA Conservation Programs

Agricultural producers and others are appropriately concerned that the public understands what they are doing to meet their environmental responsibilities.

Like any profession or industry, they want to have a good image, and they would of course prefer to avoid running up against regulatory constraints and prohibitions. Certainly, if environmental problems are not being addressed through voluntary means, the public and policy makers will be more inclined to turn to regulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are taking and the practices they are implementing to preserve protect and conserve our vital natural resources. Farming practices today compared to those of the past show significant improvements and demonstrate the effectiveness of our conservation investments, although of course there is still much progress remaining to be accomplished.

4) Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?

The public's images of agriculture and of the health of the environment are closely intertwined. Local districts work with millions of cooperating landowners and land managers, and these individuals tend to be very conscientious of our natural resource needs. A good conservation plan is a good business plan, and modern-day farmers and ranchers understand the importance of protecting our most valuable resources for future generations to come.

As farming and ranching becomes more sophisticated, we have seen the success stories on the ground from conservation practices that have been implemented over time. For example, though we have had tremendous drought, we did not have another dust bowl in the past few years because farmers and ranchers practice strong soil erosion techniques.

5) That is, how are these conservation programs investing in conservation practices and those investments paying off in tangible benefits, which the public should be gratified to know about?

From flood protection to safe and ample drinking water supplies, protecting our water resources is critical to human, animal, plant, and natural resource health. Local communities, with NRCS assistance, have constructed thousands of dams since 1948. Maintaining these structures remains critical to public health and safety issues in our communities. Conservation Districts are the sponsors of numerous local water quality projects to address the TMDLs established for our rivers and lakes. Another example that the public should know about is that our nation's private forests make up more than two-thirds of all U.S. forestland and supply Americans with clean water and clean air, animal and wildlife habitat, recreational opportunities, and renewable energy.

National Association of Conservation Districts

NACD's philosophy is that conservation decisions should be made by local people with technical and funding assistance from federal, state and local governments and the private sector. By leveraging dollars, time, technology, expertise, and other resources, local districts help implement conservation programs by providing the taxpayer with a high return on its investment. The tangible benefits to our air, water, soil, animal, plant, and human health are connected to good conservation practices and programs, including: forest and wildfire management; wildlife habitat; reduction in soil-erosion; water quality and quantity; flood protection; coastal and estuary protection; and overall, sustainably producing more with less.

Senator John Thune

1) What changes would you suggest for this Committee for the Conservation Stewardship Program (CSP)?

CSP is a tool to help accelerate additional conservation practices. The more we continue to refine it, the better it will help landowners. Programs that help accelerate the application of conservation practices should remain in place, and efforts to streamline should continue.

2) Are you in favor of linking conservation compliance with crop insurance eligibility? If so, why do you think this is a good idea? If not, why not?

NACD policy is moving in the direction of linking crop insurance and conservation compliance, but our ideas are not yet fully developed. We understand that the Agriculture Committee continues to review this concept as direct payments are being phased out.

A conservation plan, developed on farms to address local resource conservation needs, can play a part in linking voluntary conservation compliance to crop insurance. Conservation is best encourage through a voluntary, incentive based approach. Incentives could include reduced premiums for those who voluntarily participate in developing a conservation plan on their farm, as well as additional premium reductions for those who implement the practices called for in the plan.

Producers respond better to reward than to regulation, and if adequate incentives are provided, the producer will almost always participate. The funds saved by reducing or eliminating direct payments can be used toward conservation planning and premium- reductions cost.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Ms. Becky Humphries

Chairwoman Debbie Stabenow

1) Ms. Humphries, can you elaborate on how for your organization, the ability to focus conservation dollars on the most 'bang for the buck' resource issues helps conservation outcomes?

   There are more resource challenges than financial resources to adequately address the needs. Thus, Ducks Unlimited has identified the priority regions of North America for sustaining and enhancing populations of waterfowl and migratory birds. Those areas include the prairie pothole region of the Northern Great Plains, the Mississippi Alluvial Valley, U.S. Great Lakes System, the Central Valley/Coastal California, and the Gulf Coast Prairie. By focusing/prioritizing these areas that are especially critical to migratory birds, DU and its numerous federal, state, local and non-governmental organization partners, can leverage funds to restore and preserve large scale habitats that no one single partner could achieve on their own.

Senator Patrick Leahy

1) In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

   Ducks Unlimited has a long track record of working with farmers, ranchers and other private landowners on restoring, enhancing and preserving critical wildlife habitat on private property. In many cases these restorations occur on working agricultural lands that continue to produce food and fiber. Given that world population projections may reach as high as nine billion by 2050, there will be increased stress on limited agricultural ground to meet the needs of this burgeoning world population. By utilizing voluntary conservation programs like the Conservation Reserve Program (CRP), the Conservation Reserve Enhancement Program (CREP), the Wetlands Reserve Program (WRP), and the Wetlands

Reserve Enhancement Program (WREP), producers can meet and exceed clean water and wildlife habitat goals at the same time meeting the food and fiber demands of American and international consumers. However, it must be stressed that for voluntary conservation programs to be effective, they need to be adequately funded to assist farmers and ranchers meet anticipated regulatory requirements.

2) I know that as a Committee we have all been hearing quite a bit about land prices, much of it being driven by the rise in commodity prices, and I am sure that is the case in your home states.

I happen to come from a part of the country where our farmers are not just competing with each other over farmland when they want to expand their operations or buy property as a beginning farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once grew corn, raised dairy cows, and tapped sugar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) trying to find land.

In Vermont, we have benefited greatly from the USDA's Conservation Easement programs, especially the Farmland Protection program, whose demand has far outpaced its funding. Can any of you speak to the development pressures which have resulted in land being lost to subdivision and real estate development in your regions? Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protecting our farms and forestland and ensuring that land is available for agriculture in the future.

Also, do you have any points to share with the Committee as we look to consolidate the current easement programs?

Ducks Unlimited works directly with farmers, ranchers and other private landowners to enroll lands in a variety of farm bill conservation programs. One of the most popular easement programs with landowners has been the Wetlands Reserve Program (WRP). Last year alone, landowners enrolled 262,000 acres in the WRP, setting a single year enrollment record. Clearly, there is high demand for this and all farm bill conservation programs. Since 1995, $1.2 million of WRP has been invested in the state of Vermont, restoring 1,634 acres of critical wildlife habitat.

One common theme we hear from agricultural producers that have enrolled in programs like WRP is it helped them stay on the land and keep farming and ranching. For example, the acres enrolled in WRP are typically those that are the most difficult to coax a crop out of because they flood frequently. Time and other valuable resources are wasted trying to make these acres productive. However, by restoring these acres back to wetlands the producer continues to "farm the best and conserve the rest." For many farmers enrolling in conservation programs is another form of risk management. Furthermore, it has been our experience that farmers and ranchers that enroll in easement programs use portions of

their federal payment for the easement to restructure debts and reinvest back into their operations thus strengthening their ability to stay on the land and continue farming.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefor make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?

This is potentially a good idea, however, there would have to be conditions set that maintain benefits to wildlife. Without seeing any details, the greatest potential benefit may be to make CRP more attractive to landowners and thereby encourage more CRP enrolled acres and associated conservation benefits. Additional marginal conservation benefits may occur for CRP mid-contract management, such as the prevention of woody growth encroachment in areas of Minnesota and Iowa.

2) What are the implementation issues that would concern you most?

Timing and extent cover removal would be a concern. Avoiding harvest during the nesting season and ideally only harvesting part of a field (50%) each season would help alleviate our concerns. In addition, harvested lands should include a diverse mix of native grasses and avoid growing non-wildlife friendly biofuel feed stocks like Miscanthus.

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

Yes, but extra consideration would need to be given for wetlands, as they are more fragile. Harvesting in WRP would need to be done with extreme care and GRP contracts must discourage the destruction of native prairie and conversion to higher yielding feed stocks. Overall, we do not want to convert native grass or restored highly diverse stands to less wildlife friendly biofuel crops.

Conservation Progress and the Role of USDA Conservation Programs

Agricultural producers and others are appropriately concerned that the public understands what they are doing to meet their environmental responsibilities.

Like any profession or industry, they want to have a good image, and they would of course prefer to avoid running up against regulatory constraints and prohibitions. Certainly, if environmental problems are not being addressed through voluntary means, the public and policy makers will be more inclined to turn to regulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are taking and the practices they are implementing to preserve, protect and conserve our vital natural resources. Farming practices today compared to those of the past show significant improvements and demonstrate the effectiveness of our conservation investments, although of course there is still much progress remaining to be accomplished.

4) Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?

Ducks Unlimited has always maintained a unique and close relationship with our nation's farmers and ranchers. While DU staff work very closely with agricultural producers to restore and enhance wetlands on their lands, the majority of DU's more than 600,000 members have spent time on or near farms and ranches pursuing their outdoor recreational passions. As such, our average DU member knows that if he is hunting pheasants in Everly, Iowa that he or she will have greater success hunting on land that is enrolled in CRP or WRP. Furthermore, our DU member understands and appreciates that all too often, given record high commodity prices and diminishing conservation dollars, that producers often have to sacrifice income to do what is best for wildlife. That is a choice agricultural producers should not have to face. We need to ensure farm bill conservation programs are adequately funded and allow agricultural producers to make wise financial, as well as wise natural resource decisions.

5) That is, how are these conservation programs investing in conservation practices and those investments paying off in tangible benefits, which the public should be gratified to know about?

One of the most rewarding aspects of working with farmers and ranchers is restoring wetlands and seeing their appreciation when ducks, geese and other wildlife return to the landscape. Often they will remark on how that's what "it used to be like" when their grandfather farmed the property. While the majority of hunters, anglers, bird watchers, and other outdoor enthusiasts respect and appreciate the contributions of farmers and ranchers in sustaining healthy wildlife populations, the benefits of agricultural conservation accrue to all members of society in the form of clean water, clean air, and flood abatement just to name a few. Furthermore, habitat conservation means jobs. For example, in the state of Iowa alone, hunters and anglers spend $1.8 million a day supporting 12,000 jobs. These activities generate $302 million in salaries and wages and generate $67 million a year in federal taxes and $64 million in state and local taxes. So even if you do not hunt or fish, conservation means jobs in Iowa and across the country.

Senator John Thune

1) I know the Prairie Pothole Region, also known as a "duck factory" by wildlife enthusiasts is critical to the future of maintaining populations of migratory waterfowl. What do you recommend to this Committee as we write the 2012 Farm Bill as far changes to existing conservation programs or even new programs?

Ducks Unlimited fully recognizes the challenges facing the Agriculture Committee and the full Senate in constructing a farm bill that ensures our agricultural producers continue to produce food and fiber to meet the world's demands, address the public's demand for abundant wildlife, clean water and air, and achieve savings of at least $23 billion. As such, several of DU's priorities not only meet our organization's wildlife goals, but also save the taxpayer money. For example, adoption of a sodsaver provision, similar to what the Senate included in the 2008 Farm Bill under your leadership, would ensure the protection of native grasslands and some of the highest value waterfowl nesting habitat in North America while saving taxpayers from insuring crop production on marginal grounds. Additionally, changes to CRP, such as increasing uses like grazing, haying (after the nesting season) and biofuel harvest (after the nesting season) in exchange for a reduced payment would make CRP more attractive to producers and provide more conservation benefits for a reduced cost to the taxpayer. Finally, with consolidation of programs, it is critical that a wetlands easement program similar to WRP be

maintained. Savings achieved through the program consolidation process can be applied to this program. Last year farmers and ranchers enrolled 262,000 acres into the WRP, setting an all time single year enrollment record for the program. Clearly, there is tremendous demand for wetland easements. And similar to CRP, a permanent grazing option should be available for suitable WRP/wetland easement projects.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Carl Mattson

Chairwoman Debbie Stabenow

1) Mr. Mattson, can you talk about the success of the sage grouse initiative in Montana? I'm interested in hearing your perspective as a farmer on how we can provide conservation and habitat benefits while keeping our farms productive and profitable.

Regulation could be potentially devastating to the Sage Grouse.

I believe the Sage Grouse Initiative is an outstanding success. Montana is the birthplace of the Sage Grouse Initiative, and since that time there are 11 states involved, 400 ranchers, and interest has been overwhelming in the program as a whole. NRCS offices have witnessed more demand for the SGI program that they can process. In two short years, we have improved conservation, reduced bird deaths, improved beef production, and we have improved grouse numbers, in addition to adding 208,000 acres of conservation easements and another 1.3 million acres of grouse-friendly grazing management plans.

The agreement between NRCS and FWS is a landmark event, and it promises a reasonable degree of certainty that ranchers and farmers need to proceed with what they do...grow food.

What SGI really does is turn a problem (for the rancher) into an opportunity (for the rancher) that subsequently encourages cooperation(from the rancher) .

The future of the sage grouse lies in the hands of the farmers and ranchers whose operations include the private and public lands within or near the habitat the bird needs to survive. Regulation would turn having the sage grouse on your ranch or farm into a problem. Its existence on the property a farmer or rancher operates, under a regulatory scenario, threatens the rancher or farmer's ability to earn a living and provide for his family. Therefore it is paramount that all that can be done is done to avoid creating an atmosphere where the sage grouse would become a threat.

Ranchers and farmers need certainty; they need to know that regulation will not threaten their livelihood. With rancher/ farmer trust and confidence in the system only then will the ranchers and farmers themselves help identify and protect sage grouse and sage grouse habitat.

To save the sage grouse and similar at-risk-species we must turn a problem into an opportunity for the people whose livelihoods could be threatened the most by the birds existence.

2) You have used the Conservation Stewardship Program on your farm; what motivated you to sign up for the program and what impacts has it had on your farm?

The Mattson farm is enrolled in the first CSP program the Conservation Security Program. The part of Montana where we farm had experienced several years of draught and money was very tight. I was motivated by the dollars involved. The mantra for the Conservation Security Program was "Reward the Best and Motivate the Rest". By program definition we were one of the best. Our farming operation has always been very involved in conservation practices. We believe in conservation. For the first time in a long time I was in the right place at the right time with the right qualifications to be ready for this program.

Our operation was already heavenly invested in conservation practices. We used the money to help us to continue to improve what we were already doing. We further refined or no-till; we increased wildlife habitat; we intensified our soil testing; we continued to add and improve GPS capabilities to every field operation we perform.

Perhaps the greatest impact our CSP contract had on our operation was the dramatic adoption of conservation practices by our neighbors. All around us farms were switching to no-till in an effort to be prepared to meet the basic requirement for the next round of that CSP contracts.

<u>One of the greatest travesties of the original CSP is that we failed as a Nation to measure the "motivate the rest" portion of the original CSP mantra.</u> The motivation was huge. We had the check book to measure the dollars spent on rewarding the best but no system was established to measure the effect of the motivation. Simply by reporting Conservation Tillage acres to NASS we could have witnessed the dramatic effect…the question was never asked of farmers. I would estimate that prior to the 2005 CSP contracts only 10% of my county was engaged in no-till farming practices. The two summers later following the 2005 CSP contracts being awarded I would estimate that 66%-75% of the farmers in my county were practicing no-till. In my opinion the Conservation Security Program was a huge U.S. taxpayer win. The program rewarded a few and motivated many. With those motivated paying for the adoption of conservation practices themselves on the prospect of being prepared for the next round of contracts.

Senator Patrick Leahy

1) *In Mr.* Garber's testimony, he mentioned that conservation is a tool to help producers *avoid regulation. In my home state of* Vermont, *our dairy farmers have used the* EQIP *program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great* Lake *Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TM*DL *currently being written by the* EPA *for* Lake *Champlain.*

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the, state, or federal level?

   The question I understand is asking about conservation aiding in avoidance of regulation.

   The Sage Grouse Initiative may avoid regulation. Should recent NRCS efforts focused on the Sage Grouse Initiative continue to be successful in demonstrating the ability to rebuild the Sage Grouse population and expand their natural habitat while working cooperatively with private land owners on working lands; then, perhaps, there will be no need to list the Sage Grouse as an endangered species and regulation regarding the bird will have been avoided.

   If the SGI can work to benefit one-at-risk species it is reasonable to expect to this approach could be used to benefit another at-risk-species. Conservation through cooperation can be applied to other areas of concern and regulation can be avoided there as well. Cooperation should always be preferable by all parties to regulation especially when private lands are a part of the issue.

   Conservation resources are also being used in Montana to assist agricultural producers in their effort to be in compliance with EPA regulation. The Mattson farm is participating in the NRCS SPCC Program. Through this NRCS cost share program producers are receiving design and financial assistance as they strive to comply with the required EPA Spill, Prevention, Control, and Countermeasure rules. Our farming operation is over the 10,000 gallon threshold and this NRCS program will help us create a quality plan as we sort through the many engineering and financial options available. I would expect the NRCS SPCC Program to be popular in other pilot states as well.

   Animal Feeding Operations (AFO) and Confined Animal Feeding Operations (CAFO) are another area where NRCS is aiding producers in Montana with compliance. While I am not personally involved with this particular segment of conservation I am aware that NRCS has been very successful in aiding producers in the creation and

implementation of an acceptable conservation plan required to bring a livestock feeding operation into necessary compliance. The cost share and design assistance components of this NRCS program are no doubt very important to this conservation effort as well.

2) I know that as a Committee we have all been hearin quite a bit about land prices, much of it bein driven by the rise in commodity prices, and I am sure that is the case in your home states.

   I happen to come from a part of the country where our farmers are not just competin with each other over farmland when they want to expand their operations or buy property as a be innin farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once rew corn, raised dairy cows, and tapped su ar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) tryin to find land.

   In Vermont, we have benefited greatly from the USDA's Conservation Easement pro rams, especially the Farmland Protection pro ram, whose demand has far outpaced its fundin . Can any of you speak to the development pressures which have resulted in land bein lost to subdivision and real estate development in your re ions? Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protectin our farms and forestland and ensurin that land is available for a riculture in the future.

   The Mattson family farms in central Montana near the Canadian border and our farming operation must deal with rising land prices and farmer competition for land but we currently have no real estate development competition we must contend with. But, some farmers and ranchers in other parts of Montana do.

