

**CONSERVATION AND FORESTRY:
PERSPECTIVES ON THE PAST AND
FUTURE DIRECTION FOR THE 2018
FARM BILL**

HEARING
BEFORE THE
**COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY**
UNITED STATES SENATE

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

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**CONSERVATION AND FORESTRY:
PERSPECTIVES ON THE PAST AND
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Thursday, June 29, 2017

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

The Committee met, pursuant to notice, at 9:03 a.m., in room 216, Hart Senate Office Building, Hon. Pat Roberts, Chairman of the Committee, presiding.

Present: Roberts, Cochran, Boozman, Hoeven, Ernst, Grassley, Thune, Daines, Perdue, Strange, Stabenow, Leahy, Brown, Klobuchar, Bennet, Gillibrand, Donnelly, Heitkamp, Casey, and Van Hollen.

**STATEMENT OF HON. PAT ROBERTS, U.S. SENATOR FROM THE
STATE OF KANSAS, CHAIRMAN, U.S. COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY**

Chairman ROBERTS. Good morning. I call this meeting of the Senate Committee on Agriculture, Nutrition, and Forestry to order. Thank you for your rapt attention. The room was abuzz. People were happy and smiling, talking, and then I came in, and everybody just got quiet. I do not understand that.

[Laughter.]

Chairman ROBERTS. Today, our Committee turns its attention to two important titles in the Farm Bill—conservation and forestry.

Across the country and throughout my State of Kansas, I have heard repeatedly from farmers and ranchers about the importance of these programs, how they successfully incentivize farmers to take conservation to the next level and the need for continued Federal investment in these critical programs.

Farmers and ranchers, through voluntary conservation programs—not through regulatory action—are making a difference and contributing to environmental benefits to address resource concerns, like reducing nutrient runoff, improving soil health, reducing erosion, and improving water quality, all while meeting the demand of growing the safest and most abundant food supply in the world.

Reflecting on the 2014 Farm Bill, that law made a number of changes to both the conservation and forestry titles.

Within the conservation title, 23 separate programs were consolidated, and streamlined into 13, with the sole purpose of improving

program efficiencies and program delivery. The conservation title also contributed to deficit reduction through voluntary cuts to conservation programs totaling \$6 billion over 10 years.

The forestry title eliminated unused and unfunded authorities, and it provided some helpful tools for land managers on private, State, and Federal land part of the National Forest System.

We have before us today two panels of witnesses who will be able to provide input and advice on the current status of programs, what is working well, and what challenges remain.

We have invited the Department of Agriculture to hear firsthand from folks who administer and deliver the conservation and forestry programs our Committee authorizes in the Farm Bill.

We also have a panel of stakeholders comprised almost entirely of producers and landowners who utilize and participate in these conservation and forestry programs.

More importantly, I hope we hear input from our witnesses about the future direction of these programs and how improvements can be made.

This hearing is timely, especially having just visited Big Sky Country with Senator Daines. I had the opportunity to visit and learn about several issues facing the forestry sector, landowners, regulatory challenges related to Federal land management and endangered species.

Now, while Kansas may not be the most forested State, I understand the challenges facing the forestry sector, which are not vastly different from the challenges facing agriculture.

As our Committee works to craft the next Farm Bill, we will find ourselves in a very tough budgetary environment. I know many within the conservation community will be looking to increase funding for programs that experienced cuts in the 2014 Farm Bill.

However, Congress will have difficult decisions to make as we try to figure out how to address the needs, but I simply would urge everyone, at the very least, to work to protect conservation and to consider working within the confines of the existing programs.

I look forward to hearing our witnesses, and with that, I recognize our distinguished Ranking Member, Senator Stabenow, for any remarks that she might like to make.

**STATEMENT OF HON. DEBBIE STABENOW, U.S. SENATOR
FROM THE STATE OF MICHIGAN**

Senator STABENOW. Well, thank you very much, Mr. Chairman, and as on each of our hearings, it is a pleasure to work with you as we move forward to get the Farm Bill done. Thank you for holding this important hearing.

As the world population continues to grow, American farmers and ranchers are growing more food with fewer resources, while also protecting our land and water.

This is nothing new for those of us from Michigan, where protecting the Great Lakes is in our DNA.

With 70 percent of U.S. land privately owned, our farmers and ranchers and foresters are the original conservationists and our first responders to sustain the health and diversity of our natural resources.

However, they should not have to bear this responsibility alone. The Farm Bill provides important conservation and forestry tools, as the Chairman indicated, that help farmers and foresters keep our water clean, improve the resiliency of our landscapes, and protect habitat for wildlife.

In addition to these important environmental benefits, conservation and forestry also creates economic opportunities. I have always said that the Farm Bill is a jobs bill, and conservation and forestry is no exception.

In the 2014 Farm Bill, we made historic investments in voluntary conservation methods that maintain healthy soils to boost productivity and increase a farmer's bottom line.

The Farm Bill also supports farmers who open up their farmland to be used as wildlife habitat for hunting and fishing and outdoor recreation, which we do a lot of in Michigan. These activities pour \$100 billion into the U.S. economy and support over 700,000 jobs in small towns and rural communities.

Matching public conservation dollars with private dollars was another success of the 2014 Farm Bill. The Regional Conservation Partnership Program is a new and innovative approach to voluntary conservation, which has leveraged more than \$1.2 billion in private funding and brought together over 2,000 diverse partners to address local conservation goals.

The impact of these projects can be seen in all 50 States. Nearly half of the partnership projects awarded are addressing water quality, something that is very important to the economy and very important to our way of life in Michigan, where people come from near and far to visit our beautiful Great Lakes.

Our forestlands are equally important to our economy. From loggers and bio-manufacturers to hunters and hikers, the health of our forests impacts everyone. Many rural communities depend on forests as the foundation of their economy.

In the 2014 Farm Bill, we made great strides to give the Forest Service new tools to manage our national forests. The Good Neighbor Authority has been one of the biggest accomplishments of the bill, allowing State foresters to manage forestlands more efficiently by preparing Federal timber sales and partnering on restoration projects. In addition, the last Farm Bill allowed expedited treatment of forests ravaged by insects and disease.

To date, 38 governors have worked with USDA and the Forest Service—and we are very pleased that Chief Tidwell is here today—working with them to designate over 55 million acres for expedited restoration.

As we look to the 2018 Farm Bill, we must continue to support smart forestry and smart conservation practices that are helping the environment and our economy.

I am sure we will hear about the broken Forest Service budget, an issue that most people from both sides of the aisle agree we ought to fix. It is also important to continue to coordinate restoration efforts across ownership boundaries, because forest health challenges do not end at the federal property lines.

Additionally, voluntary conservation must continue to be a priority in this Farm Bill. As we support farmers' efforts to address emerging challenges across the country, from algae blooms in Lake

Erie to drought in the Dakotas, conservation tools are more important than ever.

The 2014 Farm Bill also included a linchpin agreement to protect highly erodible soils and wetlands. According to USDA, more than 99 percent of farmers are meeting these requirements, which benefits taxpayers, our environment, and our farmers. Maintaining this agreement will be critical.

Mr. Chairman, I welcome the opportunity to discuss the important ways the conservation and forestry titles protect our land and water and contribute to our economy and way of life, and I appreciate you holding this hearing.

Chairman ROBERTS. Thank you, Senator.

We issue a strong welcome to our first panel of witnesses before the Committee this morning.

As you have already pointed out, first, we have Mr. Tom Tidwell, who currently serves as Chief of the U.S. Forest Service of the Department of Agriculture, a position he has held since 2009, and throughout his 40-year career of public service, Mr. Tidwell has served in a variety of positions at all levels of the Forest Service, including as District Ranger, Forest Supervisor, and Legislative Affairs Specialist in the Washington, DC, office.

Welcome, Chief, and I look forward to your testimony.

Second, we have Mr. Jimmy Bramblett, who serves as the Deputy Chief of Programs with the Natural Resources Conservation Service. In this role, Mr. Bramblett is responsible for managing and delivering the agency's financial assistance programs, easement programs, and conservation technical assistance.

Welcome, and thank you, sir, for participating in today's hearing.

Next, we have Ms. Misty Jones. Ms. Jones joins us from the USDA's Farm Service Agency, where she currently serves as Director of the Conservation and Environmental Programs Division. In this role, she oversees the FSA's voluntary conservation programs, including the Conservation Reserve Program.

Welcome, and thank you for joining today's panel.

We will move ahead with the testimony with you, sir, Mr. Tidwell, Chief.

**STATEMENT OF TOM TIDWELL, CHIEF, FOREST SERVICE, U.S.
DEPARTMENT OF AGRICULTURE**

Mr. TIDWELL. Mr. Chairman, members of the Committee, thank you again for this opportunity to address the Committee regarding our implementation of Farm Bill provisions.

Over the past five decades, the Forest Service has received authorization for numerous valuable programs through past Farm Bills. I especially want to talk about the 2014 Farm Bill. The forestry title in that bill has definitely helped us to improve the health of the nation's forests, reduce the wildfire threat to communities, and sustain rural America.

The insect and disease provisions, as has already been mentioned, through the recommendations of the governor, I designated over 55 million acres that allow us to expedite projects to be able to address the increased risk of insect and disease infestations. So far, 94 projects spanning over 43 National Forests and 19 States have moved forward with these provisions.

The Good Neighbor Authority has increased our capacity to do more work through agreements with our State partners and Puerto Rico. It allows us to be able to access the States' expertise to perform watershed restoration work, forest management services on Federal lands. To date, we have completed 95 agreements with 29 States to accomplish a variety of restoration work. This authority not only increases our capacity, but allows us to be able to learn from our State partners, to be able to use their processes, their procedures, for us to be more efficient, for us to be able to manage our National Forests.

Also, the permanent authority for stewardship contracting has helped us to be able to get more work done, to improve watershed health, and it has also reduced controversy and litigation. It is probably our best tool to provide certainty to communities and industry.

In fiscal year 6, we had 225 stewardship contracts and agreements. We treated over 96,000 acres of hazardous fuels, 22,000 acres that we improved wildlife habitat on, and we produced 718 million board feet.

Also, through our previous Farm Bills, the Forest Service has received authorities such as forest stewardship, which allows us to work with our State foresters to be able to help private landowners keep their forested land forested.

For the Forest Service to build on your good work, I have to ask you that the public needs your support for us to be able to find a fix to the budget issue we have when it comes to funding for wildfires.

Just one point I want to make, and that is since 1998, our fire programs made up 16 percent of the Forest Service's budget. Today, it is 53 percent. This is just no longer sustainable if we are going to be able to carry out the work that we need to do to restore the resiliency, the health of our forest and grasslands.

So I appreciate your efforts today to move forward with this work. We are committed to working with you on the Farm Bill, and I can tell you that the Forest Service—we welcome legislation that can expand the tools that we can use to restore the nation's forests, to reduce the wildfire threat to communities, while we sustain rural America, while earning and maintaining the public's trust.

Again, thank you for this opportunity, and I look forward to your questions.

[The prepared statement of Mr. Tidwell can be found on page 116 in the appendix.]

Chairman ROBERTS. Thank you, Chief. An excellent statement, more especially with regards to the forest fire situation and the need for better forest management, and thank you for the work that you.

Mr. Bramblett, please proceed.

STATEMENT OF JIMMY BRAMBLETT, DEPUTY CHIEF, PROGRAMS, NATIONAL RESOURCES CONSERVATION SERVICE, U.S. DEPARTMENT OF AGRICULTURE

Mr. BRAMBLETT. All right. Good morning. Chairman Roberts, Ranking Member Stabenow, distinguished Committee members, thank you all for the opportunity to be here and testify on behalf

of the men and women and our clients, your constituents, to deal with the Natural Resources Conservation Service. We appreciate the ongoing support and leadership of this Committee for voluntary, incentive-based conservation on private lands.

As Senator Stabenow mentioned in her statement, 70 percent of land ownership in this country is privately held, and those individuals make decisions every day that affect not only their property, but the property of their neighbors, their watershed, and in fact, the entire U.S. population.

Voluntary, incentive-based conservation results in improved water quality, increased agricultural productivity, and improved wildlife habitat. Through the Environmental Quality Incentives Program and the past couple of Farm Bills, we have invested \$7.2 billion to cover 94 million acres—that is the size of the State of Montana—to address natural resource issues, with over 267,000 farmers. Through this locally led process, we can also address national, regional, and State priorities as well.

We complement EQIP with the Conservation Stewardship Program (CSP), which we have recently revamped. It is now the nation's largest conservation program with over 80 million acres, but the changes we recently made also better complement EQIP, offer increased productivity and flexibility to producers, and increase the scientific defensibility of the program. These changes have been well received, as we have seen an increase of 30 percent in the applications that have come to us this fiscal year.

Through our easement programs, we continue to experience high demand. This past fiscal year, we only were able to fund about 15 percent of the request to put lands in either working land easements or in wetland easements, and today, NRCS has 17,000 easements in our portfolio, covering 3.5 million acres and 50,000 miles of boundary.

The RCPP program basically is another example of locally led, partner-driven conservation. By the end of this Farm Bill, we will have invested over \$800 million, with over 2,000 partners in this program, and that has attracted over \$1.2 billion of non-Federal investments in the conservation space.