   <u>Farm and Ranch Lands Protection Program (FRPP):</u> My family lives a long way from these issues but in the areas of Montana where the development and recreational value of a farm or ranch has pushed the value of that property beyond the production return capabilities there is interest in the opportunities easements could provide. The FRPP in conjunction with other monies has successfully provided financial support to these affected farms and ranches there by preserving some agricultural operations from Montana's version of urban sprawl. There is generally more interest in the program than there is funding.

   <u>Grassland Reserve Program (GRP):</u> I do know there is considerable demand in Montana for the Grassland Reserve Program with perhaps ten times as many applications for the GRP as there is money available. The GRP plays an important role

in the Sage Grouse Initiative's success with the GRP easement dollars providing financial stability for the rancher while insuring ample sage grouse habitat will be maintained on large intact ranch landscapes that will continue raiseing livestock.

<u>Wetlands Reserve Program (WRP):</u> In Montana following the damage caused by severe flooding during the spring of 2011, WRP was useful in helping restore damaged flood plains. The flood damage exceeded funding for the program.

It should concern us all that the world population is expected to grow to 9 billion people by 2050 and further concern us that the world's farmers may need to increase food production by 70% or 80% to meet the demand for food. A 70% to 80% increase is a lot and if these predictions are accurate; it could soon be a problem for us all if quality farmland continues to be removed from production. Properly funded easement programs could be a useful tool in maintaining quality farmland near areas of competing land use opportunities.

I would suggest there will be a need in America for all food production commercial, organic, local etc.

With interest in locally produced food at an all time high and since farm land near cities is hard to acquire especially for small farmers; perhaps one use for sizable decommissioned federal properties located near metropolitan areas, could be the establishment of local farming plots made available to farmers for competitive rent. What if we were to clear suitable federal land of buildings, etc, and return it to agriculture?

Also, do you have any points to share with the Committee as we look to consolidate the current easement pro rams?

I am not an easement program expert. What I do know in respect to their use in Montana is that the Farm and Ranch Land Protection Program, the Grassland Reserve Program and the Wetland Reserve Program each have a distinct conservation focus applicable to different areas of the state. I see no advantage to consolidating these programs. As they currently exist they are all popular, beneficial and underfunded.

I have read about each of your diverse operations involvin corn, soybeans, rice, wheat, and alfalfa. I know that my Vermont farmers will be pleased that we have a dairy farmer testifyin , as well. I am curious, thou h, about an issue I did not see addressed in the

testimony. Am I correct in assuming that you have made use of a variety of commodity programs over the years?

Therefore, am I right to assume that you are in compliance for highly erodible land and wetland conservation, also known as sodbuster and swampbuster rules?

If so, then am I also correct in assuming that you have utilized crop insurance over the years as well? That being the case, as you think about your own operations, how would linking crop insurance to compliance, just as virtually all other USDA payments, loans, or other benefits, including those programs administered by FSA and NRCS are linked today, change the way you farm or manage your business?

The Mattson farming operation is a wheat operation and the primary commodity program that has worked for our farm is the Direct Payment. During the extended draught years that affected our grain production from 1996 through 2006; the Direct Payment program is one of the major reasons why our son and daughter are farming with us today.

Yes, our farm is in compliance with all of the highly erodible land and wetland conservation as well as the sodbuster and swamp buster rules.

Yes, we do use Crop Insurance. Crop Insurance along with the Direct Payment helped us through the draught described above.

I am generally <u>not</u> in favor of linking conservation compliance with crop insurance eligibility.

Having stated that; I say this…Personally, I would intend for the Mattson Farm to continue to be a leader in conservation adoption. Conservation has proven to us to be a valuable way for our farming operation to enhance our production and I would expect the Mattson Farm to always be in compliance with required levels of conservation practice adoption. I would not anticipate the linkage to be an issue for our farm today.

My concern regarding conservation compliance linked to crop insurance is this:

- *Crop Insurance is the Mattson Farm's most valuable risk management tool. With the dollars involved in today's agriculture our farming operation cannot be without crop insurance…we must have it!*

- *W*hat if special interest roups were effective, in the future, in chan in the compliance requirements? Can this be controlled? Can the compliance requirement be limited to basic conservation?
- *L*inka e could make a riculture more vulnerable to special interests than we already are

If conservation compliance is important to the public then perhaps policy makers should reconsider their position on other *U*SDA pro rams that already include conservation compliance.

I am from *M*ontana and am only really familiar with the situation as it could relate to the plains states. I see no lon term ability for farmers to be out of conservation compliance. It simply isn*'t profitable.* Perhaps some older financially secure operations can be out of compliance for a short time into the near future. *B*ut those operations will chan e hands soon. The new operator will have ti hter mar ins because he will have paid a very hi h price for the land or a very hi h rent for the land. *E*ither way the new operator will have to embrace conservation to reduce risk and maximi e return.

I recall the an st amon my nei hbors when it was necessary to have Crop Insurance in order to be eli ible for Disaster pro ram covera e. *O*ur farm had a Crop Insurance *Policy and this wasn't an issue for* us but other farmers were furious. It is my opinion that mandates are an outdated approach to achievin a desired behavior.

*Q*uite possibly, if the oal is to infuriate every farmer and rancher in America a mandate could be the way to achieve that. For that reason, I would su est that if basic levels of conservation are the priority reason for su estin conservation compliance linka e; then findin a path towards incentivi in the desired behavior may be a preferred method to employ in approachin the issue.

If conservation compliance must be linked to crop insurance I su est the followin *:*

- Consider lookin for ways to incentivi e the desired behavior
- *R*eject mandates to force compliance
- *R*eward the ood actors
    - *Don't necessarily lower good a*ctor premiums
    - Consider raisin bad actor premiums
- Create an insurance premium system where the farmer or rancher wants to be conservation compliant

- What if conservation compliant farmers and ranchers are actually a lower risk?
  - What if this lower risk alone could justify a lower premium for the ood actors?

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were ***maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.***

To make the program attractive, we'd also ***need to make the economics better for the farmer.*** Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP ***payments. That could increase the total value of these lands to the farmer and therefore make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.***

1) ***What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?***

   The concept has merit if it can demonstrate an on oin level of profitability for the farmer. Farmin is a business. CRP was most popular when, for a variety of reasons, it was the most profitable choice. Generally in Montana that was when times were tou h and the CRP payment exceeded ***local cash rent. Today's lower CRP per acre payments,*** improved farmin practices and hi her commodity prices have combined to enerally make CRP the less attractive land use alternative. That bein said many land owners would prefer their CRP to remain in rass. ***My wife's family farm is one of those farms in CRP now; that would stay in CRP if CRP was a reasonably profitable choice for their operation.*** Therefore I believe there is merit in your concept as lon as the profit structure

is competitive with the most profitable choice. In Montana that most profitable choice would likely be wheat and/or pulse crop production. It is all dollars and cents.

The reduction of CRP payments because of haying and grazing is just one of the reasons land is coming out of CRP. The wildlife habitat related rules restricting haying and grazing substantially reduce the value of the hay and grazing opportunity. The double whammy of reduced value of the hay and grazing coupled with the reduced CRP payment render the whole process to be generally not worth the effort by many Montana farmers.

I would suggest the following in an effort to make CRP competitive:

- ***Relax some of the problematic (for the farmer) haying and grazing related wildlife habitat priorities of the CRP program***
- ***Allow haying, grazing and biomass to be harvested in a wild life considerate manner***
- ***Allow the farmer to sell/use the harvested biomass or hay and grazing...all accomplished within the established guidelines***
- ***BUT!!! Find a way to pay the farmer his/her entire CRP Payment...***
- ***Allow the farmer to make an extra buck at CRP... and you may get CRP***
- ***Make CRP a profitable choice for the farmer***
- ***Consider aggressive public/private partnerships to relieve some of the federal financial obligation.***

I would suggest that in this current agricultural economic climate that these suggestions may just barely help CRP be more competitive with cropping alternatives. Additionally I feel that the above suggestions would go a long way on maintaining the conservation benefits of CRP and also provide broader biomass feedstock production.

If the public wants wildlife habitat on private land it is going to have to pay for it and the price just went up!

2) What are the implementation issues that would concern you most?

Profitability will be the key to success of the described program. The costs of harvesting and transporting the biomass will determine the success. The proximity of the CRP biomass to the biomass processing facility would contribute to much of the cost. I don't for see a problem if the farmer is making money. Effort with minimal reward is not something that would continue for long.

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

I would expect the biomass program to work wherever the incentives are in financial balance with other alternative land use options available to that particular producer.

Conservation Progress and the Role of USDA Conservation Programs

A ricultural producers and others are appropriately concerned that the public understands what they are doin to meet their environmental responsibilities.

Like any profession or industry, they want to have a ood ima e, and they would of course prefer to avoid runnin up a ainst re ulatory constraints and prohibitions. Certainly, if environmental problems are not bein addressed throu h voluntary means, the public and policy makers will be more inclined to turn to re ulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are takin and the practices they are implementin to preserve, protect and conserve our vital natural resources. Farmin practices today compared to those of the past show si nificant improvements and demonstrate the effectiveness of our conservation investments, althou h of course there is still much pro ress remainin to be accomplished.

4) Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?

I believe the public's impression of U.S. Agriculture's environmental and conservation performance is generally poor.

I would suggest there are people that know better; that could be helping agriculture out in this regard. The USDA and the Secretary of Agriculture should hold agriculture's feet to the fire when we are out of conservation compliance but should as well be Agriculture's loudest cheerleader when we shine...this is not happening effectively enough.

In the west the adoption of no-till is a great story...no dust. Additionally, many areas of our Nation have suffered severe drought. The southwest is suffering prolonged draught right now and there is no dust cloud in Washington D.C. This is an enormous environmental accomplishment for America. And it is brought about by farmers adopting conservation practices and no one even comments!

This from the website: http://www.livinghistoryfarm.org/farminginthe30s/water_02.html "The impact of the Dust Bowl was felt all over the U.S. During the same April as Black Sunday, 1935, one of FDR's advisors, Hugh Hammond Bennett, was in Washington D.C. on his way to testify

before Congress about the need for soil conservation legislation. A dust storm arrived in Washington all the way from the Great Plains. As a dusty gloom spread over the nation's capital and blotted out the sun, Bennett explained, "This, gentlemen, is what I have been talking about." ***Congress passed the Soil Conservation Act that same year."***

Considerable efforts toward the environment and conservation have been made by farmers and ranchers that few with a voice feel the need recogni e. There are countless farmers and ranchers engaged in many significant environmental and conservation activities across the American landscape. These individuals should be publicly acknowledged for their heroic efforts. I know you have heard this before but it is definitely ***true...Farmers can't damage their place of doing business and expect to stay in business!!***

But there are bad actors. There are many farms in my area but by my observation there are only two that have a blatant disregard for their neighbors, the environment and the merits of conservation. These two farms are significant but represent only ½ of one percent or less of the farms in my area. ***99%*** or possibly more of the farms are doing an excellent job of addressing as many environmental and conservation concerns as economically possible for them. ***99%*** of my neighbors are seriously engaged in conservation! They have been inspired to improve through education, profitability and NRCS programs.

That is, how are these conservation pro rams investin in conservation practices and those investments payin off in tan ible benefits, which the public should be ratified to know about?

I believe the delivery of CSP in my watershed in 2005 motivated ***75%*** of the farmers in my county to switch to no-till. Why? Because conservation tillage was essentially an entry level requirement for eligibility into the Conservation Security Program and the prospect of that program returning to the area provided just enough encouragement to motivate many farmers to make the change. This is substantial because change in the short run is very expensive.

There are a few areas that come to mind that are tremendous environmental and conservation wins for all of America.

CSP and EQIP support of Precision Agriculture techniques—In my written testimony I made this statement:

"The addition of auto steer to our field machinery reduced and nearly eliminated overlaps. Prior to GPS guided auto steer, field operation experience taught us to calculate at least a ***4 %*** overlap cost. With every GPS guided field activity employed, we now reali e that ***4%*** as a

reduction in costs plus we are able participate in the associated environmental benefits. The savings are especially rewarding with the high cost major operations such as planting, ***fertilizing, spraying, and harvesting."***

4 % is considered a conservative figure. If we simply multiply the economical and environmental savings represented by that *4%* figure across all the acres in the ***U.S.*** now being farmed with the aid of ***EQIP*** and ***CSP*** inspired auto-steer the benefits to society and the environment are huge. *4%* fewer pesticides applied, *4%* fewer acres of fertili er applied and *4%* less fuel used just for starters.

EQIP and CSP soil health—In Montana and other states the implementation of conservation tillage techniques has gone a long way towards improving soil health. Soil organic matter is being rebuilt and the overall health of the soil is being improved as a result. This is an ongoing win for the public.

EQIP, CSP and WHIP wildlife habitat enhancement—Also accompanying the 2*005* introduction of *CSP* in my area was a significant interest in the establishment of wildlife habitat on area farms. The higher level of the Conservation Stewardship Program 3-Tiered system required a certain percentage of wildlife habitat acres on each farm in order to qualify. Farmers and Ranchers aggressively looked for areas on their operations to locate wildlife habitats and to create wildlife food plots.

Farmers have a significant interest in wildlife and after witnessing wildlife habitat creation in my area following the 2*005 CSP* sigh up; *I* believe with the proper incentives, it is indeed possible to create a private wildlife preserve on each and every farm in America because:

- Every farm large or small has an area that with the proper motivation, could become ***"their Wildlife Preserve" What if we*** called them ***"Farm Heritage Parks"***
    - Embrace all wildlife not just upland game birds
    - ***Some farms have water, some have prairie...embrace whatever's naturally*** available on that farm
    - Provide proper motivation
    - This is where Grandpa would take the grandchildren someday and could become a source of pride on every farm in America

Senator John Thune

1) **Are you in favor of linkin conservation compliance with crop insurance eli ibility? If so, why do you think this is a ood idea? If not, why not?**

I am generally not in favor of linking conservation compliance with crop insurance eligi*b*ility.

*H*aving stated that*; I say this...Personally*, *I* would intend for the Mattson *F*arm to continue to *b*e a leader in conservation adoption. *C*onservation has proven to us to *b*e a valua*b*le way for our farming operation to enhance our production and *I* would e*x*pect the Mattson *F*arm to always *b*e in compliance with re*q*uired levels of conservation practice adoption. *I* would not anticipate the linkage to *b*e an issue for our farm today.

My concern regarding conservation compliance linked to crop insurance is this*:*

- ***Crop Insurance is the Mattson Farm's most valuable risk management tool. With the dollars involved in today's agriculture our farming operation cannot be without crop insurance...we must have it!***
- What if special interest groups were effective, in the future, in changing the compliance re*q*uirements? *C*an this *b*e controlled? *C*an the compliance re*q*uirement *b*e limited to *b*asic conservation?
- *L*inkage could make agriculture more vulnera*b*le to special interests than we already are

*I*f conservation compliance is important to the pu*b*lic then perhaps policy makers should reconsider their position on other ***USDA*** programs that already include conservation compliance.

I am from Montana and am only really familiar with the situation as it could relate to the plains states. ***I*** see no long term a*b*ility for farmers to ***b***e out of conservation ***compliance. It simply isn't profitable.*** Perhaps some older financially secure operations can *b*e out of compliance for a short time into the near future. *B*ut those operations will change hands soon. *T*he new operator will have tighter margins *b*ecause he will have paid a very high price for the land or a very high rent for the land. *E*ither way the new operator will have to em*b*race conservation to reduce risk and ma*x*imi e return.

I recall the angst among my neigh*b*ors when it was necessary to have *C*rop *I*nsurance in order to *b*e eligi*b*le for *D*isaster program coverage. *O*ur farm had a *C*rop *I*nsurance

Policy and this wasn't an issue for us ***b***ut other farmers were furious. ***I***t is my opinion that mandates are an outdated approach to achieving a desired ***b***ehavior.

Quite possi***b***ly, if the goal is to infuriate every farmer and rancher in ***A***merica a mandate could ***b***e the way to achieve that. ***F***or that reason, ***I*** would suggest that if ***b***asic levels of conservation are the priority reason for suggesting conservation compliance linkage; then finding a path towards incentivi ing the desired ***b***ehavior may ***b***e a preferred method to employ in approaching the issue.

If conservation compliance must ***b***e linked to crop insurance ***I*** suggest the following:

- ***C***onsider looking for ways to incentivi e the desired ***b***ehavior
- Re***j***ect mandates to force compliance
- Reward the good actors
    - ***Don't necessarily lower good ac***tor premiums
    - ***C***onsider raising ***b***ad actor premiums
- ***C***reate an insurance premium system where the farmer or rancher wants to ***b***e conservation compliant
- What if conservation compliant farmers and ranchers are actually a lower risk?
    - What if this lower risk alone could ***j***ustify a lower premium for the good actors?

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Darrel Mosel

Chairwoman Debbie Stabenow

1) You have used the Conservation Stewardship Program on your farm; what motivated you to sign up for the program and what impacts has it had on your farm?

I had heard about the program from numerous farm programs and worked with NRCS on previous conservation measures so it wasn't that foreign of an idea that I might check out the program and how it could work for my operation. I was motivated by the opportunity to strengthen the resource-conserving crop rotation I had in place on the farm. CSP provided a counterbalance to the heavy market demands to forgo conservation in the short-term and recognized some of the good conservation I'd been doing.

The impacts on my farm have been largely positive: better water retention in dry years, strong conservation crop rotations resulting in good nutrient cycling as well as improved conservation efficiencies with technology.

Senator Patrick Leahy

1) In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

I'm not sure conservation programs in my case helped me avoid regulation but it's allowed myself to bring forward some of the approaches and opportunities to mitigate agricultural water impairments to the conversation with the local lake association board which I serve on. That's been useful to bring ideas and solutions to help fix these impairments that agriculture has a role in.

2) I know that as a Committee we have all been hearing quite a bit about land prices, much of it being driven by the rise in commodity prices, and I am sure that is the case in your home states.

   I happen to come from a part of the country where our farmers are not just competing with each other over farmland when they want to expand their operations or buy property as a beginning farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once grew corn, raised dairy cows, and tapped sugar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) trying to find land.

   In Vermont, we have benefited greatly from the USDA's Conservation Easement programs, especially the Farmland Protection program, whose demand has far outpaced its funding. Can any of you speak to the development pressures which have resulted in land being lost to subdivision and real estate development in your regions?

This isn't applicable in our community, development pressures for housing and real estate just aren't happening.

   Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protecting our farms and forestland and ensuring that land is available for agriculture in the future.

   Also, do you have any points to share with the Committee as we look to consolidate the current easement programs?

Again this isn't that applicable for my community and operation although I do support streamlining conservation programs so long as the functionality and goals of each unique program is retained. Consolidation can make it easier for farmers to access programs. However, consolidation should not be an excuse to reduce funding for conservation programs.

3) I have read about each of your diverse operations involving corn, soybeans, rice, wheat, and alfalfa. I know that my Vermont farmers will be pleased that we have a dairy farmer testifying, as well. I am curious, though, about an issue I did not see addressed in the testimony. Am I correct in assuming that you have made use of a variety of commodity programs over the years?

Yes.

Therefore, am I right to assume that you are in compliance for highly erodible land and wetland conservation, also known as sodbuster and swampbuster rules?

Yes.

If so, then am I also correct in assuming that you have utilized crop insurance over the years as well? That being the case, as you think about your own operations, how would linking crop insurance to compliance, just as virtually all other USDA payments, loans, or other benefits, including those programs administered by FSA and NRCS are linked today, change the way you farm or manage your business?

Yes, I have utilized crop insurance it's an important management tool for the farm. I don't believe re-linking highly erodible land and wetland conservation compliance provisions to crop insurance support would change my farming approach; I'm already doing it anyway.

Crop insurance has had the unintended consequence of incentivizing crop production on marginal land. And as it is becoming the centerpiece of the safety net; yet, it is the only farm program that is not attached to conservation requirements. This would be a simple fix that would encourage farmers to conserve soil and wetlands as they farm. It's also a good measure that can sure up public support for farm programs around by providing greater assurances that we producers are mindful about land stewardship. We should make this modest change in the coming farm bill.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the

production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefore make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?

I think the idea has merit. I currently have some CRP land but probably won't do biomass on it regardless, but if some farmers could do this it might provide a model for how to get conservation and economic returns off that landscape. Yet any changes to CRP should make sure to minimize conservation disturbances.

2) What are the implementation issues that would concern you most?

No comment

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

I'm not familiar with those programs, but possibly. Again, it would be important the new activities didn't comprise the integrity of the programs.

Conservation Progress and the Role of USDA Conservation Programs

Agricultural producers and others are appropriately concerned that the public understands what they are doing to meet their environmental responsibilities.

Like any profession or industry, they want to have a good image, and they would of course prefer to avoid running up against regulatory constraints and prohibitions. Certainly, if environmental problems are not being addressed through voluntary means, the public and policy makers will be more inclined to turn to regulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are taking and the practices they are implementing to preserve, protect and conserve our vital natural resources. Farming practices today compared to those of the past show significant improvements and demonstrate the effectiveness of our conservation investments, although of course there is still much progress remaining to be accomplished.

4) Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?

I think the public and many people, including myself at times, are frustrated by what appears to be an overall loss in conservation on the landscape. Traditional preservation programs like CRP are losing acres and commodity prices and some policy measures are fueling greater production demands on the landscape.

I fundamentally believe we farmers and conservation enthusiasts need to be smarter and better about getting conservation practices and measures on working lands. CSP and EQIP are part of the answer but so is continuous CRP and special initiatives in CRP. I think every farmer should be using these programs, which need to be paired with some guidance and oversight.

When farmers are doing great jobs in enhancing conservation I think the public is often unaware because they remember some troubling problem they witnessed in the past. We have a public relations problem in holding up what has worked and what we need more of in the farming community to produce good conservation outcomes. I do think some stakeholders especially in conservation community are aware of what many farmers are doing to maintain and enhance conservation on the landscape; they just feel there should be more, which I agree with.

5) That is, how are these conservation programs investing in conservation practices and those investments paying off in tangible benefits, which the public should be gratified to know about?

Overall farmers, NRCS, USDA and stakeholders all need to better at quantifying conservation results and outcomes from the conservation investments we're making. I believe the water quality coming from my farm will be better with CSP than without, but how do I prove that? We need both the overall data but personal stories as well.

With conservation resources under threat, from a budget standpoint, we will need to be better at documenting the showing how these conservation dollars are being used wisely.

Senator John Thune

1) Mr. Mosel, you mentioned several management practices that you implemented on your farm under the Conservation Stewardship Program (CSP). Would you have implemented some of these same practices without the assistance of CSP?

CSP made it possible for me to both implement new conservation activities and actively manage ongoing conservation activities. This is especially true for the resource conserving crop rotation, which has dramatically improved my farming system. The pressures in agriculture are immense. I am concerned that we are losing a diversity of crops and farms that are good for rural communities, the environment and our economy. Without the Conservation Stewardship Program it would have been more profitable the last couple years to plant my entire farm into one crop like corn, but with the Conservation Stewardship Program I was able to maintain a four crop rotation which helps reduce erosion and provides for greater wildlife habitat.

Another CSP enhancement I took advantage was a more comprehensive integrated pest management approach. This year I'll be investing $5000 to create better maps and retrofit my machinery with global positioning systems to better target pesticides. I'll reduce overlap in stray which is good from the environment and good for my pocketbook. I would not have put this in place on my farm without CSP.

This is also true for re-establishing shelterbelts on the farm. These can be really important in addressing wind erosion, wildlife habitat, and protection of the farm site. In Minnesota, we are facing a decimation of our Ash trees, which are under attack from the Emerald Ash Borer. Ash trees populate many of the shelterbelts in our area, including ours. I'm now

implementing a planting regiment that re-establishes a variety of trees to address this threat and enhance the shelterbelt. Without CSP, it's unlikely that I would have done this.

2) Are you in favor of linking conservation compliance with crop insurance eligibility? If so, why do you think this is a good idea? If not, why not?

I support re-linking highly erodible land and wetland conservation compliance provisions to crop insurance subsidies. Crop insurance has had the unintended consequence of incentivizing crop production on marginal land. It has also taken over as the centerpiece of the safety net; yet, it is the only farm program that is not attached to conservation requirements. This would be a simple fix that would encourage farmers to conserve soil and wetlands as they farm.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Bruce Nelson

Chairwoman Debbie Stabenow

1) The 2008 farm bill provided $100 million for mid-contract forest-management practices, including thinning and prescribed fire to improve wildlife habitat on land in the Southeast in CRP planted to softwood pines.

   How many acres of CRP trees in the Southeast have been thinned? How many have been burned?

   Response: Our payment data indicates that in the Southeast since 2008, management activities have been carried out on 161,000 acres, which includes 53,000 acres of thinning, 60,000 acres of prescribed burning, and 48,000 acres of forest stand improvements.

   How much funding has been dedicated to these purposes?

   Answer:
   Since 2008, USDA has made cost-share payments of $703,000 for prescribed burning, and $272,000 for forest stand improvement. There were no cost-share payments for tree thinning.

   What actions has USDA taken to educate, provide incentives, and otherwise encourage forest management practices?

   Answer: Since the mid-1990s, FSA has been working with the southern forestry and wildlife communities to encourage greater application of customary forest management activities, like thinning and prescribed burning, occurring on lands enrolled in the Conservation Reserve Program (CRP) to enhance soil, water, and wildlife benefits. To this end, FSA has partnered with several State forestry agencies, state fish and wildlife agencies, and non-governmental organizations to provide additional outreach and assistance to agricultural producers and landowners. For example, technical assistance provided by the Georgia Department of Natural Resources, Wildlife Resources Division, wildlife biologists to CRP participants also enrolled in Georgia's Bobwhite Quail Initiative enhanced habitat for northern bobwhite on CRP land and elsewhere.

FSA has also worked with the National Institute of Food and Agriculture, other USDA agencies, land grant universities, and the forestry community, to highlight the economic benefit of reduced tree planting densities at establishment, and thinning more trees per acre (particularly during the second thinning), and prescribed burning at frequent intervals to benefit those species dependent on pine savannah type habitat.

CRP cost-share and incentive payments have proven effective in establishing CRP conservation covers. CRP financial incentives include payments made available at contract signing and practice installation. However, these incentives are not available (leaving only cost share assistance) for management activities during the life of the CRP contract.

What barriers has USDA encountered in trying to meet Congressional intent?

Answer: There has been reduced economic activity in the forestry sector. Southern pine pulpwood stumpage is at approximately the same level in 2012 as it was in 2002. Southern pine chip-n-saw and sawtimber stumpage prices have declined by 30 percent over the same period. Cost-share assistance alone has not proven to be an effective incentive to compensate for stable-to-declining forest market conditions and encourage more thinning of pines under CRP contract.

Are current cost share incentives sufficient to encourage significant increases in management of CRP pines?

Answer:
Cost share for the CRP pines is not an effective incentive because there is no out-of-pocket expense to the producer, and no cost-share can be earned. Generally, contractors perform thinning for the land owner and pay the land owner based on the market value of the trees removed. Producers are unlikely to incur costs to conduct pre-commercial thinning when they can wait a few years and be paid for the harvested timber. Thinning that is occurring is generally done according to traditional forestry standards, and the pine stands are not thinned heavily enough to open the tree canopies to provide for suitable understory development and enhanced wildlife habitat.

Ranking Member Roberts

1) Last year, producers in Kansas counties in the eastern part of the state that were not in approved emergency haying and grazing counties were interested in harvesting and donating hay to producers that were in drought areas. Along those same lines, producers were also willing to grant access to allow grazing on their CRP acres if a producer from a drought county wanted to transport animals to another part of the state or even another state outside the drought area. What is USDA's policy on the harvesting or grazing of CRP acres outside the emergency area, when the benefit is to producers directly impacted by the drought or other another emergency?

Answer:
CRP participants are authorized to conduct managed haying and grazing outside of the primary nesting season. Managed haying and grazing provisions do not require the county where the CRP acreage is located to meet the emergency haying and grazing eligibility requirements of 40 percent loss of forage and precipitation. CRP participants may donate or sell hay harvested under managed haying provisions and may lease or donate the grazing rights under managed grazing provisions to any livestock producer. CRP participants requesting managed haying and grazing must file a request with their local FSA office indicating the acreage to be hayed or grazed before the activity begins. A statutory payment reduction is assessed for the acres hayed or grazed. FSA has determined the payment reduction to be 25 percent of the annual rental payment.

2) The President's budget includes the transfer of the Voluntary Public Access Habitat Incentive Program (VPA-HIP) from FSA to NRCS. What led to the decision to change the agency administering the program and will this proposal cause the program to be managed differently?

Answer:
VPA-HIP helps states and tribal governments encourage owners and operators of privately-held farm, ranch, and forest land to voluntarily make that land available for public access for wildlife-dependent recreation, including hunting or fishing. The Natural Resources Conservation Service (NRCS) has an extensive network of conservation partnerships -- including state fish and game agencies, sportsmen organizations, and private landowners -- through which it can continue to build upon the successful start of this program. NRCS can also integrate this program into its existing landscape scale conservation initiatives, such as the Northern Plains Migratory Birds Habitat Initiative in the Prairie Pothole Region, to provide additional incentives to landowners and communities to engage in and support voluntary private lands conservation.

3) Through the general sign-up process in CRP, FSA ranks applications according to the Environmental Benefits Index (EBI). What are the factors of the EBI and how are you ensuring that there are soil, water or wildlife benefits from the acres enrolled?

Answer:
FSA uses the EBI to evaluate the environmental benefits of land proposed for CRP as well as the costs of enrolling the land. The environmental factors are: soil erosion, water quality, wildlife, and air quality. The cost factor provides higher points for lower costs.

FSA continues to thoroughly evaluate the environmental benefits of CRP, including the provision of financial and technical support for assessments of CRP's environmental impacts. Assessments have quantified significant benefits in water quality, wildlife habitat, soil erosion, and increase in populations of valued bird populations. Sources of assessments include FSA, Iowa State University, the Food and Agricultural Policy Research Institute, US Fish and Wildlife Service, the Washington Department of Natural Resources, US Geological Service, University of Montana, and other independent researchers. FSA is using CRP enrollment data, the USDA soils and natural resource inventories, and cooperative agreements with Federal, State, and other partners to refine its performance measures and to estimate the benefits from CRP. For more information about CRP benefits, see:

http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=nra.

4) Many years ago we established the authority to create Conservation Priority Areas for the CRP. How does the agency use these designations? How many priority areas currently exist at the national level and how many at the state level? While the Farm Bill says the priority areas expire after 5 years, have any ever expired?

Answer:
Conservation Priority Areas (CPA's) are used to provide basic land eligibility for CRP enrollment. Land within a National or State CPA is eligible to be enrolled provided other requirements, such as cropping history, are met. In addition, offers of acreage in water quality, wildlife and air quality zones are awarded points within the Environmental Benefits Index (EBI). There are currently five National CPA's: Chesapeake Bay, Great Lakes, Long Island Sound, Longleaf Pine, and Prairie Pothole. There are currently 46 State CPA's. All National CPA's were reviewed and re-designated in 2009. In 2010, states were required to either

renew (leave unchanged) or revise their existing CPA's. Some states did not renew their existing CPA's; therefore, they expired.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefore make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?

   Answer:
   The concept is intriguing; however, significant analysis would be required to ensure that the environmental benefits provided by CRP are not undercut by inadvertently changing the focus of the program to biomass production.

2) What are the implementation issues that would concern you most?

   Answer:
   The concept would potentially establish competing priorities for the CRP lands – conservation of soil, water, and wildlife habitat versus production of biomass feedstocks. Too little is known, at this point in time, regarding which biomass feedstocks hold the greatest potential; however, in order to maintain environmental benefits, particularly wildlife habitat, the feedstock would likely

need to be limited to native species. Accordingly, without significant statutory and regulatory controls there is a danger that CRP could not effectively deliver environmental benefits, particularly habitat for native species, or feedstocks for the production of bioenergy and other bio-based products.

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

Answer:
There would be similar concerns for GRP and WRP in particular. The focus of WRP is to protect, restore, and enhance the functions and values of wetland ecosystems to attain:

- *habitat for migratory birds and wetland dependent wildlife, including threatened and endangered species,*
- *protection and improvement of water quality,*
- *attenuation of water flows due to flooding,*
- *recharge of ground water,*
- *protection and enhancement of open space and aesthetic quality, and*
- *protection of native flora and fauna contributing to the Nation's natural heritage.*

Without knowing further details it is difficult to assess how the harvesting of biomass would impact the environmental benefits of WRP.

Senator Michael Bennet

1) With high grain prices encouraging farmers to put Conservation Reserve Program (CRP) land back into production, I've heard some discussion of establishing permanent CRP easements that would allow some limited uses of the land, while also maintaining necessary protections for highly erodible soils. Can you please share your thoughts on this approach?

Answer:
USDA already offers long-term conservation easements to producers through several other programs, including the Grassland Reserve Program (GRP); Wetlands Reserve Program (WRP); Farmland Protection Program (FPP); and the Healthy Forest Reserve Program (HFRP). The CRP complements these long-term easement programs by offering producers incentives to undertake conservation practices that significantly benefit water quality, soil, and wildlife habitat while giving producers the benefit of a relatively short-term contract. The shorter duration of the CRP contract also benefits USDA and our conservation efforts. For example, the 10- to 15-year contracts used for CRP provides flexibility to address evolving environmental priorities and to reevaluate the conservation benefits of the enrolled acreage. When a contract expires we now have the ability to swap that land out for acreage providing a higher level of environmental benefits.

Would a permanent CRP option perhaps save money as FSA is sometimes paying for 3 ten-year contracts (so 30 years of rental payments) when we could've bought the land outright for a smaller amount?

Answer:
To determine if there would be net savings or costs, the outlays for CRP rental payments versus the outlays for the permanent easement would need to be determined, alongside the other costs and benefits for both options. For example, the land owner could still face significant legal liabilities and costs (e.g. fence maintenance, invasive species control, compliance with environmental regulations etc.) which would drive up the long-term easement costs; however, being able to hay and graze the land could help lower easement costs.

When you factor in discounting (time value of money), the cost for easements could be similar to that for rental payments because the discounted value of an infinite stream of rental payments based on cropland rents should be equal to the cropland value of the land.

2) Last week in Colorado I met with several river districts that manage water in the NE part of the state and the San Luis Valley (where Ken Salazar, former member of this committee, is from). We talked a lot about the importance and successes of the Conservation Reserve Enhancement Program (CREP) to these river districts. They told me about two examples where the CREP program is essential to their meeting their obligations outside their districts. Have you heard of other examples of where this is the case? What is FSA doing to enroll more CREP acres across the country?

Answer:

FSA continues to work with state agencies and partners to address conservation concerns in states across the nation by developing new CREP Agreements and modifying existing Agreements to encourage additional enrollment. Listed below are a few examples from across the country with similar successes:

***Kansas Upper Arkansas River CREP**: Seeks to enroll 28,950 acres of eligible irrigated or non-irrigated cropland in 14 to 15 year CRP contracts. The primary goals are to conserve irrigation water, improve water quality by removing land from agricultural production, enhance wildlife habitat, conserve energy and reduce erosion. This project will reduce the use of irrigation water and reduce non-point source pollution by terminating water rights connected to the land enrolled in CREP and establishing permanent vegetative cover and other conservation practices.*

***Nebraska Platte-Republican CREP:** Seeks to enroll up to 100,000 acres to reduce irrigation water use, improve water quality, and enhance wildlife habitat through*

establishment of vegetative cover. Saving water will replenish streams, rivers and reservoirs and enhance wildlife. This project will significantly reduce the use of water for irrigation and the amount of agricultural chemicals and sediment entering waters of the state from agricultural lands and transportation corridors.

Idaho Eastern Snake Plain Aquifer CREP: *Seeks to enroll up to 100,000 acres of eligible irrigated cropland to reduce water use, increase water quality, reduce soil erosion and sedimentation and increase wildlife populations. In addition to CREP payments, Idaho state water authorities will enter into State Water Use Contracts with participants on CREP-enrolled land to help ensure that irrigation water is conserved during the contract periods.*

Senator Kirsten Gillibrand

Water Quality Efforts, Partnerships, and the Great Lakes

Mr. Nelson, welcome and thank you for being here, especially during Great Lakes week. They are a national treasure and an important natural resource for us in New York. I want to talk to you about addressing the water quality concerns the Lakes are facing and the steps you are taking to make sure that New Yorkers will still be able to rely on the Lakes for their livelihoods. Could you elaborate on specific efforts and activities your agencies are, and will engage in the watersheds to assist producers? Do you see a role for expanded partnerships in this effort and what are you doing to encourage broader partnerships?