These partners are taking advantage of NRCS's unique delivery system of 2,400 field offices across the country, our technical science-based approach to conservation planning, and that science approach that we use has proven successes, whether it has been in the Mississippi River Basin, the Chesapeake Bay, or the Western Lake Erie Basin, and whether or not it has been associated with water quality or with wildlife. We have been able to work with landowners to help get species from the brink of being listed on the Threatened and Endangered Species List for the Fish and Wildlife Service, which has saved thousands of landowners undue regulatory pressures and burden and helped them continue with the profitability of their operations.

None of this would be possible, though, without the Conservation Technical Assistance Program. That Conservation Technical Assistance Program enables us to reach out, bring in the latest science and technology into our conservation planning process, and as a result, we are able also to work with our other sister agencies, whether it be the Forest Service or the Farm Service Agency, and

provide critical conservation planning support to help address resource issues and needs in the CRP program and in other State and private forestry needs across the country.

So, Mr. Chairman, Ranking Member, and members of the Committee, again, thank you all for the opportunity to be here, for the authorities that you have offered to NRCS to help bring a wide range of technical, scientific, and financial resources to America's producers.

We are happy to answer any questions you may have and look forward to the discussion.

[The prepared statement of Mr. Bramblett can be found on page 61 in the appendix.]

Chairman ROBERTS. Thank you, Mr. Bramblett.

I think we have a record, I would say to my distinguished Ranking Member.

Senator STABENOW. Yes.

Chairman ROBERTS. Both witnesses have finished at their time. That is rather remarkable.

[Laughter.]

Chairman ROBERTS. I did not mean to put the pressure on you, Ms. Jones.

Senator STABENOW. The pressure is on. Yeah.

Chairman ROBERTS. Ms. Jones, please.

STATEMENT OF MISTY JONES, DIRECTOR, CONSERVATION AND ENVIRONMENTAL PROGRAMS DIVISION, FARM SERVICE AGENCY, U.S. DEPARTMENT OF AGRICULTURE

Ms. JONES. Mr. Chairman, Ranking Member, and members of the Committee, I appreciate this opportunity to offer testimony this morning on USDA's Farm Service Agency's conservation programs.

The Conservation Reserve Program first appeared in the 1985 Farm Bill and is one of USDA's largest conservation programs. CRP improves water quality, reduces soil erosion, and restores wildlife habitat. In doing so, CRP spurs hunting, fishing, recreation, tourism, and other economic activities across rural America.

Currently, 23.5 million acres are enrolled in CRP, including 16 million acres under general sign-up enrollment, 7.3 million acres under continuous sign-up enrollment, and 90,000 acres under grasslands sign-up enrollment, with another 800,000 acres coming online in fiscal year 2018. This is 13.4 million acres below the peak enrollment in 2007 and just short of the 24-million-acre cap established in the 2014 Farm Bill. CRP contracts on 2.5 million acres—combined, general, and continuous—are set to expire on September 30th, 2017.

FSA is constantly on the lookout for ways to help new and beginning farmers gain entry into farming. The Transition Incentives Program provides 2 additional years of payments for retired producers who transition expiring CRP acres to socially disadvantaged, veterans, or beginning producers.

Under the 2014 Farm Bill, almost 1,000 eligible new producers have been helped. FSA has also heard from beginning farmers that it can be difficult to compete for farmland in certain areas, given the high level of CRP rental rates. Since the initiation of CRP in 1985, CRP rental rates have been set to align as closely as possible

with cash market rents. Rates are updated periodically, and we are planning for new rates to be effective on October 1, 2017.

CRP has many flexible elements to allow adjustment to critical conditions, such as emergency haying and grazing, and we look forward to continuing our flexible approach.

In April, USDA authorized emergency grazing on CRP lands in Kansas, Oklahoma, and Texas, the three States, which were most heavily affected by wildfires that started in March. Just last week, Secretary Perdue authorized emergency grazing on CRP land in the drought-stricken counties in Montana, North Dakota, and South Dakota.

The Emergency Conservation Program also provides critical emergency funding and technical assistance, in this case, to help farmers and ranchers rehabilitate farmland damaged by natural disasters and to help livestock producers enhance water supplies during periods of severe drought.

With the 2017 flooding in Missouri, Arkansas, and other States, we stand ready to provide ECP funding within our available resources to farmers and ranchers in those States to restore livestock fences and conservation structures, remove flood debris, and rehabilitation farmland.

Again, I want to thank you for allowing me to provide FSA's perspective on the valuable conservation programs your Committee authorizes. I am happy to answer any questions that you may have.

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

Chairman ROBERTS. Thank you, Ms. Jones.

I want to let the Committee know that we are awaiting one other member to come before we get into the business for a very short business meeting with regard to the nomination of J. Christopher Giancarlo. As soon as that takes place, we will take a brief detour, and we will be right back to you.

But seeing that is not the case yet, I am going to start the questioning of Mr. Bramblett. Can you talk a little about the participation level of livestock and dairy operations in the Conservation Stewardship Program? Have there been any barriers or disincentives that prevent livestock operations from entering this program?

Mr. BRAMBLETT. Thank you, Chairman.

The answer that we would give in short is no. The Conservation Stewardship Program offers a lot of opportunities to livestock producers, whether it is managing their water sources, managing the grazing sources, even helping them with calving cycles, stockpiling cool-season grasses, dealing with nutrient management, integrated pest management, and weed management. So the opportunities for livestock producers, whether they are cattle producers or dairy producers, have full access to the Conservation Stewardship Program.

Some may have a misperception that when you are dealing with a dairy operation and heavy engineering infrastructure like a waste storage structure or a waste transfer system, you get into some very expensive conservation practices to the tune of hundreds of thousands of dollars.

The Conservation Stewardship Program, with its limitation of \$18 per acre, actually manifests itself as a good complement to

EQIP in that regard as well, allowing those producers as well as other cash grain operators to do many more land management activities.

Chairman ROBERTS. Mr. Bramblett, earlier this month, the Department's Office of Inspector General released a report on NRCS's handling of funding provisions in the new Regional Conservation Partnership Program. The report suggests that the agency may have been in violation of the 2014 Farm Bill and the Antideficiency Act.

While RCPP is a new model—I understand that—for conservation programs, the original intent behind the program is to provide flexibility for the NRCS to leverage Federal conservation dollars while also encouraging new partnerships to deliver conservation on a watershed scale.

Some concerns in that report that were raised include making available multiple-year funding in a single year and complications associated with the obligations and commitments of funds. Now, while it appears the agency agrees with most of the findings and is taking corrective action—we thank you for that—what additional legislative safeguards should we consider incorporating into the RCPP to provide clarity to the NRCS with regard to the future administration and delivery of program funds?

Mr. BRAMBLETT. Well, Senator Roberts, the agency basically identified and recognized the intent of this Committee with respect to the flexibility of the RCPP program. The Office of Inspector General, in their evaluation of the program, basically identified the term “commitment” by the April 1st deadline to return donated program funds, whether it be EQIP, CSP, or easement funds, back to their respective program if those funds were not committed by April 1st.

Given the timing of the Farm Bill and the need to implement that in working with OGC, we felt like we could combine the fiscal year—FY14 and fiscal year funds and have a \$398 million offer out there.

As a result, we had over 600 applications requesting \$2.8 billion. From that perspective, the threshold of commitment, we feel like was made and therefore not a need to return those funds to their donor programs.

We are currently in consultation with OGC to make sure that our interpretation was correct and hope to have a definitive answer by end of next month or the beginning of August.

Chairman ROBERTS. I thank you for that.

It appears I think we have—all right. My marching orders are to finish the questions.

Ms. Jones, for the Conservation Reserve Program, I have been hearing several ideas from various groups about the future direction of CRP. It is a pretty hot item right now in farm country. One area of interest for CRP is rental rates. Can you discuss the current policy on how the FSA develops rental rates?

Ms. JONES. Thank you for the question, Mr. Chairman.

Currently, we base our rental rates on NASS Cash Rental Rate Survey, which is conducted at least every other year under the 2014 Farm Bill. Rates were most recently updated in 2015. The

survey was conducted annually from 2008 to 2014, as required by the 2008 Farm Bill.

The 2014 Farm Bill, however, provided the option of conducting the survey every other year. NASS conducted the survey in 2014 and '16, and FSA is currently using 2016 survey data to examine soil rental rates and plans to adjust them to be effective for October 1, 2017.

Once a contract is approved, the rental rate is held constant for the length of the contract. FSA State offices will be allowed to provide justifications for alternative rates to the NASS survey results. Our rates are set to follow the market rather than set the market. We are currently reviewing rates within our county office system, and we will work through a rigorous process in order to establish them as closely as possible to the cash rent rates that are in the local areas.

Chairman ROBERTS. I appreciate that.

Now seeing a quorum is now present, I will recess this hearing for a brief few moments.

[Whereupon, at 9:33 a.m., the Committee proceeded to other business and reconvened at 9:43 a.m.]

Chairman ROBERTS. I now reconvene the Committee's hearing reviewing the USDA's conservation and forestry programs, and I thank the witnesses for their indulgence.

Let us return to where we left off with Panel I, and I think Senator Stabenow is next.

Senator STABENOW. Well, thank you, Mr. Chairman, and I would echo your words that it is a pleasure to serve with you on this Committee and that we are actually getting things done and working together which is so very important for the people we represent.

In first asking a question about the Regional Conservation Partnership Program, Mr. Chairman, just for the record, I have two letters—one from Midwest Row Crop Collaborative, who are working to improve water quality in the Mississippi River Basin, and one from the Western Agriculture and Conservation Coalition, which is focused on western water issues. They have asked that I submit this for the record.

Both letters reject the President's budget proposal to eliminate the Regional Conservation Partnership Program and highlight the importance of this program, so I would ask that they be submitted for the record.

Chairman ROBERTS. Without objection.

Senator STABENOW. Thank you very much.

[The letters can be found on page 139 and 141 in the appendix.]

Senator STABENOW. Again, welcome to all three of you. We appreciate your work. This is a very, very important part of the Farm Bill and frankly part of our policies for the country.

Let me first ask Deputy Chief Bramblett and Director Jones about the RCPP. It is one of several working lands programs, as we know, and I wonder if you could talk more about the current demand for working lands programs at USDA. Are any of the programs oversubscribed, and what are the top resource issues addressed by these programs?

Mr. Bramblett?

Mr. BRAMBLETT. Thank you, Senator Stabenow.

The answer to your question is yes. These programs are greatly oversubscribed.

Just for example, with the Conservation Stewardship Program, I mentioned earlier in my opening statement that we saw a 30 percent increase in applications this year. What that means is we will have almost 19,000 applications for the Conservation Stewardship Program, and we anticipate we are only going to be able to fulfill but about 6,500 of those.

For the Environmental Quality Incentives Program in your home State, there were 1,745 applications last year, which we were only able to fill 946 of them, so a 2-to-1 backlog there.

We are not done with this year, the Environmental Quality Incentives Program applications coming in, but the range of backlog is from 2 to 1 in your State, as much as 6 to 1, 5 to 1 in other States, because of local issues, pressures, commodity prices and the like.

With the Regional Conservation Partnership Program, we had \$200 million this year to offer out. The demand and the proposals that came in that we are evaluating right now are in the range of \$640 million, so another 3-to-1 backlog associated with that.

The easement programs, as I mentioned earlier, also we are only able to fund those at about 15 percent of the request, so somewhere in the neighborhood of a 6.5-to-1 backlog associated with those.

Senator STABENOW. Those are huge numbers, the differences in that.

Mr. BRAMBLETT. Those are huge numbers, exactly.

Senator STABENOW. Yeah.

Mr. BRAMBLETT. It speaks to the value that everybody sees not only in conservation, but the farm profitability associated with conservation that we alluded to earlier as well.

It is a win-win situation for everybody across the board, because not only does it help them sustain their operations and make them more profitable for today, but for future generations, and also helps their neighbors, their watersheds, and helps feed the world, as we talked about a little bit earlier.

Senator STABENOW. If I could just underscore that. When we talk about risk management in the last Farm Bill, we strengthened risk management tools, crop insurance being one, but conservation is also a risk management tool for farmers and ranchers today. Isn't that right?

Mr. BRAMBLETT. That is exactly right. While we are not a farm management agency, we do like to think of the fact that these conservation programs offer a financial blueprint for farm management plans, and so as we talked about the increase in productivity and profitability, one quick example that I will give you is soil health. Every 1 percent increase in organic matter and soil health holds 27,500 gallons of water. That is a reduction in cost of irrigation. That is a resiliency in drought. That is an increase in productivity. Every 1 percent increase in organic matter leads to about a 12 percent increase in productivity across the board, so yes.

Senator STABENOW. Very important.

Ms. Jones, would you respond to those questions as well?

Ms. JONES. Yes. Thank you for the question.

Under CRP's grasslands program, landowners and operators can protect grasslands, including rangeland and pastureland and certain other lands while maintaining the areas as grazing lands. This program emphasizes support for grazing operations, plant and animal biodiversity, and grassland and lands containing shrubs and forbs under the greatest threat of conversion. Participation receives annual payments and cost-share assistance, and our contracts are between 14 and 15 years.

There are currently about 900,000 acres enrolled in CRP grasslands, with a statutory cap of 2 million acres. Through three ranking periods, there are additional producers who would like to enroll their land in the program, but the 2-million-acre cap is currently sufficient to meet demand, and we are awaiting the next ranking period, which has not been announced yet, because the producers compete for the land based on their environmental scores.

Senator STABENOW. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Ernst.

Senator ERNST. Thank you, Mr. Chair, and thank you to the witnesses for being here today. We truly appreciate it.