Answer:
One component of the CRP is the Conservation Reserve Enhancement Program (CREP). CREP is a Federal-State conservation partnership that targets CRP enrollment to address

CREP Targeted and Enrolled Acres in Great Lakes Basin		
State	***Targeted Enrollment Acres***	***Currently Enrolled as of 1/31/2012***
(1) ***Ohio-*** *Lake Erie Basin*	*67,000*	*42,662*
(2) ***Michigan-*** *Macatawa and Saginaw Watersheds*	*85,000*	*72,330*
(3) ***Wisconsin-*** *Lake Superior Basin*	*100,000*	*41,325*
(4) ***New York Statewide-*** *Lake Ontario Basin*	*40,000*	*11,009*
Total	***292,000***	***167,326***

specific environmental concerns such as water quality or wildlife habitat. There are currently CREPs in States that directly address Great Lakes water quality concerns: (1) the Ohio Lake Erie CREP, (2) the Michigan CREP which targets the Macatawa and Saginaw watersheds of Lake Huron and Lake Erie, (3) Wisconsin's Lake Superior Basin CREP, and (4) New York's State-wide CREP which includes land in the Lake Ontario drainage basin.

Senator Saxby Chambliss

1) The 2008 Farm Bill provided $100 million for mid-contract forest-management practices, including thinning and prescribed fire to improve wildlife habitat on land in the Southeast in CRP planted to softwood pines.

- How many acres of CRP trees in the Southeast have been thinned?

  Answer:
  Our payment data indicates that in the Southeast since 2008, 53,000 acres have been thinned.

- What actions has USDA taken to educate, provide incentives, and otherwise encourage forest management practices in the Southeast?

  Answer:
  Since the mid-1990s, FSA has been working with the southern forestry and wildlife communities to encourage greater application of customary forest management activities, like thinning and prescribed burning, occurring on lands enrolled in the Conservation Reserve Program (CRP) to enhance soil, water, and wildlife benefits. To this end, FSA has partnered with several State forestry agencies, state fish and wildlife agencies, and non-governmental organizations, that provide additional outreach and assistance to agricultural producers and landowners. For example, technical assistance provided by the Georgia Department of Natural Resources, Wildlife Resources Division, wildlife biologists to CRP participants also enrolled in Georgia's Bobwhite Quail Initiative enhanced habitat for northern bobwhite on CRP land and elsewhere.

  FSA has also worked with the National Institute of Food and Agriculture, other USDA agencies, land grant universities, and the forestry community, to highlight the economic benefit of reduced tree planting densities at establishment, and thinning more trees per acre (particularly during the second thinning), and prescribed burning at frequent intervals to benefit those species dependent on pine savannah type habitat.

CRP cost-share and incentive payments have proven effective in establishing CRP conservation covers. CRP financial incentives include payments amade available at contract signing and practice installation. However, these incentives are not available (leaving only cost share assistance) for management activities during the life of the CRP contract.

- Are current cost share incentives sufficient to encourage significant increases in management of CRP pines?

  Answer:
  Cost-share for the CRP pines is not a sufficient incentive because there is no out-of-pocket expense to the producer; therefore, no cost-share can be earned. Generally, contractors perform thinning for the producer and pay the producer based on the market value of the trees removed. Producers are unlikely to incur costs to conduct pre-commercial thinning when they can wait a few years and be paid for the harvested timber. Thinning that is occurring is generally done according to traditional forestry standards, and the pine stands are not thinned heavily enough to open the tree canopies to provide for suitable understory development and enhanced wildlife habitat.

2) Current law requires participants enrolled in CRP to undertake management practices on the land as needed throughout the term of the contract to implement the conservation plan.

   - How does FSA verify that landowners adhere to the management plans in the CRP contracts?

     Answer:
     Each producer must self certify that they have completed the required management activity. In addition, producers must provide receipts for the management activity in order to receive cost-share payments. FSA uses a statistical sampling process to select producers nationwide for compliance review and spot checks.

   - How many spot-checks are conducted in the average CRP-participating county in a year?

     Answer:
     FSA selects a statistically representative sample of producers nationwide for compliance review and spot checks. Producers are checked for compliance with all FSA programs, including CRP, if they have an active CRP contract. Under the current process approximately 2,000 producers are selected annually. Because

the selection process is conducted nationwide the number selected in any particular county is not tracked.

- What are the consequences for non-compliance?

  Answer:
  Failure to perform planned management activities can result in contract violation. Consequences for non-compliance are that all signatories to the CRP contract are jointly and severally liable for any payment reduction or refunds that may become due because of noncompliance.

- What additional authority, if any, does USDA require to ensure full implementation of conservation plans?

  Answer:
  Self certification and statistical sampling enable USDA to monitor conservation plan implementation. However, additional financial resources would allow for FSA to increase the number of compliance reviews and spot checks to field verify compliance with the approved conservation plans.

Senator John Thune

1) Administrator Nelson, in your written testimony you provided that pheasant hunting annually brings $250 million in economic activity to South Dakota – and without a doubt CRP has played a significant role in this economic activity by providing much-needed habitat for not only pheasants but also several other game and non-game species of wildlife in South Dakota.

   South Dakota currently has about 1.1 million acres enrolled in CRP which is down from our high of 1.5 million. South Dakota is going to have an additional 224,000 acres expire this year and more than 106,000 acres next year. South Dakota's Game, Fish and Parks Department tells me the state needs 1.5 million acres to maintain game bird populations at current levels.

   In order to keep South Dakota CRP acres at adequate levels the state needs more than general CRP signups – it also needs additional acres in SAFE (State Acres for Wildlife Enhancement) and Duck Nesting Habitat(CP-37) acres. **Along with conducting a general**

CRP signup will FSA be increasing South Dakota's allotment of SAFE and CP37 acres in the near future?

Answer:
On March 2, 2012 Secretary Vilsack announced the opportunity for producers to enroll a total of one million acres of land in a new Conservation Reserve Program (CRP) initiative to preserve grasslands and wetlands. Producers whose land meets eligibility criteria can enroll directly in this "continuous" sign-up category at any time.

The Secretary's announcement included increases across the nation of 400,000 additional acres for SAFE and 150,000 additional acres for Duck Nesting Habitat.

FSA is currently reviewing states' request for additional CP37 acres. Once all requests have been reviewed, FSA will allocate acres to states.

FSA recently issued a SAFE notice providing states with procedures for requesting approval for new SAFE projects and/or additional acres for existing SAFE projects. The deadline provided in the notice for submitting SAFE requests is June 1, 2012. Once all requests have been submitted, FSA will review them to determine the appropriate allocation of SAFE acres.

2) Administrator Nelson, do you have any suggested changes for us to improve CRP and other FSA-administered conservation programs as we draft the next Farm Bill?

Answer: We need to continue to strengthen CRP by focusing on protecting the most environmentally sensitive land. CRP has a 25-year legacy of successfully protecting the nation's natural resources through voluntary participation, and has improved water and air quality, preserved habitat for wildlife, and preventing soil erosion. Programs such as CRP are important conservation safeguards.

3) Administrator Nelson, I would like to comment for the record that the criteria USDA and FSA is using for proposed FSA offices is not following the intent of those of us on the Senate Agriculture Committee who drafted language covering office closures. We did not intend for USDA to use Euclidian or "as the crow flies" to determine distance between offices nor did we intend for USDA to use the number of employees currently in an office to determine whether the office met the "two or fewer" employees criteria. The process USDA used, I believe will result in office closures that will result in undue

hardship to producers in my state who will travel as far as 65 miles one way to the nearest county office and inequitable workload distribution.

Answer:
I appreciate your concerns. The decision to propose consolidation of 131 Farm Service Agency (FSA) offices nationwide was not taken lightly. Over the last two years, FSA's salaries and expenses appropriation has been reduced by more than five percent. These cuts have necessitated significant reductions in administrative spending, including a 30 percent reduction in administrative costs such as travel, postage, and office supplies from 2010 to 2011. In addition, FSA eliminated more than 1,500 temporary employee positions; reduced its permanent staff level by 12.5 percent through voluntary early retirement and buyout programs; and finally, proposed the consolidation of the 131 FSA offices. These measures are part of USDA's Blueprint for Stronger Service, a plan to shrink the broader department-wide budget footprint. The recommended efficiencies are valued at about $150 million annually, $60 million of which is estimated to come from the consolidation of USDA offices across the country.

To identify FSA offices for consolidation, USDA followed criteria provided by Congress in section 14212 of the 2008 Farm Bill, which required, for any office closures, that the Secretary "first close any offices of the Farm Service Agency that – (a) are located less than 20 miles from another office of the Farm Service Agency; and (b) have two or fewer permanent full-time employees." FSA also proposed for closure all offices with zero full-time, permanent employees.

FSA utilized Euclidian mileage because it provided the most objective way to measure the distance between the 2,244 existing FSA service centers across the US. In addition, FSA utilized staff level numbers from FSA's national office Human Resources Division to determine which offices had two or fewer permanent, full-time employees.

4) Native sod conversion to cropland is occurring in many areas of the United States, including the Prairie Pothole Region. It is important that this acreage conversion be monitored and FSA through its acreage certification process has the capability to do so. What is stopping FSA from requiring producers to certify converted non cropland acres during the normal crop certification process?

Answer:

FSA requires producers to certify all cropland and pastureland on a farm if they are participating in a program requiring such certification as a condition of eligibility. As of the 2012 crop year, county offices will indicate "new land broken out" in the FSA automated tract record software when the cropland amount for a tract increases as a result of a crop being planted on what had been classified as non-cropland by FSA. However, FSA does not require producers to certify whether land that has been broken out from "native vegetation" because this information is neither needed to administer current programs nor to ensure compliance with them.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Dean Stoskopf

Senator Patrick Leahy

1) **In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.**

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

   Kansas has several success stories that are the result of voluntary participation in state and federal programs. Kansas has had numerous streams de-listed from the EPA 303d inventory, including several in recent years such as Banner Creek Lake (Jackson County), Clark's Creek (Morris/Geary Co), West Creek and the Upper Fall River (Greenwood County) and Mill Creek (Wabunsee County.) Voluntary programs such as those administered by the Kansas Department of Agriculture's Division of Conservation complement federal EPA 319 and EQIP efforts to reduce water quality impairment levels. I am concerned with upcoming issues regarding nutrients, EPA direction in handling these issues and the need for funding being greater than ever to support these and other voluntary federal programs that target these issues.

2) **I know that as a Committee we have all been hearing quite a bit about land prices, much of it being driven by the rise in commodity prices, and I am sure that is the case in your home states.**

   I happen to come from a part of the country where our farmers are not just competing with each other over farmland when they want to expand their operations or buy property as a beginning farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once grew corn, raised dairy cows, and tapped sugar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) trying to find land.

In Vermont, we have benefited greatly from the USDA's Conservation Easement programs, especially the Farmland Protection program, whose demand has far outpaced its funding. Can any of you speak to the development pressures which have resulted in land being lost to subdivision and real estate development in your regions? Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protecting our farms and forestland and ensuring that land is available for agriculture in the future. Also, do you have any points to share with the Committee as we look to consolidate the current easement programs?

In Kansas we have also seen land values have increased tremendously in the last year. According to the Federal Reserve Bank of Kansas City, dryland farm values in Kansas increased 24% in 2011. Also in Kansas, we have seen significant participation in easement programs. In the Farmland Protection Program which you mentioned, Kansas has protected 18,762 acres with nearly $3.6 million in funds from the USDA. These easements can provide significant estate, property and income tax benefits to farmers in addition to ensuring that some of our most treasured agricultural land is protected. In Kansas we predominantly use the Farmland Protection Program, the Grasslands Reserve Program and the Wetlands Reserve Program. Though other easement programs that are offered have had some participation, these three make up the bulk of participation in Kansas.

3) **I have read about each of your diverse operations involving corn, soybeans, rice, wheat, and alfalfa. I know that my Vermont farmers will be pleased that we have a dairy farmer testifying, as well. I am curious, though, about an issue I did not see addressed in the testimony. Am I correct in assuming that you have made use of a variety of commodity programs over the years?**

Therefore, am I right to assume that you are in compliance for highly erodible land and wetland conservation, also known as sodbuster and swampbuster rules?

If so, then am I also correct in assuming that you have utilized crop insurance over the years as well? That being the case, as you think about your own operations, how would linking crop insurance to compliance, just as virtually all other USDA payments, loans, or other benefits, including those programs administered by FSA and NRCS are linked today, change the way you farm or manage your business?

We have used a variety of commodity programs on our farm over the years and we are in compliance for highly erodible land. We have also come to rely heavily on crop insurance as a key part of our farm's risk management

strategy. Recently there has been quite a bit of discussion about requiring conservation compliance as a prerequisite for crop insurance participation. I am concerned about this as I see many challenges and complexities when yet another federal agency, the Risk Management Agency is brought into the mix, for what I believe would be a negligible gain as conservation compliance is already required for participation in a host of other FSA and NRCS programs as you pointed out in your question.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefor make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) **What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?**

   I agree whole-heartedly with the idea that the production of biofuels is good for our country's energy independence, our environment and also for rural America's economy. Currently in Kansas, we can hay or graze certain CRP acres one out of every three years. It is my understanding that the hay currently being taken from those acres could be sold as biomass. However in Kansas, we do not have accessible outlets for the biomass in the production of biofuels.

2) **What are the implementation issues that would concern you most?**

My biggest concern with the program you are suggesting would be the threat of environmental groups suing the FSA and tying our conservation program's up in litigation. As you are surely aware, previous lawsuits by groups such as the National Wildlife Federation have already added miles of red tape and expensive studies to our programs and have led to many restrictions in current CRP contracts. I believe the potential for litigation to be the greatest challenge we would face.

3) **Might this also work for other conservation reserve programs, such as WRP and GRP?**

I am not as familiar with the Wetlands Reserve Program or the Grassland Reserve Program as I am with the Conservation Reserve Program. That being said, I would express some concern about the practicality with which WRP acres could be hayed, simply because of the type of land and its intended purpose. In Kansas, many of our GRP easements have been entered into in our treasured Flint Hills region of the state and are designed not as a land retirement or idling program such as CRP, but rather as easement to protect the land from developmental pressures. This leaves GRP lands as production lands, many of which in Kansas are still being grazed.

Conservation Progress and the Role of USDA Conservation Programs

Agricultural producers and others are appropriately concerned that the public understands what they are doing to meet their environmental responsibilities.

Like any profession or industry, they want to have a good image, and they would of course prefer to avoid running up against regulatory constraints and prohibitions. Certainly, if environmental problems are not being addressed through voluntary means, the public and policy makers will be more inclined to turn to regulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are taking and the practices they are implementing to preserve, protect and conserve our vital natural resources. Farming practices today compared to those of the past show significant improvements and demonstrate the effectiveness of our conservation investments, although of course there is still much progress remaining to be accomplished.

4) **Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?**

I believe that the public's impression and understanding of agriculture's commitment to the environment and conservation of our natural resources is

growing with time. Take the summer of 2011 in Kansas for example. Large portions of Kansas recorded less rainfall and hotter temperatures than the 1930's, and yet our friends and neighbors in towns across Kansas noticeably didn't experience the dust storms or watch acres of topsoil being blown away like we experienced during the dustbowl. Many times, examples and illustrations are the best way to show that farmers care for the land and the environment. We farm next to Cheyenne Bottoms, a RAMSAR Wetland of International Importance, along a national scenic byway and next to three state highways. We try to show, by example, the benefits of conservation. When the public views land enrolled in the Conservation Reserve Program, bountiful crops and various wildlife species co-existing, we are showing and sharing our love and respect for our resources. I am confident that with time, and proper care of the land, our urban friends will come to have a better understanding and appreciation of the positive impact our improved farming and conservation practices have had.

5) **That is, how are these conservation programs investing in conservation practices and those investments paying off in tangible benefits, which the public should be gratified to know about?**

Conservation programs provide many tangible benefits to both the landowner and the public. One of the best examples of voluntary conservation programs providing benefits to the public can be seen in the success of EQIP and similar programs in improving water quality downstream of agricultural operations. As I mentioned in an answer about regulations to Senator Leahy, these programs in Kansas have allowed us to delist numerous waters from the EPA's 303d inventory, including at least one lake that serves as a water source for towns in northeast Kansas.

Senator John Thune

1) **Are you in favor of linking conservation compliance with crop insurance eligibility? If so, why do you think this is a good idea? If not, why not?**

I am not in favor of linking conservation compliance with crop insurance, as it would create unnecessary complexity without substantial environmental benefit. As I mentioned in my responses to Senator Leahy, I am concerned about this as I see many challenges and complexities when yet another federal agency, the Risk Management Agency is brought into the mix, for what I believe would be a negligible gain as conservation compliance is already required for participation in a host of other FSA and NRCS programs as you pointed out in your question. I am also concerned about times when natural disasters can affect conservation compliance in the short term. For

example, devastating hailstorms in the Great Plains can drastically reduce residue on the soil, floods in the Midwest can cause significant water erosion that takes time to repair and wildfires in the southern plains or hurricanes in the gulf coast can both cause farmers to be out of compliance. If conservation compliance is tied to crop insurance, these producers may lose the very program they need to stay in business in the face of natural disasters.

2) What changes would you like to see in the Conservation Reserve Program (CRP)?

I would like to see more flexibility granted to State FSA Committees to react to local conditions and situations. A prime benefit of additional flexibility could be seen during times of extreme weather patterns. As I mentioned in my oral testimony, the slow procedures for releasing counties for emergency haying and grazing operations simply could not keep pace with the rate at which the drought progressed. This led to many acres of CRP having little nutritional value by the time producers had permission to hay or graze. The advantages of greater decision-making power being held at the local level could also be realized in the delivery of other CRP programs such as CP-25, rare and declining habitat plantings. In only a few states including Kansas are CP-25 acres grassland, which benefit from managed grazing. However, the federal rules prohibit the grazing of CP-25 acres, even though it would be beneficial from a ecological standpoint.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Mr. Jeff Trandahl

Chairwoman Debbie Stabenow

1) Mr. Trandahl, can you elaborate on how for your organization, the ability to focus conservation dollars on the most 'bang for the buck' resource issues helps conservation outcomes?

NFWF has been funding excellent projects for the last twenty-six years. However, in 2008, at the direction of NFWF's Board of Directors, NFWF adopted a new decision-making framework that has enabled us to better define, invest in, and deliver measurable improvements to targeted species. This framework includes a rigorous science and evaluation function to ensure that NFWF grants are focused on projects likely to maximize conservation impact while remaining fiscally responsible. This decision-making process has resulted in a better way of tracking progress and measuring the benefits of NFWF investments.

In working more strategically, we discovered that cost-effectively focusing our resources improved conservation outcomes, but also helped raise more funding from multiple resources. Together, NFWF and our partners identify geographic priorities, develop strategies, and fund projects that are continuously evaluated.

Senator Patrick Leahy

1) In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.

   Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

   One of this year's special considerations for our "Sustain Our Great Lakes" program is providing funding for phosphorous reductions from ag lands. We are specifically looking for proposals that will focus on riparian buffers, wetlands as well as on-field

practices. We expect these proposals to be in addition or to enhance NRCS Farm Bill programs.

Our Chesapeake Bay program, while not focused directly on avoiding regulation, is helping to reduce non-point source pollution and clean up the Bay and its tributaries. Specifically, our work with the Virginia Dairymen's Association has gotten many small and mid-size dairy operations to dramatically change their handling, storage and usage of manure. This has been done with a number of goals, but there is a strong focus on the conservation benefits in conjunction with the business side of the agricultural operation.

2) I know that as a Committee we have all been hearing quite a bit about land prices, much of it being driven by the rise in commodity prices, and I am sure that is the case in your home states.

   I happen to come from a part of the country where our farmers are not just competing with each other over farmland when they want to expand their operations or buy property as a beginning farmer. They are forced to compete with real estate developers, who pay top dollar to plant houses where Vermont farmers once grew corn, raised dairy cows, and tapped sugar bushes for the best maple syrup. This is an especially formidable barrier for new farmers (we are blessed with many in Vermont) trying to find land.

   In Vermont, we have benefited greatly from the USDA's Conservation Easement programs, especially the Farmland Protection program, whose demand has far outpaced its funding. Can you speak to the development pressures which have resulted in land being lost to subdivision and real estate development in your regions? Specifically, please talk about how easement programs can improve a farm's bottom line while permanently protecting our farms and forestland and ensuring that land is available for agriculture in the future.

   Also, do you have any points to share with the Committee as we look to consolidate the current easement programs?

   NFWF is not qualified to address the impact of Ag land values but we do see the increase in land values effecting us through higher costs for easement projects.

   It seems that combing the NRCS easement programs under one umbrella program makes perfectly good sense and could/should probably include NRCS management of CRP as well. These programs seemingly have more overlapping goals than disparate goals. The use of these easement programs to conserve valuable open lands is critically important where we find the urban rural interface hitting us the hardest.

While the conservation elements are important, the financial benefits "Keep Farmers Farming". For example, helping a Virginia dairyman with manure management through EQIP and then using the Farm and Ranchland Protection Program will help keep that small dairy in business. Furthermore, having business development efforts available to that operator can further help keep that operation a viable business.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP payments. That could increase the total value of these lands to the farmer and therefor make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production?

2) What are the implementation issues that would concern you most?

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

The idea of multiple use on Ag lands can be sound if the appropriate concerns are addressed in a conservation plan and proper implementation. Biomass production is possible but probably not in a monoculture setting. Certain species that have been discussed for use in biomass production have limited wildlife value if planted as a single species. This issue is not that dissimilar to haying and grazing on Farm Bill easement lands such as WRP and GRP. Haying and especially grazing if used as a conservation practice can have a positive economic impact as well as conservation

benefit. The involvement of State Fish and Game agencies is critical to make sure that these along with biomass planting and harvesting are done at times that will have the least impact with wildlife.

Conservation Progress and the Role of USDA Conservation Programs

Agricultural producers and others are appropriately concerned that the public understands what they are doing to meet their environmental responsibilities.

Like any profession or industry, they want to have a good image, and they would of course prefer to avoid running up against regulatory constraints and prohibitions. Certainly, if environmental problems are not being addressed through voluntary means, the public and policy makers will be more inclined to turn to regulatory solutions.

In actuality, there is a positive story to tell about the actions farmers and ranchers are taking and the practices they are implementing to preserve, protect and conserve our vital natural resources. Farming practices today compared to those of the past show significant improvements and demonstrate the effectiveness of our conservation investments, although of course there is still much progress remaining to be accomplished.

4) Would you provide some more perspective on this issue of the public's impression and understanding of agriculture's environmental and conservation performance?

   Our impression is that the majority of farmers and ranchers are continuing the tradition of being the best stewards of the land. Part of the challenge is that there are still many bad actors who refuse to switch to conservation-oriented practices even when there are programs to help cover the cost. A question to consider is why every farmer is not practicing no-till or some variant of it.

5) That is, how are these conservation programs investing in conservation practices and those investments paying off in tangible benefits, which the public should be gratified to know about?

   The simplest conservation benefits are understood by the public through cleaner water, more fish in the streams, or more sage grouse on the land. While the general public does not seem to understand how agriculture works, they often hear negative stories about fouled water, bad air quality, or endangered species. The ag community would be well- served if they talked more about their conservation achievements. Moreover, this would result in the bad actors being shamed into doing the right thing and give credit to those getting it done on the land.

Senator John Thune

1) Jeff, I am impressed with the leveraging of federal conservation dollars National Fish and Wildlife Foundation (NFWF) *Nif-Wif* is able to achieve with the 2008 Farm Bill programs.

   What suggestions do you have for this Committee as we write the Conservation Title of the 2012 Farm Bill to make leveraging federal dollars even easier and more effective for your organization and the many others?

   Flexibility is the number one thing that can make these partnerships work. These new levels of partnership are a big change for NRCS. While NRCS has partnered with Conservation Districts for years, expanding beyond that work with more diverse partners has been challenging. Senior agency staff have embraced the idea, but others have made partnerships difficult and with agency staff turnover it can be less efficient and effective because of internal bureaucracy. Some of these challenges will improve over time as staff become more familiar and trusting of partnerships.

   In the new Farm Bill we would urge you to keep things as simple as possible and to actually direct the agency to keep things simple. If NRCS were to try and create rules and/or regs for partnering, they would be creating something that OMB has already created standards for and is unnecessary.

Senate Committee on Agriculture, Nutrition & Forestry
Strengthening Conservation Through the 2012 Farm Bill
February 28, 2012
Questions for the record
Chief Dave White

Chairwoman Debbie Stabenow

1) Chief White, Michigan's natural resources, specifically the Great Lakes, are one of the many things that makes my state so great. From hunting and fishing throughout the state to the sailboats on Saginaw Bay, our Great Lakes are our pride and joy. When talking about conservation on our agricultural lands in Michigan we bring together some dynamic partnerships. One of the pieces of the framework that we worked on over the fall was the Regional Conservation Partnership Program – a consolidation of four existing programs that would provide greater flexibility and local control for those farmers and organizations that want to pool their resources to tackle real problems.

   Over the long term, how do you see the partnership model fitting in with the broader range of NRCS conservation programs and efforts?

   NRCS Response: We see the partnership model fitting in well with our conservation programs and other activities and we welcome the opportunity to expand partnership participation. Partnerships are at the core of how we provide technical and financial assistance to our customers. The agency's operational framework is designed to encourage partnership involvement as a way of doing business. All of our conservation programs provide an opportunity for partners to be involved, either at the field office level through Local Working Groups or as a member of a State Technical Committee. Partners also are involved through specific projects as sponsors or contributors of resources, information, data, outreach or other means. NRCS has a suite of Landscape Conservation Initiatives developed and delivered with partnerships across the country.

2) Chief White, as you testified, farmers and ranchers are unquestionably making environmental progress through conservation practices. This is in part thanks to the work NRCS has done to improve the effectiveness of conservation practices and promote their adoption across different types of landscapes and operations. For many conservation programs, the federal government provides a cost-share for a specific type of conservation practice or management agreement. Can you please describe what legal authorities USDA has to provide metrics and quantify the environmental improvement resulting from such practices and management agreements?

   NRCS Response: NRCS provides metrics and quantifies environmental improvement resulting from conservation practice implementation through the Soil and Water Resources Conservation Act of 1977, as amended (RCA). The RCA provides USDA with

broad strategic assessment and planning authority for the conservation, protection, and enhancement of soil, water, and related natural resources. Through RCA, USDA:

- appraises the status and trends of soil, water, and related resources on non-Federal land and assesses their capability to meet present and future demands;
- evaluates current and needed programs, policies, and authorities; and
- develops a national soil and water conservation program to give direction to USDA soil and water conservation activities.

Congress reauthorized the RCA in the Food, Conservation, and Energy Act of 2008 (the 2008 Act), extending it through 2018. The reauthorization made targeted changes to the underlying statute including placing new emphasis on the importance of assessing conservation needs, evaluating the effects of conservation practices, and analyzing alternative approaches to conservation programs. The 2008 Act amendments also amended Section 5(a) of the RCA to require the following additional information be encompassed by the RCA appraisal: "(7) data on conservation plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary."

Additionally, section 2708 of the 2008 Act added a paragraph to section 1244(g) of the Food Security Act of 1985 (the 1985 Act) entitled, "Administrative Requirements for Conservation Programs," and this provision requires NRCS to coordinate program performance measures with the RCA. In particular, section 1244(g) states the following:

"(g) Compliance and performance.—For each conservation program under Subtitle D, the Secretary shall develop procedures—
(1) To monitor compliance with program requirements;
(2) To measure program performance;
(3) To demonstrate whether long-term conservation benefits of the program are being achieved;
(4) To track participation by crop and livestock type; and
(5) To coordinate activities described in this subsection with the national conservation program authorized under section 5 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004)."

This provision presents in one place the accountability requirements placed on NRCS as it implements conservation programs and reports on program results. The requirements apply to all programs under Subtitle D of Title XII of the 1985 Act, including the Wetlands Reserve Program, the Conservation Security Program, the Conservation Stewardship Program, the Farm and Ranch Lands Protection Program, the Grassland Reserve Program, the Environmental Quality Incentives Program (including the Agricultural Water Enhancement Program), the Wildlife Habitat Incentive Program, and the Chesapeake Bay Watershed initiative.

3) I was pleased to hear in your testimony about the changes you have been making to the Conservation Measurement Tool in the Conservation Stewardship Program (CSP). One of the concerns I keep hearing about CSP is the lack of information regarding the return on the federal government's investment in terms of landscape level benefits. Can you please describe how changes you have been making to the Tool will better quantify resource benefits to justify taxpayer investment?

NRCS Response:

NRCS updated the Conservation Measurement Tool (CMT) to better quantify the landscape level benefits (i.e., benefits on the eligible entity's operation) for the Conservation Stewardship Program. The tool evaluates both existing and new activities using a point based system. The tool's algorithm is designed for equity in order to score an applicant's current and planned environmental performance and to generate conservation performance points to be used for payment purposes. The scoring for the CMT is measured by question, enhancement and/or conservation practice responses. The measurements are based on the Conservation Practice Physical Effects (CPPE) scoring tables using the -5 to +5 scoring system. These scores are used to reflectively measure the total of the producer's existing activities and new activities on the land use acres. The accumulation of the two point values (existing activities and new activities) is produced by the CMT. The new activities point values are then adjusted against the agriculture operation's total land use in order to calculate the benefit points to the affected acre. The adjusted new activities points and the existing activities points become the landscape level measurement and are equated as the benefits used to determine the payment that producers should receive.

Ranking Member Roberts

1) We are writing the next Farm Bill under significantly different budget conditions than we had as we wrote the 2002 and 2008 bills. The Wetland Reserve Program (WRP) is one program that will expire and does not have baseline funding. The current program allows USDA to pay for up to 100% of the cost of restoration. When purchasing a permanent WRP easement and undertaking restoration, does USDA always pay 100% of the cost of the easement and the restoration? How many times has NRCS not paid 100%? And for 30-year easements, does NRCS always pay 75% of the purchase price and costs of restoration?

NRCS Response: Partners often contribute either financial or technical assistance to WRP projects. Landowners also contribute resources to the project. In the 2010 Report

to Congress on WRP easements, NRCS highlighted that between FY 2002 and FY 2009, partners brought more than $96 million in financial and technical assistance to WRP. As of April 30, 2012, NRCS records show approximately $1.7 billion in FY 2002 through FY2009 WRP financial and technical assistance funds had been obligated. The $96 million contributed by partners represents a contribution of 5 percent of the WRP funds obligated during that period of time. Additionally, because demand for WRP exceeds available acres, landowners sometimes offer to accept a lower compensation amount for the easement or agree to implement a portion of the restoration work at no cost. Landowner contributions that result in reduced costs to NRCS include a variety of activities such as agreement to accept reduced easement compensation amounts, direct purchase of materials or services for acquisition or restoration, in-kind services for restoration, and other activities. As a result of this variability, NRCS does not track these landowner contributions.

The WRP statute enables NRCS to consider any partner or landowner contributions as part of the project selection process. While it is important for NRCS to have the ability to pay up to 100 percent or 75 percent of needed restoration or repair costs to ensure that public investment and conservation benefits are fully protected, the contributions of partners and landowners do result in NRCS not always paying the maximum allowable easement purchase or restoration costs as permitted by statute.

WRP is unique in that it restores, protects, and enhances our nation's important wetland resources through an easement held by the United States that provides sufficient authority for NRCS to ensure the restoration is accomplished in a way that is both cost-effective and maximizes the benefits to the American public. WRP is a tremendously popular program among landowners as well as conservation partners including Non-Governmental Organizations, State and local governments, and other Federal agencies.

2) How much funding does NRCS use on the oversight and management of the WRP easements the government now holds? Does NRCS use third parties to undertake the long term management of easements? How many easements (and what acreage) has NRCS transferred to other agencies?

   NRCS Response: NRCS considers oversight and management of WRP easements to include annual monitoring as well as the planning and the implementation of repairs, maintenance, or other management actions that are determined necessary to ensure the easements are achieving the purposes of the program. NRCS conducts its annual monitoring using both on-site and off-site methods to maximize efficiency. NRCS generally identifies the needed maintenance activities as a result of annual monitoring. NRCS policy requires that 100 percent of closed easements be monitored annually through on-site monitoring, off-site reviews, landowner contacts, or contract status reviews. Monitoring is conducted on-site annually during restoration. Once restoration is completed, monitoring is conducted on-site 1 in 5 years and through off-site methods,

landowner contact or remote sensing using aerial imagery, the remaining 4 of 5 years. On-site monitoring may occur more frequently as needed to ensure easements are adequately enforced and program objectives are achieved.

In FY2011, NRCS used an estimated $7.1 million in Technical Assistance (TA) and $8.5 million in Financial Assistance (FA) to monitor and manage 645,000 of the 1.6 million acres of closed and restored easements. In FY2011, NRCS monitored and managed an estimated 40 percent of these existing closed and restored easements.

NRCS enters into agreements with third parties to assist with the long term management of easements, ranging from formal delegations of management entered into with State or Federal agencies with appropriate expertise and authority to take on such responsibility to agreements with non-governmental organizations and other partners to provide assistance with developing and implementing management plans with NRCS approval.

3) What is the future estimated annual cost of oversight and management of WRP easements, Grassland Reserve Program easements, Healthy Forests Reserve Program easements and any Farm and Ranchland Protection Program easements that the federal government holds?

NRCS Response: For WRP, NRCS projects that long-term annual oversight and management for the 2.7 million acres in WRP (end of FY2012 projection), will require approximately 10 percent of our recent annual budget authority, approximately $65 million annually. These estimated costs represent approximately $11 per acre per year in technical assistance and another $13 per acre per year in financial assistance for maintenance and management activities.

For GRP, FRPP, and HFRP, NRCS estimates the annual cost of oversight and management to be $8 per acre for technical assistance. Any financial assistance funding for the implementation or maintenance of conservation practices associated with the long term management of GRP and FRPP easements is provided through other conservation programs. For HFRP, NRCS generally does not provide technical assistance funding for activities associated with the oversight and management of easements. Using the current enrollments of easements held by the federal government for each of these programs, the annual need is estimated to be $2.4 million for GRP, $1.2 million for FRPP, and $152,000 for HFRP.

The technical assistance funds are used for personnel to conduct monitoring, provide assistance to the landowner to manage easements, and to enforce the terms and conditions of easements. The estimated annual cost of oversight and management, including monitoring, maintenance and enforcement of easements the federal government holds, varies by the number of easements and acres enrolled in each

program. Technical assistance costs associated with WRP are higher because of the larger enrollment and the more complex technical needs associated with managing wetland functions and values to ensure that greater environmental benefits are achieved over time.

For WRP, the financial assistance funds may be used to provide cost-share assistance for the implementation of any needed repairs, enhancements or other management actions needed to ensure the easements function at their full potential so that the benefits to the American public are fully realized.

4) Under the Conservation Stewardship Program (CSP), how do you weigh additional conservation practices when reviewing contracts? What portion of CSP funding pays for maintaining conservation practices in place at the time of the contract and what portion pays for additional conservation practices?

   NRCS Response: NRCS weighs additional conservation practices when reviewing contracts as follows: 75 percent of a participant's ranking score is determined from additional activities through three distinct ranking factors weighted at 25 percent each.

   The ratio of CSP funding for maintenance of existing conservation practices to additional conservation practices has been estimated to be 40:60, and the current ranking period payment rates have been calculated toward this goal.

5) How has NRCS implemented requirements under the CSP to enroll the entire operation? What variances have you adopted from the definition of an agricultural operation in the statute?

   NRCS Response: NRCS requires producers to enroll all the eligible land under effective control at the time the producer enters into a contract. The FSA record management system is utilized to verify that the producer has included in the contract application all acres listed as operated by the producer prior to entering into a contract.