I would like to start by sharing a story from one of my constituents. It is a story from Mike Kelley, who is a fifth-generation farmer from Monona County, Iowa, and he wrote me in January to tell me about how some of the very productive farm ground that he cash rents was outbid by conservation programs. In one instance, he was outbid by over \$100 per acre by the government.

The same thing happened to one of his sons in 2016 who lost 88 acres of land to a pollinator program, where he had recently installed a center pivot irrigation system. To quote from his letter, "Never in my 30-plus years of farming did I feel the government was going to be a threat to me and my young son's farm operation."

Mr. Chair, I would like to submit his letter for the record.

Chairman ROBERTS. Without objection.

[The letter can be found on page 144 in the appendix.]

Senator ERNST. I have heard similar stories from across Iowa about CRP outbidding cash rents on productive farm ground, and it greatly concerns me and many others in the State of Iowa.

We have a lot of producers who are participating in important voluntary conservation efforts targeted at marginal lands to protect soil health and water quality, but it appears the current structure of some of these programs has misaligned incentives.

For Ms. Jones and Mr. Bramblett, please, in your opinion, is idling whole farms through CRP the best use of taxpayer dollars in a tight budget climate, or would we be better served focusing those dollars on marginal lands that could have the biggest bang for our taxpayers' bucks through the working lands programs?

Ms. Jones, if you would start please.

Ms. JONES. Thank you for the question.

We offer a range of opportunities to our producers. Through our general sign-up, we allow it to be a competitive process where they come in, and they are scored on their environmental benefits.

We generally see larger tracts of land, more whole fields in that regard, but we also have our continuous practices, which are smaller. They are highly incentivized in order to make the opportunity

there for the farmer to invest and put those conservation practices in place.

We support both sides of conservation in order to make it work for the farmers.

Senator ERNST. Thank you for your answer.

Mr. Bramblett?

Mr. BRAMBLETT. Thank you, Senator Ernst.

From the NRCS perspective, we really aggressively pursue all kinds of conservation activities we can do on working lands, so EQIP, CSP basically do working lands. We even have an easement component called Agricultural Land Easement Program, which allows those operations to stay in a working land status.

With respect to the CRP, we basically work within the authorities that are offered by the Committee and stand ready to help with our CTA program, offer conservation planning process support to the Farm Service Agency, however those authorities are delivered.

Senator ERNST. Well, I appreciate that.

The concern with the CRP program is that we are seeing more and more acres of highly productive land that is farmable and not a threat to really any erosion.

The original intent of the CRP program was to protect those marginal lands, and we see more and more producers, especially those that are maybe older, wanting to retire, taking those acres out of production. That is a threat to some of our younger farmers or those that are wanting to engage in farming activities. I do think there are ways to fix the program, and we need to focus on those marginal lands rather than highly productive acres.

Ms. Jones, the average age of a farmer in the U.S. today is 58. That is an average farmer today. I have heard from many young and beginning farmers who are trying to access farmland but are being outcompeted by CRP. Are you hearing this from other young producers, and if so, where?

Ms. JONES. Thank you for the question.

We have several opportunities. One is our Transition Incentives payment program, where we allow our retiring landowners that have CRP contracts to transition to a new beginning farmer and rancher and in return for 2 years of annual rental payments. That allows the new and beginning farmer to have access to that land for production or other sustainable agricultural uses.

Senator ERNST. So are you hearing from other States, or is Iowa the only State that is seeing this issue with CRP?

Ms. JONES. I think that we often hear about new and beginning farmers and the opportunities that they want.

Specifics, we have a coordinator at Farm Service Agency that specifically works with new and beginning farmers and ranchers throughout all of our programs, and I would be happy to look into that and get more information to you.

Senator ERNST. I would appreciate that very much. I do think we have an issue out there.

Thank you very much to our witnesses.

Thank you, Mr. Chair.

Chairman ROBERTS. Senator Heitkamp.

Senator HEITKAMP. Thank you so much, Mr. Chairman. As much as I would like to get into a lot of the details of conservation, I have a couple North Dakota-specific points to make.

Mr. Tidwell, as you know, North Dakota and the Forest Service and the Justice Department have been in a protracted ongoing dispute regarding section lines in the grasslands in North Dakota.

As Attorney General, I wrote the opinion on that, basically said those section lines exist because these were reacquired lands.

After I wrote that opinion, the United States Government asked the State government to engage in a discussion about how we were going to resolve the dispute. I since left State government, but I will tell you I was shocked to find out that one of the arguments—in fact, now the winning argument that the government pursued is that because the State was willing to actually engage in discussions and negotiations, that forbearance was used against the State of North Dakota to basically stop North Dakota from pursuing its claim.

If that is the position of the Department of Justice, that when we actually engage in a friendly discussion, we lose our rights, I would suggest to every State government, they sue you immediately. That is not a good use of resources.

So Senator Hoeven and I are sending you a letter, sending USDA and Justice Department a letter, asking you to reconsider, to take a look at where we are in this litigation, but I wanted you to understand how greatly disappointed I am with the line of argument from the Department of Justice regarding the State's position on not pursuing this earlier in litigation. It was not pursued earlier in litigation because of the request of the United States Government, and so I just had to get that off my chest.

So, with that said, I hope you can look favorably on our request, and I am sure Senator Hoeven will follow up on some of this.

My question goes to Ms. Jones. As you know, North Dakota and many of our regional States—Montana, North Dakota, South Dakota—are experiencing severe drought with almost 47 percent of the State categorized in extreme drought and severe. 25 percent is extreme.

We have been begging you guys for a decision to allow haying, because people have to make decisions right now about what they are going to do with their herd. We believe that those decisions can be made without hurting any fundamentals of the CRP program. Can you give me some assurance that you are going to make this decision before the August 1st deadline? Can we get you guys to move quicker on a decision on haying?

Ms. JONES. Thank you, Senator.

Yes. The Department of Agriculture will soon make an announcement.

Senator HEITKAMP. But on haying, even if haying is not otherwise allowed?

Ms. JONES. So what we are looking at right now are all the weathers, making sure that everything is tracking.

The Secretary received a request from the States, letters, and as you said, we have already authorized emergency grazing on CRP during the primary nesting season in North Dakota, South Dakota, Montana, for being in the D2 or higher drought categories.

Knowing what is ahead, the Secretary has heeded congressional recommendations and is authorizing emergency grazing of all CRP for all counties in which any part of their border lies within 150 miles of any portion of a county approved for emergency grazing of CRP.

We have also decided to use our discretion, as we have done in the past, and allow CRP contract holders within 150 miles of a D2 or D3 county who has mid-contract management by haying their acreage to donate their hay to livestock producers in need of forage.

CRP contract holders who mid-contract management by haying will still—the producers will still have the ability to destroy hay if they wish, or they can sell the hay with a 25 percent deduction, as they have been fully authorized to do in the past.

The Secretary is committed to continuing to monitor conditions and will consider expanding emergency authority if conditions worsen, such as authorizing emergency grazing in drought counties to all CRP practices, including for all grass covers, and authorizing emergency haying in drought countries during the primary nesting season.

Senator HEITKAMP. I do not know how things can get worse for our ranchers out there. If they are making it, they are making it day to day right now, and they do not know how they are going to carry this over into the winter.

I would urge you to do everything. Go to the limit in what you can do in providing relief to these ranchers and access to CRP.

Thanks so much.

Chairman ROBERTS. The Senator From Alabama, Senator Strange.

Senator STRANGE. Thank you, Mr. Chairman.

I guess this question should be directed to Mr. Bramblett and Chief Tidwell. It has to do with the longleaf pine. That is a very important subject in Alabama. One of our witnesses later on the next panel will discuss that.

I would like for you to talk, if you will, about the coordination on this—your coordination on this program, how you are assisting the landowners in Alabama in the longleaf restoration area.

Mr. BRAMBLETT. All right. Thank you, Senator Strange.

We are actually excited to be working with landowners in the Southeast on the longleaf pine. It actually is a perfect blend of some of the things we have talked about a little bit earlier in the regard that it helps those landowners in the profitability of the land they manage, but also, it helps them address issues related to gopher tortoise, the red-cockaded woodpecker, bobwhite quail. So the mitigation against some of those particularly at-risk species is critical so those landowners do not deal with regulatory pressures, number one.

But the bobwhite quail aspect of longleaf pine has actually been extremely intriguing as well because it has introduced a new economy in the Southeast, particularly southeast Alabama, southwest Georgia, of over a billion dollars of individuals coming from all over the world to be in that part the country to do hunting activities.

So we are extremely excited about the interest that we have received. We have put in \$65 million with landowners across that project area so far, and because of the continued increase in de-

mand, this past year alone, we have put \$5.6 million into that. We can never satisfy the request.

So, again, our Conservation Technical Assistance Program, not everybody actually takes advantage of the financial assistance. They take advantage of that technical science-based planning process that we have, and many of them are still doing those activities, even without the financial resources.

Senator STRANGE. That is great.

Mr. TIDWELL. Senator, what I would just like to add is the work that we are doing with the private landowners on longleaf, I think is the perfect example of the benefits of forestry by working together to, first of all, develop the research and the techniques to be able to reforest and replant longleaf in a way that it is highly successful, but it provides all the benefits. Not only does it provide excellent wood, but it provides all the key habitats, and it is just an excellent species to deal with, not only deal with fire, but also with wind, which we get a lot in your country, depending on how the storms come in. It just shows the benefits of forests.

We are also working very closely to be able to find additional markets for the wood and also for the pine straw. So that as private landowners make this more long-term investment into a longer rotation species, there are opportunities to generate additional economic return during that time versus what they would get off some of the more short-duration rotation species that many of these folks have had to turn to in the past.

Senator STRANGE. Well, I appreciate that response. I think it is a success story, as we will hear from our panelists on the second panel, and I thank you for your efforts there.

One quick question—and maybe this is directed to you, Mr. Bramblett, or maybe Ms. Jones—our State and I know my neighboring States in the Southeast have been hit very hard by the wild pig population, and I know you are trying to address this. I wonder if you could comment briefly on what you are trying to do to assist our farmers and forestry folks who are devastated post-damage, because these are a very destructive species.

Mr. BRAMBLETT. Yeah. That is an extremely challenging issue in the Southeast and all across the South, in fact.

One of the things that we are doing is working with the Animal and Plant Health Inspection Service, APHIS, because certain authorities that they have go beyond the authorities that we have within NRCS. So we are working with landowners to try to help identify what routes, what kind of wildlife habitat these critters use, for lack of a better phrase, and when we are able to get there and work in conjunction with APHIS and do trapping activities and get them removed from those properties, then we can go back in and work with those landowners and restore that property for however it needs to be, whether it is cropland, pastureland, or woodland. So that is kind of the support we are offering for landowners at this current time.

Senator STRANGE. Well, that is great. We are hopeful that we can eradicate the problem, but there is an awful lot of damage that is done in a short period of time. So your assistance in that regard is great.

Well, thank you, Mr. Chairman. I will yield back the rest of my time.

Chairman ROBERTS. Senator Bennet.

Senator BENNET. Thank you, Mr. Chairman.

Chief Tidwell, I hope you are well. It is good to see you. Thank you for your service, and thanks to the rest of the panel for being here.

In Colorado, Forest Service lands surrounding communities like Dillon in Summit County, which I know you are familiar with—Forest Service lands surround communities like Dillon; however, the geography and land values limit opportunities to develop affordable housing and other community-based facilities.

The Colorado Department of Transportation recently offered to work with the Forest Service near Dillon to construct affordable housing for seasonal employees on the Service's land. This could save money, increase affordable housing stock, while creating new business opportunities. We are working on a measure that would provide the Forest Service flexibility to undertake projects like that.

I wanted to ask you, Chief Tidwell, if you are familiar with this work and these issues and you are willing to work with us to ensure that the Forest Service can partner with communities to solve critical housing and facility needs in communities like Dillon but other communities all across the Rocky Mountain West.

Mr. TIDWELL. Yes, Senator. I am very personally familiar with that issue, having lived in some of those communities myself, and there is definitely a need to provide some affordable housing, especially in these areas that have very high housing costs. It is just a lot in Colorado but also in some of the other States. So we are interested and want to work with you to find a way to be able to look at the different options that we have to be able to provide housing.

I know with ski resorts, they have come forward with proposals to construct housing that would, at their cost, to be able to provide for this. It is something we want to look into, but there is definitely a need for this, and not only with the ski areas, but just all the services in these communities and including our employees too. They struggle with the same issue.

Senator BENNET. Right. I think we have the opportunity to be good neighbors. We just have to break down some of these barriers. So I appreciate very much your willingness to work on that.

Then that brings me to my second question, my concerns. I do not think this is parochial to be concerned about America's watershed, which is in our forests in Colorado. Anybody who is downstream of us, which is almost everybody, needs to care about the condition of those watersheds and the condition of those forests, and this is one of the things that the inability of—even though this Committee works well together, the inability to be able to really solve some big issues here is having a profound effect. I really want to raise the alarm on the condition of our national forests and on our inability to do the kind of restoration that is required to protect these watersheds and communities downstream from these forests.

I wanted to ask you, Chief—and I know you know this issue extremely well, but just to be as candid as possible with the Com-

mittee—what is the biggest impediment to accomplishing more restoration, and to what extent is that about a lack of resources, fire borrowing, whatever it is? What can we do to finally get to a place where we are making the investment that is required here?

Mr. TIDWELL. Senator, first of all, I just cannot thank the Committee enough for the 2014 Farm Bill authorities. The insects and disease designations, it allows us to be able to expedite projects to be able to address that risk. Then the Good Neighbor Authority that we are really excited about, now we have 95 agreements across the country, and we are just really getting started on that. Both of those help us to get more work done. It provides additional capacity, and there is no question that is one of the challenges that we have.

The Good Neighbor Authority allows us to be able to work with our States, to be able to use the States' personnel, their staff to be able to get more work done. But there is no question that this issue of how to pay for the cost of wildland fire has had a significant impact on our ability, going from 16 percent of our budget back in 1998 to now over 53 percent, and I cannot stress enough, it is not about the budget. It is about what is not getting done.

So during that time, our folks have done a great job to be able to continue to get a lot of work done, being very innovative, but the consequences of that has resulted in a 40 percent reduction in our employees that are outside of fire. Once again, it is not about our staff, but it is about the work that could be done.

We right now have anywhere from 65-to over 80 million acres that our research and our inventory shows that we need to do some form of restoration on that to improve the overall health of our forests. We are making good progress every year, but there is some urgency to this. It is just essential that we find the way to be able to increase the pace and scale to get the work done to provide for the healthy watersheds, and what this does, it just sustains rural America.

So there seems to be a lot of agreement on this, and we are doing what we can to increase our efficiencies. But this is one of the things that we are going to continue to be asking for your help.

Senator BENNET. Well, I would say, Mr. Chairman, I want to thank you for your leadership and the Ranking Member on this. Because of your work on the last Farm Bill, we were able to introduce important flexibilities like you are talking about; the Good Neighbor Authority, for example. But at a certain point—and I am for flexibility. I think it is important. At a certain point, we need people on the ground that can do this work, and I know in Colorado, for instance, there are a ton of veterans that are coming back who would like to do this work on behalf of the Forest Service and the country. It would be nice to be able to fund that, so we could get it done.

Thank you, Mr. Chairman.

Chairman ROBERTS. Probably one platoon of marines would take care of it, do you think?

Senator BENNET. It would be good. That is all we need.

Chairman ROBERTS. All right. Thank you.

Senator BOOZMAN.

Senator BENNET. A platoon of marines.

Senator STABENOW. That is right.

Senator BOOZMAN. Thank you, Mr. Chairman, and thank you all for being here.

Our farmers, ranchers, foresters are the original and best conservationists, and these voluntary incentive-based conservation programs we authorize in the Farm Bill yield tremendous benefits to our environment.

Mr. Bramblett, in Arkansas and several rice-producing States, USA Rice and Ducks Unlimited have partnered on a number of Regional Conservation Partnership programs, projects that have helped many rice producers in my State put voluntary conservation practices to work on their farms. Does USDA see this as a successful model for conservation, and are there flexibilities or tweaks we can add in the Farm Bill that can encourage more groups and private partners to utilize the RCPP?

Mr. BRAMBLETT. Thank you, Senator Boozman.

I want to echo Chief Tidwell's comments about our appreciation for the flexibilities that were given to NRCS in the 2014 Farm Bill. Just the range of opportunities and activities that we are able to carry out across the landscape really begins to boggle the mind once you look at what is taking place and the various ways we manifest voluntary conservation in partnership with thousands of Federal, State, local, and nongovernmental organizations.

The benefit to the individual landowner cannot be overstated. We talked a little bit about that earlier today. One example of that is our Conservation Innovation Grant program. Through that Conservation Innovation Grant program, we work with partners who take our existing footprint of conservation practices out there and begin to push the envelope and say, "What else can we do for the benefit of the farmer, for the benefit of the environment?"

As a result, in Arkansas, just the last week or last month, we had five producers, rice producers, actually take advantage of some precision conservation practice activities that enabled them to be able to sell carbon credits to Microsoft. That is a pretty fascinating model there.

We are really appreciative of all the authorities that we have, and we continue to work with all of our partners to push us and stretch us in a variety of ways. We have mechanisms in place, whether it be through State technical committees, where local people are telling us what they need, or whether it be through interim conservation practices that other people are telling us what we need. We have a variety of mechanisms in place to respond to the various needs that are coming to us and to help out there across the landscape.

I would say one more thing real quick, and I cannot overstate this. I briefly mentioned this earlier, and that is the delivery system of NRCS and the Farm Service Agency through our service centers.

If you think about Senator Daines in northwest Montana, we have field offices there. If you think about the Mississippi Delta of Arkansas, we have field offices there. The men and women of USDA know those people in northwestern Montana. They know your people in the eastern part of Arkansas. They know the culture. They know the agriculture. They know the agricultural econ-

omy. So what we would continue to request is that you continue to give us the authorities that we have, and if you have any interest of other ideas of authorities that you would like for us to consider, we would be more than happy to give you feedback on those.

Senator BOOZMAN. Thank you very much.

This is really for all of the panel. Our nation's private foresters are facing a critical issue. Projections show we could lose up to 34 million acres of forests by 2060 due to land conversion to other uses, such as urban sprawl and development. We are seeing this in our forests in Arkansas; however, because of investments in Farm Bill programs such as the Wetlands Reserve Easements Program, Conservation Reserve Program, and others, we have been able to keep our forests as forests and even plant some healthy young forests.

I am interested in your thoughts on how each of your agencies can support private landowners in retaining their forests into the future and how your agencies plan to work together, especially given the recent reorganization of USDA. Are there tools or flexibilities we can provide you in the Farm Bill that would help your agencies and your programs that support private forest retention?

Mr. TIDWELL. Well, Senator, I will start, and for us, it is our forest stewardship authority that you have provided that allows us to work with the State foresters to provide the technical expertise so that our private forest owners have the ability to access that expertise on sustainable forestry. Not only does it provide for sustainable forestry, but it allows them to be able to look at making their land economically viable so that they can keep their land forested. That is an absolute key.

In addition to that work, to be able to help them put their plans together for sustainable forests, we are also doing everything we can to be able to expand current markets and also develop new markets for wood and wood products, because it is absolutely essential that those folks have to make money off the land. Otherwise, there is too many other competing issues.

The other key part about this is that America just needs to understand the benefits of forests. We need our agricultural lands. We need that agricultural production. But I will tell you, when it comes to the clean air, the clean water, the wildlife habitat, the recreational settings, the majority of that comes off of private land. Over 50 percent of our forests in this country are privately owned, and it is just essential that those folks, I believe, get the recognition for what they provide to America.

Senator BOOZMAN. Good.

Mr. BRAMBLETT. If I might add quickly here—

Senator BOOZMAN. Very quickly because he is going to yell at me in a minute.

Mr. BRAMBLETT. —and that is the range of easement programs that we have represent an opportunity, and we have had a lot of success in the Northeast where there has been a lot of urban pressures to keep lands and forestry.

I will just speak quickly about the complementary nature of our sister agencies, particularly in State and private forestry. Foresters are looking at the life of a forest many times with a long-term view.

NRCS and our contributions and complementary relationship with the Forest Service and State foresters is to be there at those critical moments during the life of a forest, whereas at the time of planting or if there is some kind of disaster to help get that forest health back in shape or to do that midterm thinning to help with forest productivity or to do wildlife habitat, to help realize all the benefits that Chief Tidwell just talked about.

Senator BOOZMAN. Thank you.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Casey.

Senator CASEY. Thank you, Mr. Chairman.

Chief Tidwell and Mr. Bramblett, Ms. Jones, we are grateful you are here.

I am going to direct a question to Mr. Bramblett, but I want to say, Chief, as a Pennsylvanian, I feel compelled to mention I think the first Forest Service head was Gifford Pinchot, way back in the Teddy Roosevelt days. He later became known in our State as the elected governor, but we take, since those days, conservation programs very seriously, just like we take our forestry service seriously.

I wanted to focus on conservation and, in particular, the challenges we have in the Chesapeake Bay. Mr. Bramblett, you know this issue well, and one of my top priorities in the Farm Bill when we get to reauthorization is ensuring that not only we are focused on the Chesapeake Bay, but that Pennsylvania farmers have the resources they need to be able to meet the critically important goal of cleaning up the bay, the watershed itself. We know that just about half of our State is impacted.

I have heard from many Pennsylvanians who are disappointed in how USDA has implemented the Regional Conservation Partnership Program, and I look forward to working with Ranking Member Stabenow as well as Senator Van Hollen and others on efforts to strengthen that program.

No matter what improvements are made in the upcoming Farm Bill, we know that resources will continue to be limited. Given that reality, it is essential that our conservation dollars achieve maximum environmental benefits.

So the first question is, in examining the effectiveness of the Natural Resources Conservation Service's conservation programs, how does the agency measure success? For example, some of the questions we get is, Is it in terms of acres that are affected? Is it in terms of contracts signed, practices implemented, dollars spent? To what extent do environmental outcomes, such as pounds of phosphorus, nitrogen, or sediment, sediment reduced from a given project, factor into the agency's assessment? So if you can give us an overview of that?

Mr. BRAMBLETT. Okay. Thank you, Senator Casey, and I appreciate the question.

Traditionally, the metrics that you identified were in the ball park, and that is, how many contracts, how many dollars, how many acres, and I have even given some of those statistics here today.

The nice thing—this happened in probably the early 2000s, around 2001, 2002, 2003—is we embarked upon an effort that we

call Conservation Evaluation Assessments Project, CEAP. CEAP basically uses science-based modeling, not only to measure what the impacts that we are accomplishing across the landscape happen to be, but also to better inform us on how we are going to prioritize these limited resources and make sure the conservation practices are directed to where they have the biggest bang for the buck.

But just a couple of examples of the outcome side of this equation for CEAP, in the Chesapeake Bay, basically, what we have seen is that the work we have done focused through some of the Chesapeake Bay funding that you alluded to—the Regional Conservation Partnership Program and our ongoing Environmental Quality Incentives Program—has led to a 38 percent reduction in nitrogen as well as a 45 percent reduction in phosphorus.

Some of the recent in-stream water quality modeling activities or monitoring activities have actually reaffirmed that, and all the aquatic habitat studies in the bay are also reaffirming that the bay is responding to some of the good efforts and work that is being done through voluntary conservation.

I could also point to Senator Stabenow's Western Lake Erie Basin and talk in details not only about phosphorus, but with the commitment we have made in that area for \$77 million—we are about to be in the third year of that 3-year commitment—we can model with confidence that we are going to reduce phosphorus by 840,000 pounds, of which 174,000 pounds will be the dissolved reactive phosphorus that is really causing a lot of the blooms that we see in Western Lake Erie Basin.

As far as the Regional Conservation Partnership Program, I talked several times about the technical science approach we do to conservation planning. Many people—and we also, I should say, use the term “conservation practice” when we apply practices on the ground as opposed to “best management practices,” and the reason for that is every 5 years, we take the latest research and science and incorporate it into our conservation practices to reinforce that science-based conservation planning approach and then assess it with the science approach to give you the outcomes that I just mentioned.

As we were working with partners in the Regional Conservation Partnership Program, the knowledge base of understanding how much science we actually have in this planning process has surprised a lot of our partners, and so we are working with them to kind of break that down into manageable chunks and relationships where they can be effective and truly help us leverage the Federal and non-Federal resources that the program was intended to do.

Senator CASEY. Well, thank you for that answer, and I have got some follow-ups we will send you in writing.

Thanks very much, Mr. Chairman.

Chairman ROBERTS. Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chairman.

I would like to thank the witnesses for being here today.

Ms. Jones, I just want to follow up on the very severe drought situation in North Dakota, South Dakota, and Montana. As you know, we sent a letter requesting that grazing, emergency grazing be allowed on CRP acres. That was granted. We appreciate that.

We are also looking for help through the Livestock Forage Program. Can you talk about that a little bit, when we might expect that, and what all it can provide?

Ms. JONES. Thank you, Senator.

The Livestock Forage Program, that is not under my conservation division within USDA, but I would be happy to get back with my colleagues at Farm Service Agency and follow up with you on that.

Senator HOEVEN. All right. Well, I would sure appreciate that information but also any other help that you might be able to offer, suggest, recommend in regard to drought assistance.

Ms. JONES. So we have a number of programs that help with drought. Our ECP program, that basically allows us to help with water issues for your livestock producers. We also have help throughout our ELAP program, and that helps with water hauling, so it gets water to the cattle.

Senator HOEVEN. Can you make those available? I mean, are our producers in those drought areas eligible to apply for those, that assistance right now?

Ms. JONES. I will have to check on that and get back to you.

Senator HOEVEN. Okay. Please do that so that we can help them in both those areas.

Any other ideas that you might have?

Mr. BRAMBLETT. Senator Hoeven, if I might?

Senator HOEVEN. Please.

Mr. BRAMBLETT. Again, this is complementary for USDA in the way that these agencies are organized. If there is an opportunity for Emergency Conservation Program resources to North Dakota, NRCS will use the Conservation Technical Assistance Program to help support the Farm Services Agency in that regard as well.

If we have easements—if the drought gets severe enough, we have easements. That we have occasionally allowed grazing to take place on those easements as long as it does not infringe upon that taxpayer investment and the intended protections for that property.

Then others that have need for irrigation water management, water supplies, we are able to help address those needs as well.

Anyone who has already tried to apply some conservation practices, if those do not materialize because the vegetation cannot survive the drought, then we will go back and work with those landowners also to reestablish those practices.

Senator HOEVEN. How do we activate that assistance through the NRCS?

Mr. BRAMBLETT. It begins with a request to our State conservationists. Our State conservationists direct all of the USDA NRCS-related programs in any given State.