   NRCS defined the term "agricultural operation" in regulation consistent with the statutory definition. However, NRCS established guidelines to assist producers on determining if they operate the land with equipment, labor, management, and production or cultivation practices that are substantially separate from other operations.

   The guidelines identify that two operations are substantially separate if three of the four legislative factors listed above are different between operations. However, if active and shared management between an operator and an owner creates a distinct operation, the operator may be allowed to consider those acres a separate operation if one additional factor shows them to be separate. The producers must provide an

explanation and documentation of separate operations in writing in order to be considered eligible.

6) As a result of a review by the Office of Inspector General, NRCS is going back under the Conservation Security Program to certain producers and asking them to repay funds received through their contract under that program. How many producers were asked to repay funds? How were these producers selected? Will NRCS be seeking repayment from producers in other states?

NRCS Response: The Department's Office of Inspector General (OIG) reviewed 75 Conservation Security Program (CSP) contracts pursuant to the CSP audit. OIG also ran national queries on certain eligibility criteria of the program. Of the contracts reviewed, NRCS has requested that 40 participants repay Conservation Security Program funds. To select these producers, OIG obtained and analyzed FY 2006 contract data for 54 watersheds from the national office. From these data, OIG selected a few states to review due to the large amount of contract funding they received in 2006, the high number of approved contracts in each State, and the distribution of approved contracts in all three tier levels.

Since the OIG issued audit report release, NRCS has reached management decision with OIG on all 23 recommendations, and is currently working with the OCIO to provide closing documentation. As a result of the audit report findings, NRCS has worked to strengthen its training and quality assurance programs; as internal reviews take place it may become necessary to recover additional funds in other states. These instances would likely be infrequent and would only occur on a case by case basis.

As a result of the OIG review, NRCS reviewed all Conservation Security Program contracts during fiscal year 2009. These reviews were conducted by qualified NRCS personnel to validate applicant eligibility in the program and payment calculations. In addition, NRCS headquarters randomly selects 10% of all Conservation Security Program contracts in each state for review on an annual basis. These reviews ensure that all contracted land is still under the control of the participant, all benchmark conditions of the contract are being maintained, and all scheduled practices and enhancements have been implemented and maintained.

7) What conservation practices are available to participants in the Wildlife Habitat Incentives Program (WHIP) that are not options under the Environmental Quality Incentives Program (EQIP)?

NRCS Response: WHIP offers 111 conservation practices. Only one conservation practice offered in WHIP is not offered in EQIP – Land Reclamation, Abandoned Mine Land (CPS 543). This practice is implemented on land that has been degraded by past mining activities. The practice stabilizes the land to decrease erosion and sedimentation and prioritize the planting of vegetation benefiting wildlife species. EQIP is a working

lands program and therefore the 543 conservation practice would not be eligible for financial assistance.

8) How many long term agreements has NRCS entered into under the WHIP?

NRCS Response: Pursuant to Section 1240N(b)(2) of the Food Security Act of 1985, NRCS offers longer-term WHIP agreements of 15 years or more. These agreements are not a large component of WHIP, being capped by statute not to exceed 25 percent of the funds made available each year. Since the program's authority was first enacted in 2002, NRCS has enrolled over 9,000 contracts and has entered into 443 agreements under WHIP with duration of at least 15 years, with most of these agreements being entered into prior to 2008.

9) How many national landscape initiatives does NRCS have? What criteria does NRCS use in selecting initiatives? How much funding was provided through the landscape initiative each year and what is the expectation for this year?

NRCS Response: NRCS has implemented 15 landscape conservation initiatives since 2009. The initiatives are: Sage Grouse; Longleaf Pine; Bay Delta; Lesser Prairie Chicken; Mississippi River Basin Healthy Watersheds; Great Lakes Restoration; Chesapeake Bay Watershed; Illinois River & Eucha-Spavinaw Lakes Watershed; New England/New York Forestry; Migratory Bird Habitat; North Central Wetlands Conservation; Red River Basin; Ogallala Aquifer; West Maui Coral Reef; and Gulf of Mexico initiatives. These initiatives enable NRCS to more effectively address priority natural resource concerns by delivering systems of practices to vulnerable lands within geographic focus areas. Proposals for initiatives are generally developed collaboratively by NRCS State offices, incorporating input from local, state, and regional entities, and submitted to the Chief for consideration. Initiatives are selected based on their potential to address resource concerns of national or regional scope that are best addressed on a landscape scale.

The Chesapeake Bay Watershed Initiative was congressionally mandated in the 2008 Farm Bill and the Great Lakes Restoration Initiative was specifically authorized to be a targeted landscape project with funding provided through EPA and delivered by NRCS through its conservation programs. Together, these two initiatives obligated approximately $50 million in FY 2010. The remaining 6 landscape initiatives funded in FY2010 received a total of $101 million in directed funding from National Headquarters during that year. They were the Sage Grouse, Longleaf Pine, Lesser Prairie Chicken, Migratory Bird Habitat, Mississippi River Basin Healthy Watersheds, and New England/New York Forestry Initiatives.

In FY 2011, approximately $324 million in financial assistance was obligated through the approved initiatives, $244 million to the 13 initiatives outside of the Great Lakes Restoration Initiative and Chesapeake Bay Watershed Initiative.

To date in FY 2012, approximately $213 million in financial assistance has been allocated to initiatives, $170 million to initiatives outside of the Chesapeake Bay Watershed

Initiative. FY 2012 funds have not yet been allocated to the Great Lakes Restoration Initiative, but are expected to be allocated soon.

10) What type of funds and from which program are the funds being used for the recently announced agreement with National Fish and Wildlife Foundation (NFWF)? How do you expect that NFWF will utilize the funds and how are you ensuring that these funds are used to implement contracts under the specific programs? What is NFWF's role in setting "priority areas" for the use of NRCS funds?

NRCS Response: On February 17, 2012, NRCS announced a partnership with the National Fish and Wildlife Foundation (NFWF) to improve water quality, wildlife habitat and soil productivity. The partnership will increase technical assistance, capacity building, and outreach activities for NRCS administered Farm Bill conservation programs. The partnership will leverage multiple funding sources to address conservation priorities shared by NRCS' Landscape Conservation Initiatives and NFWF's Keystone Initiatives.

Funding to support partnership activities is being administered under a contribution agreement between NRCS and NFWF signed in September of 2011. Under the agreement, NRCS committed a total of $10 million, including $5 million in Conservation Operations funding to accelerate conservation planning and to expedite Farm Bill program delivery as well as $5 million in Conservation Reserve Program (CRP) technical assistance funds to more efficiently enroll producers into CRP contracts in high workload areas. NFWF agreed to leverage the NRCS funding with at least $10 million dollars from the private sector.

The funding will be used to implement the Conservation Partners Program, a competitive grants program, through which financial and technical support will be provided to agencies and organizations to implement conservation activities in priority landscapes identified by NRCS and NFWF.

NFWF will carry out all financial, administrative and contractual oversight consistent with all applicable federal regulations and policies. Furthermore, NFWF will establish a separate account for the funds to facilitate tracking and reporting of expenditures, and to ensure that they are being used in support of the intended purpose. In addition, NFWF will provide quarterly financial reports and biannual status report to NRCS.

An advisory team composed of representatives from NFWF and NRCS worked together to identify shared priority areas, develop Conservation Partners Program requests for proposals (RFP), and to establish evaluation, award and reporting criteria. Recommendations were submitted to the NRCS Chief for review and approval.

The advisory team is currently reviewing the proposals and will make funding recommendations. All funding decisions, however, will be made by the NRCS Chief and NFWF Board of Directors.

11) What is the current backlog of wetland determinations and what is NRCS doing to address the backlog? What is the timeframe for completing work to eliminate the backlog?

NRCS Response: Currently, NRCS does not have a National tracking mechanism to identify pending requests for wetland certifications and therefore cannot provide a figure nationally. However, NRCS is tracking the wetland certification workload in four States that have had unprecedented requests because of strong crop prices and the desire by producers to improve yields and field workability through improved subsurface (tile) drainage. These four States (Iowa, Minnesota, North Dakota and South Dakota) had a backlog of over 12,600 requests as of January 2012.

Recognizing the backlog of requests for certified wetland determinations in these four States, NRCS Chief Dave White formulated the North Central Wetlands Conservation Initiative (NCWCI). The NCWCI committed $3.8 million in additional Conservation Technical Assistance (CTA) program funding to these four States to accelerate the completion of certified wetland determinations. These CTA program funds were matched with an aggregate of $1.2 million by the four NRCS State Conservationists from his/her existing FY2011 state allocation.

These CTA program funds are expended over a two-year period to hire additional temporary NRCS staff and to redirect existing staff to help satisfy the workload. Minnesota is also partnering with soil and water conservation district partners to achieve the goals of the NCWI through contribution agreements. Under the NCWCI, there are a total of 20 temporary NRCS employees, six redirected NRCS employees, and 30 partner employees dedicated to this effort across the four Prairie Pothole Region States. Since the NCWCI was initiated in July of 2011, over 1700 certified wetland determinations had been completed as of January 2012 on top of 5600 completed by existing NRCS staff.

NRCS is thoroughly reviewing its policies and procedures to identify areas of streamlining, opportunities to gain efficiencies, and allocation of resources in order to hasten the certified wetland determination completion process and therefore greatly reduce the current backlog.

12) How is NRCS managing the regional equity provision of the 2008 Farm Bill? Are there states that are not able to use the allocation specified in the Farm Bill? When conservation programs are CHIMPed through the appropriations process, or

administratively through the President's budget proposal, how are these cuts reflected in the regional equity allocations?

NRCS Response: In keeping with the Regional Equity (RE) provision (16 U.S.C. 3841(d)), NRCS has incorporated the RE determination decision-making as part of the agency's fiscal year allocation process. As established in the provision, priority is given to States that do not receive an aggregate allocation of $15 million in specific conservation programs. These States are identified in the allocation process, and are notified of their RE status, including the approved amount set aside in designated program drawing accounts.

Additionally, States are closely held to the April 1st deadline to receive priority for these funds. There are instances when RE States are not able to use the funding designated by the April 1st deadline.

Any reductions made through the appropriations process, or through the President's budget proposal, manifest themselves in state allocations and above state adjustments. Adjustments to state allocations occur in States exceeding $15 million in the specific programs. When adjustments are made, RE remains in compliance with the statute.

13) In administering the Chesapeake Bay Watershed Program, is NRCS using any different delivery mechanisms or conservation practices that are not available under other conservation programs?

NRCS Response: The Chesapeake Bay Watershed Program is administered using a combination of delivery mechanisms and conservation practices available under other conservation programs. However, the overall delivery of the Chesapeake Bay Watershed Program is different from other programs based on how those mechanisms and practices are used.

Program delivery is different in the Chesapeake Bay Watershed Program in that each state has identified priority watersheds with impacted water quality based on USGS data. Applications in priority watersheds receive a higher ranking than projects outside of the priority watersheds. In FY2011, 92 percent of CBWI contracts were in priority watersheds. NRCS's application evaluation and ranking approach also considers soil-based factors such as high runoff and leaching potential and provides higher ranking to agricultural producers who agree to implement appropriate conservation practices on soils that have a higher potential to erode, or incur runoff or leaching. These ranking criteria help target practices to acres that deliver the greatest environmental benefits.

NRCS utilized EQIP funding for three-year contribution agreements for Strategic Watershed Action Teams (SWAT) in the Chesapeake Bay Watershed in PA, MD, VA, DE, and WV. These contribution agreements provided funding to conservation partners to provide additional technical assistance to agricultural producers to accelerate the

implementation of conservation practices in the watershed. These agreements also helped leverage state and local funding for technical assistance in these areas.

A portion of the funding for the program was delivered through Cooperative Conservation Partnership Initiative agreements (CCPI) awarded in the Chesapeake Bay Watershed in PA, DE, and VA. CCPI is a voluntary conservation initiative that enables the use of certain conservation programs, such as the Chesapeake Bay Watershed Initiative (CBWI) Environmental Quality Incentives Program (EQIP), with resources of eligible partners to provide financial and technical assistance to owners and operators of agricultural working lands and nonindustrial forestlands.

There are two conservation practices that are available in two states in the Chesapeake Bay Watershed that are not available in other areas of that state. In Pennsylvania, funding has been offered for applicants seeking Dam Removal and Streambank Protection practices to help address sediment associated with eroding stream banks and legacy sediment. In Virginia, funding is offered for Restoration of Rare and Declining Species.

NRCS also developed showcase watersheds in MD, VA, and PA to increase conservation in these watersheds. The projects seek to reach out to 100 percent of the agricultural producers in each showcase watershed. This effort has resulted in increases in conservation practice implementation in these watersheds.

14) How many Conservation Innovation Grants (CIGs) has NRCS awarded during the existence of the program? How many innovative technologies has NRCS adopted as a result of the information gained through the CIGs? Please provide details.

NRCS Response: NRCS has awarded 434 agreements at the National level between fiscal year (FY) 2004 and FY 2011, and 370 agreements at the State level between FY 2005 and FY 2010. In FY 2012, NRCS released a Conservation Innovation Program report entitled "Identifying New Tools and Practices". This report examines the Conservation Innovation Grants program experience to date, looking at where and how grants were awarded, project results, and the process NRCS is putting in place to evaluate, replicate, and potentially adopt the technologies and practices for widespread use. The report can be found online at NRCS Conservation Innovation Grants website: http://www.nrcs.usda.gov/technical/cig/index.html.

Additionally, in FY 2011, NRCS engaged in a Continuous Process Improvement effort, a method adopted by USDA to improve both efficiency and results, to provide recommendations and a roadmap that will enhance the CIG administration and technology transfer processes. Ultimately this effort will impact the development and transfer of innovative technology or approaches into the Agency (through policy, manual, standards, handbooks) or into the private sector. For example, NRCS developed a subcommittee to operate under National Technical Guide Committee to review documents from grantees and predetermine the route the project should follow

to streamline processes. This process will facilitate the technology transfer and integration.

15) How many conservation compliance reviews does NRCS undertake each year and what is the estimated cost to the agency for undertaking this action?

NRCS Response: The number of compliance reviews and the estimated cost are summarized in the following table:

Time Spent Conducting Compliance Reviews (All Types)				
	2008/1	2009/1	2010/1	2011/2
Number of Reviews	22,877	20,474	18,881	22,287
Hours	63,048	54,090	50,610	59,689
Cost	$3,864,842	$3,315,717	$3,102,393	$3,902,467

/1 Assumes $61.30 hourly rate

/2 Updated cost figure for FY2011. It assumes $65.38 hourly rate based on the following: Average hourly salary for GS-11 step 5 is approximately 31.00 (source: OPM general schedule tables for Rest of U.S.) Benefits and non-salary support is approximately 53% of total compensation for Conservation Technical Assistance staff costs. (source: NRCS BPAD Average Staff Year Cost Table) Salary is adjusted by factor of 2.1.

Source: NRCS Food Security Act Compliance Review Application, 2011

Senator Patrick Leahy

1) Chief White, in Vermont, the primary stewards of conservation easements, which have been – funded by the Farmland Protection Program and approved by the Secretary of Agriculture through the Natural Resources Conservation Service – often hear from owners of conserved farms about changes and challenges to farming, especially as farms change ownership and farmers look to diversify their agricultural operations. In the state of Vermont, owners of conserved farms are often interested in modifications to

easements that involve the location and configuration of building complexes or farm labor houses. These modifications often make sense for the promotion of both agriculture and conservation. Unfortunately, our conservation organizations are stymied by the fact that the Secretary cannot modify any Farmland Protection Program easements approved before the 2008 Farm Bill.
In response to this problem do you support expanding the authority to the Secretary to approve modifications of existing Farmland Protection Program (FPP) easements?

NRCS Response: NRCS supports the general authority to modify or terminate easements if it is in the best interests of the public. With appropriate sideboards to ensure continued protection of conservation values, NRCS believes modification and termination authority would provide the necessary flexibility to address easement management issues that will arise over time, especially since many easements are for perpetuity. NRCS recommends that the authority to appropriately manage and conserve land in this manner be similar to the authority granted to other land management agencies.

2) Chief White, maple syrup is my state's second most valuable agricultural commodity, with over $38 million in sales in Vermont last year. Vermont produced 41 percent of total U.S. maple syrup production in 2011. This fast-growing and significant segment of our agricultural economy also supports our state's travel and tourism sectors. However, the sugarbushes that produce this important product in our maple forests must be protected from conversion to nonagricultural uses. In the 2008 Farm Bill, I fought for language that was designed to ensure that Vermont's sugarbushes and other forestland that contributes to the economic viability of an agricultural operation was eligible land for the Farmland Protection Program.

Unfortunately, our sugarbushes are still discriminated against in the Farm Bill and have not been deemed eligible for federal funding. This discrimination occurs despite the fact that the sugarbushes' contribution to our agricultural economy is significant. In addition, Vermont's sugar maple legacy is rooted in good business sense and a desire to keep forests intact, which is entirely in line with the Farmland Protection Program's purpose "to protect agricultural land and related conservation values of eligible land by limiting non-agricultural uses of that land."

Chief White, can you please share with us what changes we need to make to the agricultural land easement program authorizing language to ensure that sugarbushes are given the same weight and preference as any other farm, whether it be a dairy farm, corn operation, or orchard?

NRCS Response: NRCS agrees that sugarbushes provide a significant contribution to the economic viability of agricultural operations, especially in the Northeast. In 2002, FRPP statutory authority defined eligible land as "cropland, rangeland, grassland, pasture land, and *forest land that is an incidental part of the agricultural operation*." [Emphasis

added]. NRCS identified in policy that "incidental forest land" was any land less than 50 percent. Concerned about the impact of the policy upon enrollment activities in the eastern States, NRCS revised its policy in the Interim Final Rule published July 27, 2006, explaining that the definition of incidental forest land:

> "unintentionally created an impediment to enrolling land in the Eastern States where forested acreage is an integral and important supplemental part of the farming operation..... In these areas of the Nation, the [policy] has resulted in landowners subdividing tracts or deforesting acres offered for the program or 'carving out' portions of the property that will not meet the definition of incidental forest land. As a result, NRCS expanded the policy to enable forest lands, 'including lands with sugarbush and pulpwood, on two-thirds of the easement acreage. '"

The Food, Conservation, and Energy Act of 2008 (the 2008 Act) amendments to FRPP maintained the eligibility of forest land, provided that it contributed to the economic viability of an agricultural operation or it serves as a buffer to protect an agriculture operation from development. This contribution language implies that an entire agricultural operation is not in forest use, but there are other economic activities occurring on the agricultural operation. Therefore, NRCS maintained the two-thirds limitation for forest land in both the January 2009 interim final rule and the January 2011 final rule. NRCS received only one comment about the two-thirds limitation and NRCS responded that the limitation ensures that FRPP efforts are not duplicative of the Forest Legacy Program.