Senator HOEVEN. So that would be a request we would make?

Mr. BRAMBLETT. Correct.

Senator HOEVEN. Okay. So we will do that.

Any other suggestions?

Mr. BRAMBLETT. No, that—depending on what kind of interest and needs you have, if the drought gets severe enough, we have in the past had a broader national effort. As you mentioned, this is a multi-State drought at this point. So it originally, like all of our

requests, would begin at a local field office, but because these are State-wide, we would like for a request like this to begin with our State conservationists.

If it continues and intensifies, then we would be happy to further engage on any other opportunities and resources we might be able to bring to bear.

Senator HOEVEN. Okay.

Chief Tidwell, any thoughts to suggestions you would have?

Mr. TIDWELL. Well, Senator, we have the ability to work with the ranchers that graze on the grasslands there to use all the flexibilities that we have, to change the rotations, to be able to use parts of the grasslands that have been rested, and we work very closely with the ranchers so that they are part of that decision process, because they too have to be thinking about the next year too. We have flexibility that is available to work with them to make use of what forage is out there and help them get through this drought situation.

The other thing I would mention also, as things are drying out, we are paying close attention with our fire resources to make sure that we can quickly respond to be able to help the volunteer firefighters out there to be able to respond to any fires.

Senator HOEVEN. Are you actively engaged right now on both issues, on the drought and on the fire issue?

Mr. TIDWELL. We are. It is one of the things that we can be working with the permittees, and definitely, we are paying very close attention as the fire season is developing throughout the rest of the country.

Senator HOEVEN. Is there action on the part of our delegation that would assist with that?

Mr. TIDWELL. I think your questions today, it is very helpful, and it is one of the things I will go back and follow up to make sure that we are doing everything we can, so thank you.

Senator HOEVEN. Appreciate that.

As we have discussed before, this section line issue is a very important one—

Mr. TIDWELL. Yes.

Senator HOEVEN. —for our State, and you know my position on that.

So thanks to all three of you.

Chairman ROBERTS. Senator Daines. Senator Daines, before you begin your remarks, I want to thank you so much for the opportunity enabling me to come to Big Sky Country along with our new Secretary of Agriculture, Sonny Perdue, where we not only enjoyed ourselves, but learned firsthand of the problems that you are facing there, in particular, the crucial need for forest management and, in particular, what has been mentioned before by all of the witnesses here, doing a much better job.

I know dollars are important, but the thing that struck me the most was your meeting with the county commissioners, and I think about eight were present. Only one said he had the courage to seek a logging permit. I was rather stunned by the fact you are importing lumber from Wyoming, and we know the Canadian situation. He remarked, as the others did, "We have tried that, but always we are blocked legally from various organizations." He is going to

try it again, and I give him an A for effort. I guess that is an E for effort, isn't it?

But, at any rate, I think everybody should know that within a very few days, you convened an Ag Summit, had about 750 to 800 cowboys. Pretty hard to get them all in one room with those cowboy hats.

But thank you for your hospitality. Thank you for bringing up some pretty severe subjects on hand, and we hope to work with them and with you on this Committee. I thank you for that.

Senator DAINES. Mr. Chairman, thank you for the very kind remarks, and I am struck as I look at the pad, the notepads we have here on the dais. I am reminded. It says the Committee on Agriculture, Nutrition, and Forestry.

Ranking Member Stabenow, I have got increased optimism as a new member of this Committee, with this bipartisan spirit, truly, that starts with leadership here between the Chairman and the Ranking Member, that we may have a chance to move forward with some very important reforms that are so needed across our country, particularly out West, as it relates to forest management. We will hear more about that from our panel coming up.

But I think I do hold the distinction now on the Committee of having more national forest acreage than anybody else on this Committee. I think we have about 17 million acres in Montana. I think Colorado is about 14 million, so that would be the silver medal. It drops off pretty fast after that.

So I will continue to be a voice on behalf of agriculture in Montana and on behalf of forestry, and thank you for the spirit of bipartisanship I see already in this Committee. It is much appreciated.

I want to thank you for holding this important hearing, and I think thanks are also in order—Chief Tidwell, you mentioned this, the battle we are facing with severe drought in eastern Montana. It is a crisis. We have a crisis on the eastern part of our State right now with drought and the ability now to make these emergency provisions to allow our ranchers to get onto CRP just to keep the cows fed for a period of time. These are extraordinary measures, but they are extraordinary times. So thank you for your assistance in that regard.

We also have a crisis in western Montana, in fact, across most of Montana with our national forests. I have always recognized that forest health is so critical to Montana's well-being. It is for our loggers. It is for our schools and our teachers where the revenues that come off of our public lands for our millworkers, for recreationists, for our wildlife. We are going to hear from panelists next that will tell us, and we will see how the nexus between healthy management of forests and better habitat for wildlife, reduce the wildfire risk, protecting our watersheds, it all ties together.

I know there are multiple issues facing the Forest Service that diminish their capacity to accomplish the work on the ground, such as budgeting for and suppressing wildfire, these overlapping and excessive regulatory standards, and perhaps the single biggest issue is the ongoing litigation of important forest restoration projects.

Chief Tidwell, it is so good to see you again on this Committee. We spent a lot of time engaging on the Energy and Natural Resources Committee, but I am glad to have you here today.

We have talked about the impact of litigation many, many times. I share the story of northwest Montana. In fact, it was the home county of our former governor, Marc Racicot. He was a Libby Logger. Libby Loggers—Lincoln County is surrounded by beautiful national forests and beautiful timber. We get a little more rain up in that part of the State, so the trees grow faster, and yet there is not a single mill left in Lincoln County. We used to have 30 active mills in Montana when I was a kid growing up. We are down to eight, and if you lose that infrastructure, which we are teetering right now—I had the Chairman out listening to our county commissioners, listening to our wildlife advocates, listening to our mill owners. They are all running single shift right now. They would be adding another shift or two if we could get more logs, as we are sitting there having these meetings surrounded by millions of acres of timber, 5 million of it that is diseased that we need to move in right now and cut down dead trees.

We have these wonderful collaborative efforts, where we get folks from all sides across the spectrum, move forward on these collaborative projects, and then folks who are not at the table with the collaboration, some of these fringe environmental groups then litigate. We are stopped.

Could you elaborate, perhaps, Chief Tidwell, with the background right now? That we have got five projects, as we speak today, enjoined by this disastrous Cottonwood decision, and many others in Montana are impacted by this litigation. Most of these projects were developed, again, through the collaborative process.

Could you briefly tell this Committee? We are kind of building Litigation 101 here, because we have got to bring this whole Committee up to speed on things we have talked about for years. How is litigation from these fringe groups slowing down forest management?

Mr. TIDWELL. Senator, thank you for basically making the case for all the great work that needs to be done and is ongoing, and I cannot give our employees, the State employees, and everyone who is working together to be able to move forward and get work done—but there is no question that litigation, especially this Cottonwood case, has a significant impact on our ability to do the work. That is really what the land needs, and there is tremendous agreement on it.

The collaborative groups throughout your State work so hard to come together and reach agreement on the type of work that needs to be done, and then we do have a much higher occurrence of litigation, I am sorry to say, in your State than a lot of other places.

So how it impacts us is that—especially when we get enjoined, of course, that just stops the project. But even if we are not enjoined, the same people that are out there putting the projects together, working with the communities and the collaboratives, they have to then stop doing that work, and they will put the case report together and then work with the attorneys to be able to get the attorneys ready to be able to defend the case in court.

We win over 70, 75 percent of our cases, but the delay that occurs is what is really the impact. So it is the delay plus the impact on people's time, so it just slows everything down.

Then we get a case like Cottonwood that has the potential to be very far-reaching throughout the entire Ninth Circuit, which is a considerable part of our national forests out West. This is a case where you have one ruling in the Ninth, a different ruling in the Tenth. We have tried to take it to the Supreme Court. They did not accept it, and it is one of the places where we appreciate your work to be able to introduce legislation, to be able to just fix the process.

This is not about the impact to a species. This is about meeting the requirements of a process, and I cannot stress that enough.

But I will tell you, it is tremendously frustrating for our employees, our communities, that when they work so hard to reach agreement—and we are talking about the conservation communities, environmental groups working with the county commissioners, with local folks. They reach agreement on the work that needs to be done, and then you have someone from outside that comes and litigates it. It is just tremendously frustrating.

I am sorry to go on for—

Senator DAINES. Thank you. No, thanks. It is a long conversation. I am out of time.

These Libby Loggers, that is the namesake of this high school. When I was in high school, it was a AA school. Now they are down to Class B because they have lost their population. Unfortunately, we should rename the Libby Loggers, the "Libby Lawyers," because that is the only folks crawling around the forests right now, the lawyers, because the logger has been put out of business.

We are now getting logs from Canada and other States to try to keep our mills alive in Montana.

Thank you, Chief Tidwell.

Mr. Chairman, thanks for letting me go over some time here.

Chairman ROBERTS. Senator Klobuchar.

Senator KLOBUCHAR. Thank you very much, Mr. Chairman. I had two other hearings, so I appreciate it.

In the 2014 Farm Bill, I worked on expanding the Good Neighbor Authority that gave the Forest Service additional flexibility to work with willing State and private landowners to implement forest management practices. Minnesota signed an agreement with the Forest Service last year.

Chief Tidwell, what obstacles have prevented agreements from moving forward in a timely manner? We have such deviations in how some of our forests are managed, and I thought this Good Neighbor program in addition to having a good name would be a good way to do it. So can you address that, any obstacles, and can you talk about any internal or external reviews that the Forest Service has conducted to evaluate the authority since it was enacted in the 2014 Farm Bill?

Mr. TIDWELL. Well, Senator, first, I want to stress that as we moved forward after you gave us that authority, we sat down with our State foresters and actually developed the process together and then moved forward, and because of that, we are having success.

Yes, we do have a process in place that we are sharing the success that is occurring, but also, when different States run into

problems or unique situations, we have a team that is in place that takes that and looks at what can we be doing differently and to make sure that—not everybody has to learn how to do this the first time, but we can actually share success across the board.

The one issue I would raise with—and I have heard this from our State foresters and our forest supervisors—is that these projects we put together, often there is a need for road reconstruction and road maintenance to be part of the project, and it is one of the things that I am hearing their concerns about, if there would be some opportunities to be able to address the ability to be able to include that work in these agreements. But that is probably one of the things that—

Senator KLOBUCHAR. Are there some changes you think we can make in this Farm Bill to the Good Neighbor Authority to make it easier for the States and the Forest Service to use?

Mr. TIDWELL. I do think there are. We would be glad to provide everything that we have learned so far and provide a short list of how we have been able to move forward and use this.

The other thing I want to stress is that the Good Neighbor Authority has tremendous potential for us to be able to really share stewardship with our State partners on everything from doing the forestry work, but also, there are agreements in place to do wildlife improvement work, fisheries improvement. We are sharing specialists and also even the potential to provide for the recreation opportunities that is so important off of it.

Senator KLOBUCHAR. Okay.

Mr. TIDWELL. So it has great opportunity, and we would be glad to provide additional thoughts on that.

Senator KLOBUCHAR. Also, Senator Daines and I have introduced a bill to improve coordination across Federal and private boundaries to tackle the difficult management of wildlife challenges that—wildfire challenges that many rural forest communities face. I think I will just put a question on the record about that for you as well as some of the other issues we are facing in northern Minnesota that you are aware of that I care about very much.

I will move on here to Mr. Bramblett. Voluntary conservation programs like the EQIP program are especially popular with conservation-minded younger farmers, yet I have concerns—have heard concerns that young farmers are experiencing challenges in accessing Federal cost share programs due to a lack of information about available programs and a burdensome application process. What steps has USDA taken to make these programs more accessible? Are there other ideas, things we could do in the Farm Bill?

Mr. BRAMBLETT. Well, thank you, Senator Klobuchar, for the question.

We have a couple of provisions already in place where we are able to access and address what we call historically underserved clients. Part of those are beginning farmers, and so one of those mechanisms has to do with payment rates. Generally, a payment rate is set in each State by a State technical committee's advice to a State conservationist. Some States, it is 50 percent; other States, it is 75 percent.

The provisions in the Farm Bill allow us to work with historically underserved producers, that being beginning farmers in this

particular case, to increase payment rates to as much as 90 percent to help them overcome some of the other capital investment barriers they may be facing to try to get into farming.

We also have a variety of what we call outreach activities targeted to different historically underserved groups. We can get you information to show you what we are doing with respect to beginning farmers. I think it is quality information. It could be as much of a challenge as the oversubscription to the programs that we talked about earlier, where in many cases, we are looking at five or six times the demand.

Senator KLOBUCHAR. Like with the CRP. I know Senator Ernst asked you about that.

Mr. BRAMBLETT. Yeah.

Senator KLOBUCHAR. Again, an issue in my State.

Mr. BRAMBLETT. Yes, yes.

In Minnesota, I should point this out as well. Minnesota has a tremendous amount of State resources. So one of the things that we do in Minnesota is we work very closely with those State resources to make sure we are not duplicating efforts and try to extend as much of the Federal and non-Federal conservation investment as we possibly can. So there is always ways to improve business practices, and when we collaborate with your office on the activities we are doing, we will be happy to discuss the future options and opportunities as well.

Senator KLOBUCHAR. All right. Well, I appreciate it. Thank you, and again, I will put some more questions on the record on CSP as well as CRP. Thank you.

Chairman ROBERTS. Senator Brown.