Thus, to the extent that sugarbushes are identified as forest land, NRCS will continue to apply the same "contribution" limitation as other forest land. If the statute identified sugarbushes as a special category of eligible land separate from the forest land eligibility category, then NRCS would not apply the forest land limitation to sugarbushes.

In the meantime, please be assured that NRCS continues to work proactively with our partners who wish to protect forest land that is an integral and important supplemental part of an agricultural operation. NRCS provides FRPP assistance to the maximum extent possible on these lands by enabling our partners to acquire an easement on more lands than those eligible for FRPP but limiting the NRCS contribution to those acres eligible for FRPP.

3) In Mr. Garber's testimony, he mentioned that conservation is a tool to help producers avoid regulation. In my home state of Vermont, our dairy farmers have used the EQIP program to make tremendous improvements in on-farm nutrient management, which in turn has protected our Great Lake Champlain. Continuation of this work is critical, as these producers may soon face new phosphorus TMDL currently being written by the EPA for Lake Champlain.

Can you speak to ways in which you have seen conservation help producers avoid regulation at the local, state, or federal level?

NRCS Response: There are numerous examples of conservation practices helping producers avoid regulation at the local, State, and Federal level. Through the Environmental Quality Incentives Program (EQIP) Air Quality Initiative, participants implement conservation practices such as Air Filtration and Scrubbing, Combustion System Improvement, and Nutrient Management. These practices assist the producer to meet minimum air quality standards for particulate matter (PM10 and PM2.5), nitrous dioxide, and green house gases in Environmental Protection Agency Non-attainment Areas.

Producers also implement land management practices such as Upland Wildlife Habitat Management, Prescribed Grazing, and Cover Crops to improve wildlife habitat for Candidate species under the Endangered Species Act. One example is the Greater Sage Grouse Initiative offered in 11 western States. Producers receive assurances that they will be protected from further regulation when they follow an approved conservation plan and implement core conservation practices.

Producers in the Chesapeake Bay Watershed, Lake Erie Basin, and other watersheds across the country are implementing animal waste storage facilities, waste utilization, diversions, and vegetated treatment areas to meet the National Pollutant Discharge Elimination System requirements for Animal Feeding Operations. In addition to animal waste management, practices such as residue and tillage management, cover crops, and nutrient management help the producer meet Total Maximum Daily Load (TMDL) requirements for impaired waters to reduce and avoid future fines.

Senator Tom Harkin

Today, we are seeing relatively high prices for traditional crops such as corn, wheat and soybeans, and those prices tend to draw acres out of conservation programs such as CRP. At the same time, I believe we should continue to pursue our strategy of increasing the production and use of biomass as a feedstock for biofuels and bioproducts. After all, when we displace petroleum with biomass as a feedstock for fuels and chemicals, we realize very significant economic benefits, energy security benefits, and environmental benefits.

My question is whether we can maintain, and perhaps even increase the environmental and natural resource conservation values of our Conservation Reserve Program by encouraging the production of biomass feedstocks on those lands. We'd need to make sure that we were maintaining the conservation values, by not removing too much biomass and by avoiding cropping practices during nesting seasons.

To make the program attractive, we'd also need to make the economics better for the farmer. Perhaps we'd only deduct half of the value of payments for delivered biomass from the CRP

payments. That could increase the total value of these lands to the farmer and therefor make CRP commitments more attractive. At the same time, it could reduce the net cost to CRP, thereby making CRP funds available for more acres.

1) What do you think of this concept? Do you think it would help to both maintain conservation benefits and provide broader biomass feedstock production? FSA TO RESPOND?

2) What are the implementation issues that would concern you most? FSA TO RESPOND?

3) Might this also work for other conservation reserve programs, such as WRP and GRP?

   NRCS Response: NRCS believes that biomass production may be possible on lands enrolled in other long-term conservation programs, as follows:

   Grassland Reserve Program (GRP): The purpose of GRP is to protect the grazing uses and related conservation values on the property by conserving, restoring and enhancing grassland, shrubland, forbs, wildlife habitat and biodiversity. Therefore, potential biomass production on GRP lands is limited by this program purpose, and the complexities of maintaining healthy grassland ecosystems. Biomass harvesting on GRP lands is possible when it is part of carrying out the conservation purposes of the program, such as juniper harvesting to restore native grasslands.

   Wetlands Reserve Program (WRP): The purpose of WRP is to protect, restore, and enhance wetlands on private land in order to achieve the greatest wetland functions and values, along with optimum wildlife habitat. Through WRP, the United States purchases all restoration and management rights on the property and then works cooperatively with the landowner to achieve maximum conservation benefits on the WRP easement area. There may be some potential for limited biomass production and harvest through the compatible use process on individual WRP easements if NRCS determines that the activity furthers both the long-term protection and enhancement of the wetland and other natural values of the project area. NRCS would evaluate any requests for biomass production uses on WRP easements on a case-by-case basis.

Senator Robert P. Casey, Jr.

1) In your testimony, you mention Landscape Scale Conservation Initiatives such as in the Chesapeake Bay Watershed, as well as outreach to nontraditional producers such as the Organic Initiative. How are programs like these, either separately or in conjunction, assisting with nutrient management and targeting critical acres to deliver the greatest environmental benefits?

NRCS Response: Each state in the Chesapeake Bay Watershed has identified priority watersheds with impaired water quality due to excess nutrients and sediment based on our own data, data from USGS, and input from a variety of stakeholders. Applications in priority watersheds receive a higher ranking than projects outside of the priority watersheds. In FY 2011, 92 percent of CBWI contracts were in priority watersheds. NRCS's application evaluation and ranking approach also considers soil-based factors such as high runoff and leaching potential and provide higher ranking to agricultural producers who agree to implement appropriate conservation practices on soils that have a higher potential to erode, or incur runoff or leaching. These ranking criteria help target practices to acres that deliver the greatest environmental benefits.

NRCS outreach efforts reach producers who may not have previously received assistance and may not understand the benefits of conservation practices to improve soil health and manage nutrients. To assist agricultural producers in the Chesapeake Bay Watershed and organic agricultural producers with nutrient management, NRCS provides financial assistance for Conservation Activity Plans both for nutrient management and for animal feeding operations. Livestock producers implementing animal waste storage or waste handling practices are required to have or obtain a comprehensive nutrient management plan in order to receive NRCS assistance.

2) As you know there have been some questions over the U.S. Environmental Protection Agency's model for the Chesapeake Bay. Has EPA asked for input from USDA regarding conservation practices in the Chesapeake Bay, practices which may not have been cost-shared by the Federal government but implemented by farmers out of their own pockets? How have you been working with EPA in recognizing conservation practices and farm nutrient management plans in the Chesapeake Bay Watershed so that EPA can better inform its model?

NRCS Response: Starting in 2011, USDA funded an agreement with the National Association of Conservation Districts (NACD) to work with the Chesapeake Bay States to develop a protocol or protocols to account for conservation practices not cost-shared by either the Federal or State governments. EPA was involved in this NACD project. NACD completed its work in 2012 and the Chesapeake Bay States have embarked on efforts to account for non-cost shared practices.

USDA and EPA developed a Chesapeake Bay modeling work plan in 2011 that describes potential areas of collaboration ultimately designed to improve the accuracy of modeling outputs in the Bay watershed. The agencies have made progress on the work plan items and are exploring ways to expand the collaboration.

3) In your testimony, you mention that "certainty is not a panacea but expands the options for achieving our shared objectives for sustaining agriculture and the natural resources

upon which we all depend." How do you think Congress might be able to provide certainty or reasonable assurance to farmers who implement conservation practices in areas where they are facing pressure to increase their contributions to environmental benefits?

NRCS Response: In working with States over the past two years on Certainty issues, USDA believes that Certainty programs may take many forms and have a higher likelihood of success when developed and administered at the State level. Several States have successfully adopted or are in the process of adopting Certainty programs.

State-led Certainty programs can strengthen the framework for implementing voluntary conservation activities to address resource concerns like water quality. In turn, participating agricultural producers receive assurance from the State that their farms have implemented appropriate systems of conservation practices to address water quality risks, thereby reducing pressure for regulation. USDA has offered to assist States as they work to develop Certainty programs, and we also assist through our traditional means of providing technical and financial assistance to agricultural producers who choose to participate in such programs.

4) Pennsylvania has a very robust and successful farmland protection program. It is in fact recognized by the American Farmland Trust to be one of the best in the Nation. I know that my state regularly allocates on average $20-30 million of its own public funds toward protecting farmland each year. How does this compare to what is provided by the federal government through the Farmland Protection Program (FPP)? What is the leverage gained by the federal government through the contribution of matching dollars from state, local and private sources of funding to support farmland protection? How does this compare to the other federal easement programs?

NRCS Response: The Food, Conservation, and Energy Act of 2008 changed FRPP from a Federal easement acquisition program to a financial assistance program where NRCS facilitates and provides matching funds to other entities to purchase conservation easements. This is in contrast to other easement acquisition programs where the Federal government provides funding directly to landowners for the purchase of conservation easements held by the government. Nationally, in FY 2011, FRPP provided approximately $160 million to assist partners, including State and local governments in purchasing permanent conservation easements to protect farmland and keep productive lands in agriculture. Under FRPP, NRCS is authorized to provide up to 50 percent of the purchase price of the partner's easement, which leverages partner dollars and allows federal farmland protection funds to be stretched farther and provide increased conservation benefits. The partners contribute funding at nearly a one to one ratio.

5) Protecting farmland from conversion to permanent, urban and suburban development is an important tactic in the restoration of the Chesapeake Bay. How has FPP been used or targeted to contribute to such environmental initiatives?

   NRCS Response: The Farm and Ranch Land Protection Program (FRPP) contributes to protecting the natural resources within the Chesapeake Bay Watershed by protecting agricultural lands and thus limiting creation of impervious surfaces. In FY 2011, NRCS enrolled an estimated 86 parcels, encompassing approximately 13,000 acres in Chesapeake Bay states.

   FRPP protects the Nation's most valuable lands used for the production of food, feed, and fiber by leveraging funds to keep productive farm and ranch lands in agricultural uses. By enrolling in FRPP, lands threatened by development pressures can remain productive and sustainable. Keeping land in agricultural use reduces the amount of new urban pollution (nitrogen, phosphorus and sedimentation) from land that would otherwise be converted to lawns and impervious surfaces. Ultimately, the protection of agricultural lands coupled with effective agricultural conservation strategies on those lands assists with efforts in managing Total Maximum Daily Load (TMDL) of nutrients to public waters such as the Chesapeake Bay and Mississippi River. FRPP plays a supporting role in helping communities, through assistance to their farmland protection efforts, to develop more sustainable development patterns to help limit the ever increasing cost of services for municipalities while supporting community efforts to limit sprawl.

6) The success of the Pennsylvania farmland protection program has resulted in a tremendous backlog of applications from farmers wishing to enroll in the program, close to 2,000 by last count. These farmers wish to protect their farms through the program for a variety of reasons including, to facilitate the easy transfer of the family farm to the next generation in the family wanting to continue the operation; to generate capital to enhance the economics of the farm operation by purchasing new and more efficient equipment and facilities, initiating a retail or value-added processing component to the farm; and, to install conservation practices – all of which contribute to the local, community economies in our state. The federal government through FPP can be an important partner in promoting these benefits of protecting farmland. How can FPP be structured in the future to allow for the most effective and efficient use of the program in Pennsylvania, a state with a long history and track record of protecting farmland through its own, state program? How may FPP help to address the backlog of projects in states like Pennsylvania?

   NRCS Response: The Pennsylvania Department of Agriculture, through its State farmland protection program, has been a valuable and long standing partner of NRCS in

its implementation of the FRPP program. Since its inception, NRCS has used $30 million in FRPP funds to match partner funds to protect approximately 56,000 acres of farmland in Pennsylvania, with $7.8 million FRPP funds spent in FY 2011 alone. In order to improve delivery of FRPP in Pennsylvania, the State Conservationist has developed a quarterly meeting with the Pennsylvania Department of Agriculture to discuss and resolve any current issues. These meetings have helped to increase FRPP effectiveness by providing an opportunity for the Agencies to work in concert to improve the administrative functions of both the Federal and State program.

Senator Michael Bennet

1) It's no secret that people up here have been talking about consolidation of the Conservation Title. I'm not opposed to that discussion and am focused on ensuring we maintain the original programmatic goals as we simplify things. The Farm and Ranchland Protection Program (FRPP) and the Grassland Reserve Program (GRP) are similar in that they protect working lands while allowing producers flexibility. Would you support consolidating those two programs?

   NRCS Response: Yes. NRCS supports consolidating programs that have similar purposes.

2) We know much of the discussion surrounding the Farm Bill is how to do more with less given our fiscal constraints. As we talk about conservation programs it's important to remember that they make up a relatively small percentage of overall Farm Bill spending. What advice would you give to members who want to ensure that Conservation programs aren't disproportionately cut through this process?

   NRCS Response: I recommend that members view conservation programs as a keystone component of the Nation's food security. In architecture, the keystone is the central wedge in the top of an arch that holds the entire structure together. The metaphor of the "keystone" has long been used in literature to identify the role played by an essential component in an ecological or social system without which the system would not be able to maintain its complexity. NRCS maintains that conservation, and the programs that promote it, are the keystone to a sustainable agricultural system.

   Our farmers and ranchers are responding to ever-increasing world demand for high quality, affordable food, fuel, feed, and fiber. Estimates indicate agricultural output will need to double in order to meet global demand by 2050. Our land and water resources cannot withstand this production pressure unless our producers are able to become increasingly sophisticated in how to manage these resources in a sustainable manner.

   The Conservation Title creates the necessary context for our producers to embrace more comprehensive management systems. NRCS uses the suite of our conservation

authorities and programs to help farmers and ranchers make and implement conservation choices that help them meet these demands for an expanding sustainable food supply in a manner that achieves both environmental and economic objectives – from addressing regulatory pressures to ensuring that their lands remain in agriculture over the long-term.

The Conservation Effects Assessment Program has shown that voluntary incentives based conservation is achieving results, and despite the gains, more needs to be done. Producers still have issues with nutrient runoff, soil quality, flooding, air quality, and wildlife habitat loss. NRCS has therefore recently adopted several approaches to program implementation, including targeting funding to where the greatest environmental benefits can be achieved, and revising conservation practice standards to make them more comprehensive and open to innovation.

NRCS is focusing on soil health as both foundational and transformational to the agency and for America's farmers and ranchers. NRCS is developing a suite of Soil Health Management Systems (SHMS). These systems are designed to provide optimum environmental protection through a package of existing conservation practices that a producer must implement before they can meet the SHMS requirements. An SHMS will differ from state to state because of differing cropping systems, soils, climate, and other factors. Initial implementation of SHMS is planned for FY13.

Building on this foundation, NRCS soil health training efforts will center on using ecological principles to facilitate the conservation planning process resulting in improved soil functions. This will be accomplished by incorporating four (4) basic soil health planning principles into our conservation planning process. These principles include: adding plant diversity into a cropping system, keeping the soil covered as much as possible, maintaining a living plant root throughout the year, and minimizing soil disturbance.

NRCS is committed to managing conservation activities effectively in this tight budget climate. We are taking a holistic look at the entire organization to identify opportunities to modernize and adjust to declining budgets while meeting its goal of putting more conservation on the ground. NRCS fully supports the Conservation Title and the Conservation Title has an essential role in the future of our Nation's agricultural system.

Senator Kirsten Gillibrand

Conservation Stewardship Program (CSP):

1) Chief White, EQIP is by far the most important conservation program for New York farmers. From dairy farmers to apple growers, EQIP supports New York farmers as environmental stewards while keeping their farms functioning productively. New York

farmers report that EQIP is user-friendly, and a reliable program. Yet comparatively, very few NY farmers sign up for the Conservation Stewardship Program (CSP). In what ways can NRCS improve the enrollment of NY farmers into this other conservation program, which is so well funded and resourced?

NRCS Response: The EQIP program is a traditional financial assistance program that provides financial assistance to producers to address a particular resource concern on a land unit. CSP presents a significant shift in how NRCS provides conservation program payments. Instead of using the traditional compensation model that pays a percentage of the estimated cost of installing a practice, such as in EQIP, under CSP NRCS pays for conservation performance generated by the adoption of new conservation activities and for improving, maintaining, and managing existing conservation activities. CSP also requires producers to enroll the entire operation they manage, unlike EQIP where it is possible for participants to enroll only that portion of the operation which is required for installation of the practices which receive a financial payment.

This more comprehensive approach has presented some challenges for produces to understand the program and to commit the time required to complete the application process. Despite this challenge, New York producers have demonstrated great interest in the program. Some of the feedback from New York producers has included concerns over the limited time to complete the process, and their hesitancy to enroll dynamic land in a five-year contract. Another limiting factor identified in the state if that a number of producers interested in the program are still enrolled in the Conservation Security Program (CSP 2002). NRCS in New York is working on expanding their outreach activities to promote the program at all levels. Field personnel have received training so they can better promote the program in their areas. They are promoting the program to all producers, especially producers that have addressed resource concerns with EQIP to adopt a higher level of conservation by addressing resource concerns in a comprehensive manner with CSP. We are confident producers will utilize CSP as another valuable tool to meet their conservation needs and become higher stewards of the land.

Specialty Crop Producers and Conservation

2) Chief White, over the past two years, I have traveled all across New York State, meeting with agriculture producers about the importance of the next Farm Bill and listening to their problems and ideas for reform. From our dairy farms to black dirt farms, apple orchards to vineyards, and artisanal cheese-makers and other specialty crops, New York farmers and our communities do not fit the Midwestern model for agriculture production, yet the Farm Bill conservation programs are so important to their continued success. The Environmental Quality Incentives Program (EQIP) is certainly well received and very popular. Can you describe the efforts you are making within NRCS to ensure access & user-friendliness of specialty crop producers to all conservation programs?

NRCS Response: NRCS has taken a number of steps to improve access for specialty crop producers through policy changes, program implementation, training, and targeted outreach. States have established funding pools which allow producers to be ranked with similar farm operations. This has removed barriers to participation for many specialty crop producers.

A number of National and State initiatives have been successful in attracting specialty crop producers. The Organic Initiative provides dedicated funding to organic producers and has reached almost 4,000 producers the last three fiscal years. The Seasonal High Tunnel Initiative allows specialty producers to take advantage of this new conservation practice with approximately 7,000 being installed or planned the last three program years.

Water Quality Efforts, Partnerships, and the Great Lakes

3) Chief White, welcome and thank you for being here, especially during Great Lakes week. They are a national treasure and an important natural resource for us in New York. I want to talk to you about addressing the water quality concerns the Lakes are facing and the steps you are taking to make sure that New Yorkers will still be able to rely on the Lakes for their livelihoods. Could you elaborate on specific efforts and activities your agencies are, and will engage in the watersheds to assist producers? Do you see a role for expanded partnerships in this effort and what are you doing to encourage broader partnerships?

NRCS Response: Through NRCS conservation programs and the Great Lakes Restoration Initiative (GLRI), NRCS targets funds in priority watersheds to maximize effectiveness and efficiency through the voluntary efforts of landowners and users toward nonpoint source pollution control, wildlife habitat restoration, terrestrial invasive species control, and conservation easements for floodplain protection and purchase of development rights. Over the past three years, NRCS in partnership with the Environmental Protection Agency, has invested million above and beyond its base program funding in the Great Lakes basin, most of which has been directed toward addressing nutrient and sediment concerns. This funding is targeted both geographically—to priority watersheds that have a greater impact on nutrient and sediment loading—and by core practices that are most effective at reducing nutrient and sediment runoff. This work is producing results. A USDA Assessment of the Effects of Conservation Practices on Cultivated Cropland in the Great Lakes Region – September 2011 found that farmers have reduced onsite and offsite environmental problems stemming from agricultural activities. The implementation of these conservation practices has 1) reduced sediment loads delivered to lakes by an estimated 12 percent, 2) reduced nitrogen loads delivered to lakes by an estimated 21 percent, 3) reduced phosphorus loads delivered to lakes by an estimated 20 percent.

NRCS this year will launch a new National Water Quality Initiative (NWQI) committed to improving water quality in streams, and other water-bodies, impaired by nutrients and/or sediment in every U.S. state and territory. To develop the NWQI, NRCS has worked in collaboration with the Environmental Protection Agency and state water quality agencies to select targeted watersheds where targeted conservation assistance can be monitored to determine results.

Under the NWQI, NRCS will make $33 million available in financial assistance through EQIP to farmers, ranchers and forest landowners for the application of conservation practices such as cover crops, filter strips and terraces in the critical watersheds.

Senator Saxby Chambliss

1) On February 17, you announced a partnership with the National Fish and Wildlife Foundation (NFWF) to improve water quality, wildlife habitat and soil productivity. The partnership brings together $10 million of NRCS funding with an additional $10 million or more in private funds through NFWF to increase technical assistance in priority areas.

   - Can you provide the Committee with details on how this partnership will be administered? How will the $10 million in funding be used?

   - Are these appropriated funds from the Conservation Operations account and does the funding go directly to the National Fish and Wildlife Foundation?

   - How will USDA work with NFWF to ensure the funds are used appropriately?

   - How are these "priority areas" determined to be a priority? By whom?

     NRCS Response: Funding to support partnership activities is being administered under a contribution agreement between NRCS and NFWF signed in September of 2011.

     Under the agreement, NRCS committed a total of $10 million, including $5 million in Conservation Operations funding to accelerate conservation planning and to expedite Farm Bill program delivery as well as $5 million in Conservation Reserve Program (CRP) technical assistance funds to more efficiently enroll producers into CRP contracts in high workload areas.

The funding will be used to implement the Conservation Partners Program, a competitive grants program, through which financial and technical support will be provided to agencies and organizations to implement conservation activities in priority landscapes identified by NRCS and NFWF.

NFWF will provide quarterly financial reports and biannual status report to NRCS and carry out all financial, administrative and contractual oversight consistent with all applicable federal regulations and policies. Funding will be provided to NFWF on a reimbursable basis, or upon receipt of a request for advance submitted on SF 270. All advance payments must be cleared within 30 days.

NFWF will establish a separate account for the funds to facilitate tracking and reporting of expenditures, and to ensure that they are being used in support of the intended purpose.

An advisory team composed of representatives from NFWF and NRCS worked together to identify shared priority areas. NRCS priority areas included currently existing Landscape Conservation Initiatives. The Initiatives were established through the NRCS' locally led process and included input from Local Work Groups and State Technical Committees and received approval from the NRCS Chief.

Senator John Thune

1) Chief White, what changes should this Committee consider making in the Conservation Stewardship Program (CSP), authorized in the 2008 Farm Bill? Do you believe the CSP, for some producers, provides payment for practices these farmers would implement, whether or not CSP existed? Practices such as conservation tillage or no-till, and nutrient management through GPS utilization.

   NRCS Response: NRCS supports changes that enable the agency to improve efficiency by reducing administrative complexity and consolidating activities where practical and feasible. CSP was designed to provide encouragement to producers to address resource concerns in a comprehensive manner by undertaking additional conservation activities and by improving, maintaining and managing existing conservation activities. Given the purpose of the program, some producers do receive payment for practices they are implementing providing they are improving, maintaining and managing them according to the program requirements.

2) Chief White, I appreciate the additional funds you directed to South Dakota to assist with the wetlands determination backlog, and I believe some headway has been made on this backlog.

You are aware of the flooding issues that have plagued Northeastern South Dakota for several years. Producers in this area want more than anything to be able to manage the excessive water on this land and be able to farm it. Some land is suitable for programs such as WRP or other easement programs, but many thousands of acres of excellent cropland simply need the water removed in a way that is not damaging to the Prairie Pothole ecosystem. What existing programs does NRCS have available to assist in this effort? And do you have any recommendations for programs or modifications to existing programs in the next Farm Bill that would be beneficial to these producers?

NRCS Response: NRCS has been working with South Dakota producers in several ways to address the flooding issues that have occurred in northeastern South Dakota and other producers across the Northern Plains region. As you identify, NRCS has fully utilized the Wetlands Reserve Program and the Emergency Watershed Protection Program Floodplain easements to restore wetland and floodplain functions and values. Not only do these easement programs address the financial hardship faced by the particular producer, but the restoration activities assist with attenuating flooding on other agricultural lands in the watershed.

Although NRCS does not provide financial or technical assistance for removal of excessive water on cropland, the Agency does provide opportunities for enhancing the water quality of these waters as they leave the field. Recently specifications for agricultural drainage water management have been developed to assist producers in the safe discharge of tile water from existing systems. South Dakota currently offers technical assistance for the development of these plans.

Additionally, the Environmental Quality Incentives Program (EQIP) provides financial and technical assistance to producers that ensure that water removed from cropland is not damaging to the Prairie Pothole ecosystem. In particular, the nutrient management conservation practice is an important tool that helps farmers and ranchers apply their nutrients more efficiently. As identified in the Upper Northern Plain Conservation Environmental Affects Project (CEAP) study, the most critical conservation concern in the region is loss of nitrogen through leaching. In fact, the study identified that about 51 percent of cropped acres require additional nutrient management to address excessive levels of nitrogen loss in subsurface flow pathways, including tile drainage systems. As producers remove excess water from their fields with tile drainage systems, this will increase the potential of nutrient loss into waterways. The nutrient management standard provides a roadmap for NRCS's staff and others to help producers apply available nutrient sources in the right amount, from the right source, in the right place, and at the right time for maximum agricultural and environmental benefits. Additionally, proper management of nitrogen and phosphorus, including the use of organic sources of nitrogen such as animal manure, legumes and cover crops, can save producers money.

South Dakota is involved in the Northern Plains Migratory Bird Habitat Initiative which provides landowners a financial incentive to enhance wildlife habitat in years where water may pond on cropland. Agricultural producers can implement permanent vegetation or cover crops to utilize excess moisture.

Fiscal Year 2012 provides an added option to individuals experiencing excess surface moisture. The Water Bank Program has been reauthorized for use in Minnesota, South Dakota, and South Dakota. This program provides a yearly rental payment for participants to maintain and manage wetlands and flood-prone areas for wildlife habitat for the agreement's duration. NRCS expects that this signup will have significant interest with South Dakota land owners.

The Food Security Act (FSA) of 1985 gave NRCS the responsibility to assist USDA program participants in protecting their wetlands through certified wetland determinations that give a producer assurance as to what is a wetland and what is not a wetland, and for wetlands what exemptions apply under the 1985 FSA (such as a prior converted wetland or a farmed wetland). Additionally, NRCS works with landowners who wish to conduct drainage activities on their property without losing USDA program eligibility, including working with producers to develop an appropriate mitigation plan if such is needed to maintain program eligibility.

With increased pressures to produce commodity crops in the Prairie Pothole Region, combined with recent flooding, the demand from producers for certified wetland determinations and to increase drainage activities has grown dramatically. To address this increased demand from producers, NRCS initiated a North Central Wetlands Conservation Initiative (NCWCI) in July 2011 to accelerate the completion of requests for certified wetland determinations in the Prairie Pothole Region of Iowa, Minnesota, North Dakota, and South Dakota through increased and more consistent technical assistance delivered more efficiently and effectively. NRCS committed $3.8 million in additional Conservation Technical Assistance (CTA) program funding from the national level to accelerate the rate of quality certified wetland determinations. These CTA Program funds were matched with $1.2 million in funds by the NRCS State Conservationists from their existing FY2011 state allocation. These funds are being used over a two year period to hire additional temporary NRCS staff and to redirect existing staff to establish wetland specialist teams.

Senator John Hoeven

1) Chief White, I would like to bring up an issue that is of great concern to many farmers in my state – it has to do with wetland determinations. I'm hearing from North Dakota farmers that local NRCS officials are coming out to their farms and drawing new maps of

their fields that seem to indicate a wetland area exists where none does. I'm not talking about a swampy area with cattails growing, I'm talking about depressions in fields that do not resemble wetlands. There are a lot of good conservation programs out there – CRP (Conservation Reserve Program) and EQIP (Env. Quality Incentives Program) to name a couple, and I think it's critical that, like these programs, conservation policies work with farmers, not against them.

Can you tell me why NRCS is re-evaluating farms around my state? Are there new policies we should know about? What is the rationale? Will you commit to working with me on this issue?

NRCS Response: The Food Security Act (FSA) of 1985 gave NRCS the responsibility to assist USDA program participants in protecting their wetlands through certified wetland determinations that give a producer assurance as to what is a wetland and what is not a wetland, and for wetlands what exemptions apply under the 1985 FSA (such as a prior converted wetland or a farmed wetland).

A recent internal oversight and evaluation review revealed an opportunity for more consistency in how NRCS responds to requests for certified wetland determinations in the Prairie Pothole states of Iowa, Minnesota, North Dakota, and South Dakota. As a result NRCS leaders and specialists from these states met to review wetland conservation compliance policies and procedures. This process has resulted in recommendation for how to improve the efficiency, consistency, and quality of NRCS wetland conservation compliance function. Recommendations are being considered by the NRCS Chief and decisions will be made soon. NRCS is committed to operating consistently and in accordance with statute in carrying out its wetlands conservation compliance responsibility in North Dakota and all states.

AGENCY INSERT 2 [P. 53]

Senator Bennet.— Would the Service be able to submit information on the number of unfunded applications you have gotten for FRPP, GRP, and the Wetlands Reserve Program, WRP?

RESPONSE.

Unfunded Applications for the Wetlands Reserve Program (WRP), Grassland Reserve Program (GRP), and the Farm and Ranch Lands Protection Program (FRPP) as of September 30, 2011

State	WRP Applications	GRP Applications	FRPP Applications
Alabama (01)	12	3	
Arkansas (05)	29	5	
California (06)	37	8	5
Colorado (08)	6	6	4
Connecticut (09)	3		14
Delaware (10)	7	1	50
Florida (12)	15		5
Georgia (13)	4	1	1
Hawaii			1
Idaho (16)	2	11	2
Illinois (17)	24	8	
Indiana (18)	14		
Iowa (19)	109		
Kansas (20)	20	40	
Kentucky (21)	50	24	1
Louisiana (22)	194	1	
Maine (23)	6		4
Maryland (24)	10		
Massachusetts (25)	20		27
Michigan (26)	17	22	1
Minnesota (27)	223		13
Mississippi (28)	104		
Missouri (29)	89	18	1
Montana (30)	4	4	
Nebraska (31)	13	16	1
Nevada (32)	21	10	

New Hampshire (33)	39		7
New Jersey (34)	4		24
New Mexico (35)	1		
New York (36)	98	9	11
North Carolina (37)	11		9
North Dakota (38)	674		
Ohio (39)	135		3
Oklahoma (40)	28	40	
Oregon (41)	2		
Pennsylvania (42)	9	10	1
Puerto Rico (72)	1		
Rhode Island (44)	3	3	10
South Carolina (45)	6	2	
South Dakota (46)	117	22	
Tennessee (47)	8	5	
Texas (48)	3	21	
Utah (49)	2	6	
Vermont (50)	3	3	2
Virginia (51)		3	1
Washington			30
West Virginia (54)	5	30	13
Wisconsin (55)	55	8	1
Wyoming (56)	2	6	21
Grand Total	**2,239**	**346**	**263**

Source: NEST 10 18 2011

NOTE: Backlogged Applications presented here are the sum of approved, deferred, draft, eligible and pending applications.

AGENCY INSERT 3 [P. 58]

Senator Chambliss: First, can you provide the Committee with details on how this partnership will be administered and how will the $10 million in funding be used? Secondly, are there appropriated funds from the conservation operations account? And does the funding go directly to NFWF? And how will USDA work with NFWF to ensure the funds are used appropriately? And how are the priority areas determined to be a priority and by whom?

1) How will this partnership be administered and how will the $10 million in funding be used?

The Conservation Partners Program was created under a contribution agreement signed between Natural Resources Conservation Service (NRCS) and the National Fish and Wildlife Foundation (NFWF) on September 29, 2011. The program will be jointly managed by NRCS and NFWF under the terms of the contribution agreement.

The goal of the program is to maximize agricultural conservation outcomes through conservation technical assistance, capacity building, and outreach activities. The funds will be used to provide competitive grants to eligible agencies and organizations to conduct a variety of conservation projects in identified priority areas. All awards must be approved by the Chief, NRCS.

2) Are there appropriated funds from the conservation operations account [being used]? And does the funding go directly to NFWF?

Yes, there are appropriated funds from the Conservation Operations account being used for this agreement. One-half of the total $10 million is coming from the Conservation Technical Assistance under Conservation Operations. The remaining $5 million is coming from Conservation Reserve Program (CRP), technical assistance funds, which will be used to meet technical assistance needs in high CRP workload areas.

The funds do not go directly to NFWF. NRCS will disburse funds on a reimbursable basis upon completion of work outlined in the agreement.

3) How will USDA work with NFWF to ensure the funds are used appropriately??

The contribution agreement creating Conservation Partners Program outlines the terms to ensure that funds are used as intended. Including processes for proposal review and selection, fund management, and progress reporting.

For each grant proposal, NFWF will obtain grant proposal reviews and letters verifying involvement and support of projects from the relevant/effected NRCS State Conservationists.

An Advisory Team will be created to provide input into the grant review and selection process. The Advisory Team will consist of no fewer than two representatives chosen by the Chief of the NRCS and no fewer than two representatives chosen by the Executive Director of NFWF. NFWF will provide a slate of projects for review to the Advisory Committee. NFWF will also provide a full set of project materials to the Advisory Team to include a project description, financial information, project start and end dates, budget, reviews, and total matching dollars to be raised.

An Advisory Committee will review the recommendations of the Advisory Team and make final recommendations for the NRCS Chief and NFWF Board of Directors. The Advisory Committee will only include representatives from NRCS and NFWF and both entities will have equal weight in recommending final project selection for the NRCS Chief's approval.

Proposals will be reviewed to ensure all proposed budgets contain allowable costs and are otherwise consistent with appropriate OMB guidelines, NRCS administrative requirements and NFWF policies. Any sub award agreement must meet the same NRCS administrative requirements as the original award.

The 2 pools of NRCS monies will be maintained in separate accounts. This will enable tracking of the two separate funding sources that NRCS is using to fund this agreement. Separate and identical reporting needs will be identified prior to grants being made.

NFWF will submit a programmatic report biannually to the NRCS technical contact within 30 days of the end of a fiscal year until all funds are expended. The report will include summary information (such as the number of customers served, conservation activities performed, jobs created and estimated or observed environmental outcomes generated) for all approved projects, as well as an update on their status. NFWF will submit quarterly financial reports to NRCS within thirty days of the end of the quarter.

NRCS will disburse funds on a reimbursable basis upon completion of work outlined in the agreement. NRCS and NFWF will monitor progress of all projects selected for funding to ensure they successfully meet their stated objectives. NFWF will also fund an evaluation of the Conservation Partners Program through a third party evaluator.

At the end of the project period, NFWF will provide a final programmatic report highlighting the individual project accomplishments and summarizing the overall program accomplishments in building capacity for enhanced stewardship at the community-level. In addition, the final report will include a final financial reporting of all sub-award disbursements and administrative expenses. Lastly the report will include copies of all final project reports from sub-recipients.

4) How are the priority areas defined?

Priority Areas are identified by finding areas of overlap between NRCS's Landscape Initiatives and NFWF's Keystone Initiatives. The CRP component of the agreement will focus on meeting CRP technical assistance needs in high sign-up and high CRP workload areas as determined by NRCS.