Senator BROWN. I will pass.

Chairman ROBERTS. Senator Leahy.

Senator LEAHY. Thank you, Mr. Chairman.

There were—that Senator Klobuchar was between Judiciary and here, but appreciate being here.

I was thinking of Vermont has the reputation for agriculture, but 75 percent of our Vermont is forestland. It is the third most forested State in the country. A small land area remaining for farming, we have to use that very carefully, if they have adequate buffers and protections for water quality and wildlife by the Farm Bill's Voluntary Conservation Forestry Program. But it is such an important role in Vermont.

So, Chief Tidwell, our forest-based businesses, though, are still part of our—a better part of our rural economy. The demand for wood pulp and biomass energy has gone down. We need new markets for lower-grade wood in the Northeast. Actually, it could be said about wood all across the country. One way is to accelerate research and development using wood in construction not only in tall buildings, but also in transportation, bridges, noise barriers, retaining walls.

So, Chief, I would ask you. The Forest Service has done some very substantial work around utilizing smaller diameter of wood and a lot of exciting work going on and across laminated timber. Do you see the Forest Service exploring ways to expand this and even into transportation areas?

Mr. TIDWELL. Well, Senator, yes. In fact, at our Forest Products Lab, we are going—been doing ongoing research to be able to demonstrate the importance of using wood for things like bridges in addition to taller buildings. We just have to find every possible way to be able to expand and create new markets for wood, to be able to maintain the industry, maintain those jobs that is essential for us to be able to manage our national forests.

So whether it is for transportation structures—but anywhere we can find new ways to use especially the smaller diameter material. There is plenty of demand for the saw timber.

Senator LEAHY. I am glad to hear that. Do you have the resources necessary to explore the various possibilities you might be able to use?

Mr. TIDWELL. So in the fiscal year budget, with our Wood Innovation Grants, where we provide funding to basically help people be innovative and do different approaches, we have provided over \$8 million to those groups, and from that is what has come out, a lot of the innovation about how to use different wood and also even with biomass. So that what we had in fiscal year is an adequate level to be able to continue to do this work to explore new markets.

Senator LEAHY. I want to ask Mr. Bramblett—incidentally, our wonderful Vermont State conservationist, Vicky Drew, speaks very highly of you. She worked in Wisconsin and said you understand the challenges of implementing conservation, so I will give you a shout-out from Ms. Drew.

But across the country, the Agriculture Conservation Easement Program, ACEP, is very important to farms that are facing generational transfers. A second panel is going to talk about navigating generational transfers. We have a lot of young farmers who would not have been able to get a farmer site of their own had it not been for conservation easement and dedicated priorities of the Vermont Land Trust and all.

I am deeply concerned the ACEP funding drops to \$250 million. It is a dramatic cut, considering the 2008 Farm Bill had an average of \$780 million in spending. So if NRCS could fund only 14 percent of agricultural land and 16 percent wetlands easements when they had the extra money, what are you going to be able to do when the funding drops to 250?

Mr. BRAMBLETT. Well, Senator, we are aware of the pending resources that we will be faced with. We are estimating that what now is a success rate—I call that being able to fulfill applications at 14 percent for ALE and 16 percent for WRE—will likely drop to around 7 percent, and so we do not anticipate that the demand is going to drop off. But we do want to continue to work with a variety of partners to make sure that they are doing everything they can, particularly in the agricultural land easements program, where the 2014 Farm Bill gave some flexibility to those entities to go ahead and be certified for appraisals and certified for deeds, so that if they do get the resources, they can hasten the process of getting those critical lands into easements.

I would also say real quickly, if I may, Senator, your State has an opportunity to help all of us in the natural resources community to do something unique. We talked earlier about the Conservation Evaluation Assessment Project, CEAP, and I know you have got a

lot of concerns about water quality around Lake Champlain and a lot of the dairies associated with that.

Everybody has tapped into—we have tapped into the hearts, soul, minds, and emotions of tens of thousands of producers across the country related to soil health. Some of the activities we are doing in Vermont related to edge-of-field water quality monitoring and the CEAP activities for the modeling are going to inform us to take—step out and take the lead for agricultural nonpoint source pollution, not just for this country, but around the world. So we are really appreciative to your constituents, your landowners for working with us on some of those edge-of-field monitoring activities.

Senator LEAHY. Thank you.

Thank you, Mr. Chairman.

I would hope you get a chance to come to Vermont. You would find these areas are nonpartisan. The Republican governor and I both would be happy to meet with you up there—in fact, all three of you—to see what we have been able to do with limited resources in a small State that cares about the environment.

Thank you.

Senator STABENOW. [Presiding.] Thank you.

The Chairman will return in a moment, but Senator Thune has joined us. If you have any questions for our first panel?

Senator THUNE. Thank you, Madam Chair, and I will be very brief.

Senator STABENOW. I like the sound of that, actually.

[Laughter.]

Senator THUNE. Yeah. Okay. I am sure you do.

[Laughter.]

Senator THUNE. But I want to thank you for holding this hearing today on the forestry and conservation titles. Both are critically important to my home State of South Dakota.

First of all, I would like to thank USDA FSA for providing additional assistance to those suffering from a severe drought, impacting so much of South Dakota.

According to today's Drought Monitor, only 9 percent of South Dakota is not suffering from some level of drought, with more than 56 percent suffering from severe drought.

This drought shows just how important CRP is to States like South Dakota, not only because of the environmental and wildlife habitat benefits, but also as a source of emergency feed when drought occurs, as it does all too often in South Dakota. So I want to say thank you to the panelists from USDA and across the country, including South Dakota, who are here today.

I would say to Ms. Jones, you are aware of that severe drought that we are experiencing in a large portion of South Dakota as well as North Dakota and Montana at this time, and I want to express my appreciation that certain counties have been opened up to emergency grazing of CRP acres.

However, so much more needs to be done, and you started that process by announcing this morning—thank you—that USDA will be opening up additional counties for emergency CRP grazing and reversing the FSA requirement that certain CRP practices subject to mid-contract management be allowed to be harvested for hay, instead of cut, baled, and that the bales be destroyed, as FSA of

South Dakota informed producers by letter and the newsletters in the last couple of weeks. That to me is a crazy, crazy—I still cannot explain why we would want to destroy hay in the middle of a drought.

So I would ask you to continue to work with me and my staff to provide as much assistance as possible to drought-stricken farmers and ranchers and would ask will you do as much as you possibly can to allow additional assistance from CRP, which I think can be done without hampering wildlife and environmental benefits. We have some precedent for doing that in the past, and there are certain CRP areas that certainly could be opened up not only to grazing, but to haying without in any way undermining or impairing the wildlife and environmental benefits that come with the CRP program.

So, if you would like to, I would appreciate it if you could respond to that question.

Ms. JONES. Thank you, Senator, for the question.

The Secretary is committed to continuing to monitor the conditions, and he said that he would expand emergency authority if conditions worsen, and that included the authorization of emergency grazing in drought counties to all practices, including grass covers and emergency haying in those counties during the primary nesting season. So we will just continue to work with you and understand better the conditions in your State.

Senator THUNE. Thank you.

I would just say that we hope and we have seen in the past, even as early as July 15th, CRP acres be opened up to haying as well.

There are going to be real serious feed shortages out there this year, and in the past, that has proven to be a very effective way of helping address and give some relief to those producers who are struggling with the drought and the lack of feed to feed their livestock.

I think this panel is wrapping up, so I will conclude with that, and if I have other questions, I will submit them for the record.

Thank you.

Thank you, Mr. Chairman, and welcome back.

Chairman ROBERTS. [Presiding.] Well, thank you, Coop.

That concludes our first panel. I want to thank you all for your testimony, more especially for your specific questions, to the answers by the Committee. We will be submitting questions to the record for you, and we hope to hear back as your time permits.

We would now like to welcome our second panel of witnesses before the Committee this morning, and we will take the appropriate time for that to happen.

[Pause.]

Chairman ROBERTS. Welcome to our second panel of witnesses before the Committee this morning.

I now turn to the distinguished Senator from South Dakota to introduce our first witness. Senator Thune.

Senator THUNE. Thank you, Mr. Chairman, and I again want to thank you and Ranking Member Stabenow.

I am pleased today to be able to have a South Dakota witness, Mr. Steve Horning from Watertown. Not only is he a farmer, he is also a CPA. Makes him doubly dangerous. As his testimony shows

us, he knows the dollar-and-cents value of conservation on his farming operation.

Steve graduated from Watertown High School in 1965 and received a Bachelor of Science in Business Administration in 1970 from the University of South Dakota. He became a Certified Public Accountant in 1970, working for a national accounting firm, then a regional accounting firm, and in 1975, he opened his own practice. In 1976, he was married to Kathy Stein in Watertown, South Dakota, and they have one son, Ted Horning, who was born in 1980. In 2002, his wife passed away due to cancer.

After receiving his Master's Degree in Business Taxation from the University of Minnesota, Ted Horning joined Steve in 2005 and formed Horning & Horning, P.C., where they still both actively practice public accounting.

Steve was a member of the Watertown School Board from 1979 to 1986, and he started buying farmland in 1990 and currently operates Horning Farm, a small grain farming operation.

So, Steve, welcome. It is great to have you here. We appreciate your taking the time away from your commitments at home to be with us.

Mr. Chairman, I am delighted to recognize our witness from the State of South Dakota. Thank you.

Chairman ROBERTS. Thank you, Senator.

Senator Cochran was to introduce our next witness, very proudly, but he has been called away on another commitment. So we have Mr. Paul Dees.

Paul, thank you for being here.

Paul and his wife live in Leland, Mississippi, and are in the family farming business raising rice, corn, and soybeans. In addition to growing agricultural crops, he is also a timberland owner.

Paul joins us today as Chairman of the Board for Delta Wildlife.

So, Paul, we thank you for participating in today's hearing.

I have the pleasure of introducing Ms. Barb Downey of Downey Ranch, who joins us from Wamego, Kansas, where she and her husband, Joe, are third-generation cattle ranchers. They are assisted in their day-to-day operations by the fourth generation, their daughters Anna and Laura.

The Downey Ranch is located in the heart of the Flint Hills. Kansas is not all flat. We have the Flint Hills. It is beautiful country, I just want to let you know, when you are driving I-70 from Missouri to Colorado. At any rate, they are located in the heart of the Flint Hills, which is beautiful country, comprised mostly of tallgrass prairie, which makes it an ideal location for producing high-quality beef.

Barb is also a member of the National Cattlemen's Beef Association.

Welcome, and thank you for traveling here to be part of today's panel.

I now turn to the distinguished Senator from Michigan, Senator—I beg your pardon. This is Ohio. This is not Michigan.

Senator STABENOW. That is right.

Chairman ROBERTS. I now turn to the distinguished Senator from Ohio, Senator Brown.

Senator BROWN. Thank you, Mr. Chairman, and thanks for the opportunity to introduce my longtime friend, Adam Sharp.

I apologize for in and out. I have got to go back to the Banking Committee but want to be back for the question period.

It is my pleasure to introduce Adam, executive vice president of the Ohio Farm Bureau Federation. We have known each other for years, have long relied, as has Jon McCracken in my office and Joe Schultz before that, on his policy expertise. I make no apologies to my colleagues when I say that Adam is the best Farm Bureau executive in the United States.

Adam's passion for farming started as a young man working on his family farm, which he operates today with his brothers. His work in public policy is guided by firsthand experience. He spent his entire career farming and advocating for other farmers. Because of his leadership, Ohio farmers are taking a proactive role in improving the State's water quality. He understands ag's central role in Ohio's economy. He understands the responsibility farmers have towards environmental stewardship. The Ohio Farm Bureau Federation's Demonstration Farm is only the most recent example of his commitment to bringing people together to promote best practices for Ohio farmers.

We were standing in the back room—Jon and Adam and Joe and Tommy and I just talking about—and the passion I can see about what he is working with, local Farm Bureau presidents and the State Farm Bureau Federation board, and really educating and working with and encouraging and listening to farmers. Especially with the problems we have had with the great Lakes, it is particularly important for our State.

Adam, welcome.

Thanks.

Chairman ROBERTS. Thank you, Senator Brown.

I now turn to our distinguished Senator from Alabama, Senator Strange, to introduce our next witness. Senator Strange.

Senator STRANGE. Thank you, Mr. Chairman. I am pleased we are joined by my friend and a fellow sportsman, Dr. Salem Saloom, on our witness panel this morning. Dr. Saloom and his wife own and manage over 2,000 acres on a tree farm in Conecuh County, Alabama.

Salem recently finished serving a 6-year term as commissioner on the Alabama Forestry Commission. Along with being a leader in the forestry industry, Dr. Saloom is a general surgeon, and he and his wife serve often around the world on medical missionaries in developing countries.

To add to his already extensive resume, Dr. Saloom is an Eagle Scout, something that he and I both proudly share, and I want to thank my friend for traveling to Washington today for his efforts, not only in the industry, but in his community where he is a very prominent physician, and we look forward to your testimony and expertise on forestry and conservation.

Chairman ROBERTS. We now turn to our next witness from Montana, my newfound friend, and I turn to my distinguished colleague, Senator Daines, to introduce our next witness.

Senator DAINES. Thank you, Mr. Chairman. We are all competing here for who has got the best witness here today. I would humbly and proudly submit, I do.

Chuck Roady is from Montana. He is vice president and general manager of F.H. Stoltze Land and Lumber Company from Columbia Falls, Montana. Stoltze has been helping to manage the woods and sustain the community in northwest Montana—listen to this—for almost 105 years and has done so against great odds.

Chuck is also on the board of the Federal Forest Resource Coalition. They represent timber from 32 States. That is 390,000 people, \$19 billion in payroll.

But here is the most important thing about Chuck. He is past chairman and current board member of the Rocky Mountain Elk Foundation. It is one of the country's fastest-growing hunting and conservation groups. For those of you who are not from Montana, I will humbly remind you elk hunting is not a sport. It is a religion, and I am also a convert. Chuck is a great sportsman.

Thank you for leaving the beautiful beauties of western Montana and coming to the swamp to fight on behalf of forest management. Thanks, Chuck.

Chairman ROBERTS. Senator Stabenow.

Senator STABENOW. Well, thank you, Mr. Chairman, and it is my great pleasure to introduce Dr. Chris Topik, who is the director of The Nature Conservancy's Restoring America's Forests Program, which aims to restore forest health and improve the ecological management of America's forests.

Previously, Chris was professional staff for the House of Representatives Appropriations Committee for 15 years, where he served both Democratic and Republican chairmen. Earlier in his career, he worked for the Forest Service for 16 years. Chris has an undergraduate degree in Marine Biology from the University of California, San Diego, and a PhD in Forest Ecology from the University of Oregon.

We welcome you.

Chairman ROBERTS. Mr. Horning, please proceed.

**STATEMENT OF STEVE HORNING, HORNING FARMS,
WATERTOWN, SOUTH DAKOTA**

Mr. HORNING. Good morning.

Chairman ROBERTS. Good morning, sir.

Mr. HORNING. Chairman Roberts, Ranking Member Stabenow, and members of the Committee, my name is Steve Horning. I am a Certified Public Accountant in public practice and owner of Horning Farms in Watertown, South Dakota.

Because of my love for pheasant hunting, I started to buy farmland in 1990. I now own 10,000 acres of farmland. I produce corn, soybeans, wheat, and rent out my pasture to local farmers. I follow the model of "farm the best and conserve the rest." Before I would consider purchasing land, I would see what I could do to improve the land for conservation. If I could not improve it, I would not buy it.

The primary program I have used is the Conservation Reserve Program. My CRP practice includes restoring grassland, imple-

menting buffers, planting tree wind breaks, restoring wetland areas. More recently, I installed pollinator practices.

I have also utilized WRP and WRE for long-term easements. I depend upon technical and financial assistance from USDA; NRCS; FSA; Game, Fish, and Parks; U.S. Fish and Wildlife; Pheasants Forever. All of these conservation practices provide for optimal habitat for wildlife. Pheasant hunting is a major economic driver for small rural communities, bringing in over \$230 million annually to small mom-and-pop businesses in South Dakota.

South Dakota Game, Fish, and Parks started a new landowner recognition award in 2010. I was extremely honored to be the first to receive the Habitat Partner of the Year Award. Along with this, I have been recognized by the South Dakota Chapters of Pheasants Forever as their conservationist for the year of 2009.

My purpose to meet with you today is to inform you of the need to increase the CRP acreage cap. I have had good success in past general CRP sign-ups. I have had about a 75 percent approval on my applications. Then came sign-up 49 in 2016. I was zero for six. In fact, the whole State of South Dakota only had two contracts approved for a total of 101 acres. There were over 43,000 acres offered. This was one of the worst acceptance rates in the country. You can see the table included in my written testimony. I would ask that you would take a serious look at the CRP cap and how landowners can sign up.

Another concern of mine is the mid-management of CRP contracts. Every 4 to 5 years, you must either have a prescribed burn or mow, bale, and destroy the grass. I suggest instead of you paying me cost share to waste the grass, you let me hay it and use it for livestock feed. I have utilized the haying and grazing option with my CRP. During 2012, because of emergency, I was allowed to hay some of my easement ground, and as relevant today, 2017 also.

My livestock neighbors call me annually requesting to hay my CRP. If you would allow me to mid-manage one-fifth to one-third of my CRP grasses each year, it would save the government two-fold; first, by not paying me to waste the grass. Second, I would receive a reduction in my CRP payment for the value of the grass.

We must be cautious about the impact to soil, erosion, and wildlife. Timing of haying and grazing is also critical, and we should keep nesting season in mind as to minimize the impact to wildlife.

In my written testimony, I have discussed crop insurance. Please review the table showing my crop insurance premiums from 2014 to 2016.

In closing, please consider the recent demands from farmers, ranchers, and landowners for these programs.

Thank you, and I look forward to any questions.

[The prepared statement of Mr. Horning can be found on page 86 in the appendix.]

Chairman ROBERTS. We thank you, Mr. Horning.
Mr. Dees.

**STATEMENT OF PAUL D. DEES, CHAIRMAN, DELTA WILDLIFE,
STONEVILLE, MISSISSIPPI**

Mr. DEES. Thank you, Chairman Roberts and members of the Committee, for holding this hearing to gather comments on the efficacy of past conservation programs and input for future ones. I appreciate the opportunity to offer testimony on behalf of Delta Wildlife.

As a landowner, farmer, conservationist, and sportsman, the things that are discussed in this room are not abstract to me. They impact me directly.

I would like you all to know as well that Delta Wildlife represents the Delta Region of Mississippi, and that is where 80 percent of the State's row crop agriculture takes place.

I am also pleased to speak on behalf do Delta Council, Delta F.A.R.M., Delta Waterfowl, and the Rice Stewardship Partnership formed by the USA Rice Federation and Ducks Unlimited. Our collective message places emphasis on what we believe should be the two primary things the next conservation title focuses on, which is working lands conservation as well as active management.

So now that that is out of the way, I can kind of get into the meat and potatoes of this thing. You heard Mr. Bramblett and Ms. Jones speak earlier extensively about EQIP and CSP. In our region, EQIP has incentivized many producers to begin using tools to reduce our environmental footprint and enhance wildlife habitat. Incentive is required, as change is not readily embraced where there is uncertainty of success on your farm and the cost associated with that change, even for those who do not meet the programmatic means test.

In the Delta, it is common for farmers to rent much of their cropland, and that is a key point, because if you are renting your cropland, you find it difficult to invest significant amounts of capital into someone else's land without a cost-sharing program like EQIP.

It is our view that EQIP could be strengthened by several means. Number one, give the States more authority and flexibility to implement and administer Title II programs. Two, abandon the System for Award Management, or SAM. Three, increase funding for water supply and soil health initiatives; and four, increase funding and focus to incentivize wildlife management practices on cropland and other working lands.

Mr. Bramblett spoke extensively about CSP and its successes, and he mentioned the backlog. I am part of that backlog. In my county and the ones surrounding it, there are 154 producers who are eligible but have unfunded applications. Beyond traditional working land conservation programs like EQIP and CSP, there are other valuable conservation programs that could benefit from a renewed focus on active management.

In the last Farm Bill, this Committee—and I thank you—provided additional flexibility that has already been discussed for managing CRP contracts, but this same thing has not happened in WRP and WRE programs. There needs to be greater flexibility in these programs for active management mid contract.

There are 2.7 million acres of land enrolled in WRP and WRE, and if they are not managed appropriately, their wildlife value will be diminished.

On behalf of Delta Wildlife and our partners in agriculture and conservation, we want to express our most sincere appreciation to you, Chairman Roberts, and the rest of the Committee for this opportunity.

[The prepared statement of Mr. Dees can be found on page 75 in the appendix.]

Chairman ROBERTS. Thanks you, Mr. Dees.
Barb, you are up.

**STATEMENT OF BARB DOWNEY, DOWNEY RANCH, WAMEGO,
KANSAS.**

Ms. DOWNEY. Thank you, Chairman Roberts and Ranking Member Stabenow, for allowing me to testify today.

My name is Barb Downey. My husband, Joe Carpenter, and I run the Downey Ranch in the beautiful Flint Hills of eastern Kansas. This land has been an ideal location for our cattle, our family-run cattle ranching operations.

Family ranches like mine are threatened daily by urban encroachment, natural disasters, and government overreach. Since our livelihood is made on the land through the utilization of our natural resources, being good stewards of these only make good environmental sense in addition to being fundamental for our industry to remain strong.

Ranchers pride themselves on being good stewards of our country's natural resources. The Downey Ranch employs various programs, some of which we have put in place utilizing NRCS programs, such as the Environmental Quality Incentives Program, or EQIP. EQIP is improving habitat for grassland-nesting birds like the greater prairie chicken we see increasing on our ranch, as well as enhancing the health of grazing lands, improving water and soil quality, and reducing soil erosion.

One important feature of EQIP has been its focus on livestock operations, and we would like to see continued funding to preserve this program in the 2018 Farm Bill.

During the extensive drought of 2011 to 2015 that we endured, springs and ponds across our countryside dried up. Had we not taken proactive efforts to improve our drought resilience, we would have been in a dire situation. We had installed ponds with controlled-access drinking points, so that our banks do not erode, our ponds do not silt in, and the water stays clean. Then we put terraces around those ponds, so that any water from the area's cattle that are grazing is filtered through the grasslands.

A major creek runs through our ranch, and there is a public recreation area just 2 miles downstream. Thousands of people, including my family, wade and swim in those waters every year. So we fenced cattle away from the creek, and we only cross it at one location we deliberately chose because it has a rock bottom and no sediments are disturbed.

We used EQIP to install two of our eight controlled-access ponds. The success of these ponds led Senator Jerry Moran, other legislators, the State director of the Kansas NRCS, and others from NRCS in D.C. to come out and see what we were doing.

In our grazing practices, we use an approach that replicates bison herd movement. We run one big herd of cows through several

small different pastures. As a result, we have seen plants that are typically grazed out returning to our native pastures.

Another key to improving the grass on our ranch is brush control. Encroachment of trees, brush, and noxious weeds threatens the very existence of the tallgrass prairie ecosystem. We use a variety of ways to reduce this brush, including mechanical control and prescribed burns. We have been community leaders in promoting and using online smoke prediction tools to comply with our State's Smoke Management Plan.

Flexibility is key to ranchers using conservation programs. We are working with innovators in scheme of chemical control for the noxious weed sericea lespedeza, supplemented with a fall burning. It has been shown to reduce seed production from 800 seeds per plant down to one or two. When those seeds stay viable for 20 years, that is huge.

This ability to innovate and adapt with local agent oversight would allow integrated and holistic strategies to evolve.

The last point I would like you all to take away from this hearing is the voluntary part of conservation programs. It is what makes it truly work for us ranchers.

We have had success using some of these programs, but just because it works for us does not mean it works for our neighbors. It is important we keep these programs funded to safeguard their continued success, and above all else, these programs must stay voluntary. A one-size-fits-all approach that accompanies top-down regulation does not work out in the countryside.

Thank you for your time, and I look forward to questions.

[The prepared statement of Ms. Downey can be found on page 81 in the appendix.]

Chairman ROBERTS. Thank you very much. You hit the clock right on the money.

[Laughter.]

Chairman ROBERTS. Mr. Sharp.

**STATEMENT OF ADAM SHARP, EXECUTIVE VICE PRESIDENT,
OHIO FARM BUREAU FEDERATION, COLUMBUS, OHIO**

Mr. SHARP. Thank you. Thank you, Mr. Chairman, Ranking Member Stabenow, and the rest of the Committee.

The environmental challenges we face in Ohio are well documented, particularly related to nutrient issues and water quality. I am proud of how focused Ohio's farmers are in working to address nutrient run-off issues, and I appreciate the opportunity to share with you the value of our State partnerships, which are supported by our Federal conservation programs.

Farmers have invested tens of millions of dollars of their own money in establishing voluntary conservation practices on their farms. In addition, the industry has invested millions more in outreach and research projects.

Our efforts have been successful. A couple of the numbers that I wanted to share with you today is between 2006 and 2012, farmers have voluntarily reduced phosphorus applications in the Western Lake Erie Basin of Ohio by more than 13 million pounds.

One of the most critical partnerships for farmers is the USDA's NRCS in using working lands, conservation tools provided through

the Farm Bill, programs such as EQIP, CSP, and the RCPP, the Regional Conservation Partnership Program.

Between 2009 and 2014, NRCS provided almost \$57 million to fund over 2,000 conservation contracts on over 435,000 acres in the Western Lake Erie Basin. As an organization that represents and promotes working land programs over retirement programs, programs such as EQIP and RCPP fit right in line with our organizational policy.

Today, I wanted to share with you two key examples of the critical programming that have been provided through the Farm Bill. The first is our Demonstration Farms in Ohio. It is only the second in the nation to be established. This Demonstration Farm is located in the heart of the Lake Erie's Western Basin.

The farmers that are participating voluntarily in this Demonstration Farm project have done so to demonstrate both new skills that are innovative, but also skills that are approved by NRCS, but also looking at new research and new practices that could also be shared with farmers across the Western Lake Erie Basin to educate and to learn more about what we can do on nutrient management.

The farm organizations involved in this endeavor have voluntarily taken on this project. The three farmers that I will mention real quick—the Kelloggs, the Kurts, and the Stateler Farms—we really appreciate. This is a \$1 million project. It stretches over 5 years, and the funding is—and it is jointly funded by both the NRCS and the Ohio Farm Bureau.

The second item I would like to mention is our work on the Regional Conservation Partnership Programs. Ohio agriculture and conservation organizations took an active role in supporting the Farm Bill's Regional Conservation Partnership Program. They committed resources to the public-private partnership. We appreciate that Congress and this Committee specifically saw the importance of this program.

In 2015, USDA awarded \$17 million to an RCPP project in Western Lake Erie Basin of Ohio. The target approach focuses efforts on over 855,000 acres that have been identified as the most critical areas within a 7-million-acre watershed. The 5-year multi-State project includes more than 40 collaborative partners, including Ohio, Michigan, Indiana State governments, local governments, the Farm Bureaus of all three States, environmental groups, The Nature Conservancy, Ducks Unlimited, and others, including, I might add, the Ohio State University and the University of Michigan, which is not always the best partnership that we can always get together. So we are very proud that this program did bring those two fine universities together.

The Western Lake Erie Basin Initiative also was another project that we are very proud of to have launched in the Western Lake Erie Basin. In 2016, this program that was supported by Ranking Member Stabenow, Senator Brown, and Senator Donnelly, it helps to also invest additional dollars in conservation practices to reduce the amount of phosphorus leaving our farms. To date, this project also can be credited for over 640,000 pounds per year of less phosphorus entering Lake Erie.

As a result, farmer surveys in the Basin show that voluntary conservation is making a significant headway in reducing nutrient sediment from losses from our farms, and this is absolutely critical.

I appreciate the opportunity today to address you and to talk about our terrific partnership with NRCS and Ohio and some of the innovative activities that we are partaking in.

We support this Committee's efforts to prioritize working lands conservation programs in the upcoming 2018 Farm Bill.

Thank you.

[The prepared statement of Mr. Sharp can be found on page 111 in the appendix.]

Chairman ROBERTS. Mr. Sharp, thank you very much. You know because of my position, however, that if I have a choice between Spartans and Buckeyes, this is where I have to go.

Senator STABENOW. Exactly.

[Laughter.]

Chairman ROBERTS. Dr. Saloom.

STATEMENT OF SALEM SALOOM, M.D., TREE FARMER AND OWNER, SALOOM PROPERTIES, BREWTON, ALABAMA

Dr. SALOOM. Chairman Roberts, Ranking Member Stabenow, and members of the Committee, I am pleased to join you today to provide testimony on the Farm Bill's forestry and conservation tools. Thank you very much for this opportunity.

My wife Dianne and I own and care for 2,200 acres of forest in south Alabama in Conecuh County. We are 2 of the 22 million people in America who own forests. In 2004, Hurricane Ivan made landfall and absolutely devastated our forestland. If it was not for the Farm Bill's conservation programs and this Committee's efforts to ensure a forest owner's ability to access these programs, we would be in a different place today.

With the help of the State Service Foresters from the Alabama Forestry Commission as well as USDA technical staff and our consulting forester, we were able to restore our land, transitioning into longleaf pine, which we found to be more resistant to hurricanes.

The role that these conservation programs often play in forest management cannot be understated, and I urge you to maintain funding for and forest inclusion in the Farm Bill programs like the Environmental Quality Incentive Program, the Conservation Stewardship Program and Conservation Reserve Program and the Regional Conservation Partnership Program.

Additionally, increasing technical assistance for new landowners seeking to access these programs and streamlining plan requirements would both be highly beneficial in increasing participation.

Our work with the Farm Bill's programs also help us to discover benefits our forest could provide local endangered species. By working closely with U.S. Fish and Wildlife Service to secure regulatory assurances, we were able to expand the activities that benefit these species without having to be concerned that we are exposing ourselves to the sort of additional regulatory risk under the Endangered Species Act.

But I am a unique landowner. Most landowners do not have that relationship with these agencies and are worried about doing more for species that face regulatory risk. I hope that the next Farm Bill

can provide additional tools to streamline regulatory assurance for landowners voluntarily protecting at-risk species.

Landowners like us also need diverse markets to sell our timber that we harvest. Support for a successful forest products industry in the next Farm Bill will go a long way toward ensuring the vibrant markets that we need.

I would finally like to note that successful forest policy does not end at the boundary lines, as we see every year in the forest fires that consume millions of acres, regardless of owner. For this reason, programs that address Federal lands should also encourage cross-boundary, landscape-scale cooperative efforts like outlined in Senators Klobuchar and Daines' legislation.

Thank you. I am happy to answer any questions at the appropriate time.

[The prepared statement of Dr. Saloom can be found on page 103 in the appendix.]

Chairman ROBERTS. We thank you, Doctor. Chuck?

STATEMENT OF CHUCK ROADY, VICE PRESIDENT AND GENERAL MANAGER, F.H. STOLTZE LAND AND LUMBER COMPANY, COLUMBIA FALLS, MONTANA

Mr. ROADY. So thank you, Chairman Roberts. I would also like to thank Senator Daines. That was a very kind introduction. I hope I can live up to that.

I am privileged to live and work in the Rocky Mountain West, and I have helped manage our precious forests in Montana for almost my whole life, and it means a lot to me.

First, I want to thank Senate Daines for hosting the Agricultural Summit in Montana and for you, Chairman Roberts, for coming out to see our piece of paradise, not that Kansas is not paradise. We appreciate your commitment and also the support of Secretary Perdue to start to turn around our struggling communities and help our forests.

Second, I want to thank the Committee for the forest authorities that were provided in the 2014 Farm Bill. They are a model to build upon for this next Farm Bill.

I will highlight some areas where we believe the approach embodied in the 2014 bill can be expanded and improved upon.

The insect and disease provisions from the 2014 Farm Bill have been very effective. The Forest Service tells us that by using them, they can treat twice as many acres in one-third the amount of time needed over the older NEPA approaches. So over a dozen projects covering more than 15,000 acres have been conducted in Montana alone and with an additional five projects covering 12,000 acres that are under way right now.

However, we need to drastically scale up and pick up the pace. We need to streamline the approaches, and if we are ever going to get ahead of the forest health problems that plague our national forests, we have got to pick up the pace.

The fact remains that 4.9 million acres were designated in Montana alone, and over 56 million acres were designated in 37 States across the nation. At the current pace of this treatment, it will take over 440 years to treat all 56 million acres designated for treat-

ment in 2016, and I earlier heard the Chief say it is now up to 65 million acres that need treatment. Needless to say, the time horizon does not do much for our rural communities. We need the help right now.

While many of our forest management projects in Montana are developed through the collaborative approaches, we still face some obstacles to success because of the rampant litigation. It is out of control. My company is involved in at least a half a dozen formal collaborative groups and many smaller project and specific collaboratives that we work on. I can tell you from experience, a few bad actors can sit out the collaborative process, and they still delay all these projects.

The East Reservoir Project is a project on the Kootenai National Forest, just to the west of my facility, and it is a case in point. We worked 4 years with our collaborative partners on a project to design and improve the wildlife habitat, reduce the fire danger, and the project now has been in and out of the courts for the last few years. Thanks to one of our frequent flyer litigants, it was enjoined last year and will remain so at least until this fall.

This is not an isolated incident: 38 timber sales in my region, Region 1, are under litigation; 23 of these are not going forward. 17,000 acres of timber harvest and more than 171 million board feet of timber are held up in litigation right now in Region 1 at this moment. That is a significant number of real jobs, family wage-type jobs that are in jeopardy because of this litigation. That is why expanding the current CEs to more forest types, increasing the size of the projects, will start help turning the tide on our national forests.

Now, some of the early seral stage CEs will particularly be helpful in our eastern and our southern national forests, while the ability to salvage timber on appropriate acres will help tremendously in the western forests.

On behalf of the industry, I again want to thank this Committee for your bipartisan efforts. It shows cooperation while giving the Forest Service some new management tools. We realize there are jurisdictional issues, but we also hope that Congress can find its way to address the fire borrowing problem that has plagued the Forest Service for more than a decade.

Thanks a lot for your time. Any major reforms that this Committee can come up with through a bipartisan basis can help both our local communities and our nation as a whole. It could help us nationwide a lot, not just the West.

[The prepared statement of Mr. Roady can be found on page 95 in the appendix.]

Chairman ROBERTS. Thank you, sir.
Dr. Topik.

**STATEMENT OF CHRISTOPHER TOPIK, PH.D., DIRECTOR OF
NORTH AMERICA FOREST RESTORATION, NORTH AMERICA
REGION, THE NATURE CONSERVANCY, ARLINGTON, VIRGINIA**

Mr. TOPIK. Thank you.

I am proud to represent The Nature Conservancy. Our mission is to conserve the lands and waters on which all life depends. We

have been doing this for over 65 years. We work in all States, the District, territories, and now 70 nations. We own and operate a lot of our own land, and we are deeply familiar with conservation practices as well as the production of forest, farm, and ranching products.

For instance, our Two-Hearted River Forest in Michigan is vital to protect Great Lakes water and restore forest sustainability, while also producing high-quality wood products.

This year, the NCAA Championship Final Four basketball game was played on a court made from our wood, on wood made by Connor Sports in Michigan.

Besides owning land, we are involved in a nearly endless array of conservation partnerships. We recognize the Farm Bill as one of America's great conservation tools. We are deeply engaged in farming and ranching policies, but today I am going to just talk about forests, which is my area of expertise.

I also want to note that we are working with a bunch of coalitions, including the Forests and the Farm Bill coalition.

Our forests are currently stressed by climate and land use changes. The Farm Bill can help make forests healthy so they can be part of the solution to climate stresses and rural economic problems. In the years ahead, climate change will dictate that we invest in maintaining the powerful carbon sequestration function of our forests, while also protecting and enhancing water production.

I want to stress TNC's appreciation for strong forestry provisions in the last Farm Bill. I also thank you for making the Forest Service stewardship contracting permanent and expanding Good Neighbor Authority. These authorities are powerful tools that increase the workforce and funding so more and larger forest restoration is done.

The next Farm Bill must continue to fund this forestry work throughout the conservation and forestry titles and allow the benefits of forests to be used to enhance rural development. We recommend that forest landowners continue to be encouraged to participate at greater rates in programs such as EQIP, CRP, ACEP, and others.

In particular, Congress should support strategic programs that provide large landscape benefits. The Regional Conservation Partnership Program, you have heard a lot about it today, is a big success. We can and we should build on it.

Substantial cross-boundary private and public forestry is getting done through the Joint Chiefs Landscape Restoration Partnership. These model strategic forest projects produce needed timber, while enhancing source water quality and delivery that our agriculture and cities depend on.

I also need to stress the need to maintain and enhance vital forestry research and science capacity, and to use it to guide sound forest management.

Finally, as you have heard, it is time for Congress to solve the Federal fire suppression funding mess. A bipartisan solution should address three key issues: budget erosion, access to disaster funding for bad fires, and an end to emergency fire borrowing. Forest Service budgets have lost half of their buying power since the 1990s,

so we all need to push for a variety of investments that will provide society the benefits of healthy forests and rivers.

I also want to encourage you to avoid amending Federal forest management laws to exclude the public by shortcutting NEPA, which would lead to worse decisions than occur with open and collaborative forestry. I do not think the Farm Bill should get sidetracked on this. I hope you can leave the E in NEPA. Please focus on the widely supported funding and policies that help forestland owners and our environment.

Forest Service land management can be improved by increasing partnerships with many more sectors and by integrating local, county, tribal, and State sectors into shared stewardship of forests based on science and collaboration. Mutual trust must be carefully built, so large projects, with appropriate use of fire, can be implemented and monitored.

I think you should consider emulating the framework of the cohesive strategy for wildland fire which brings all levels of government together.

So, in conclusion, I want to reiterate, TNC welcomes the chance to work with the Committee to help build a Farm Bill that answers the needs of our forestlands and our forest producers, with sound policies and adequate funding.

Thank you very much.

[The prepared statement of Mr. Topik can be found on page 118 in the appendix.]

Chairman ROBERTS. I thank the panel. I think we have had an excellent panel—

Senator STABENOW. Yes, absolutely.

Chairman ROBERTS. —Senator Stabenow.

Senator Strange, I know you have a conflict, and so I am going to recognize you at this point.

Senator STRANGE. Well, thank you very much, Mr. Chairman, and thank the panelists for their excellent testimony today. It is very enlightening to me as a new member of the Committee that I am honored to serve on.

I want to direct my questions to my friend, Dr. Saloom, if I may. We have been sportsmen for a long time and have hunted all over the—both of us have hunted all over the various parts of our State, and I am always impressed by the management of our private landowners, as they engage in their various voluntary practices.

I was hoping you could describe some of these practices, how our private landowners utilize the USDA conservation programs and tools to ensure they are protecting the diversity of species that you and the other landowners protect and enjoy.

Dr. SALOOM. Thank you, Senator Strange, and I am very glad to talk about that.

Without these Farm Bill conservation programs, the habitat in Alabama and most of the United States probably would not be as improved as it is now. There is a lot more room for improvement, of course.

But from our standpoint and from the people that we know in a lot of these hunting areas, we are using EQIP in terms of managing our private forests, doing prescribed burning, planting longleaf, which is an ideal pine species for wildlife, only ideal if it

is planted on the right soils and in the right place. Longleaf is not for everyone, to be understood.

Of course, we are not in CRP, but there are other people that are in CRP. If one plants, CRP—and 30 years later, returns back and harvest it, then they have not really done anything for the value of that land and the wildlife. It needs to be managed, and we need to continue that type of mid-contract management in the CRP pines. Extremely important.

The wildlife in terms of gopher tortoise management that we are doing, that other people are doing in south Alabama, with other species that are endangered or threatened is critical in terms of developing good wildlife habitat within those woodlands, so that these species can survive.

This carries over not only to those endangered or threatened species, but carries on to the other species that are involved. It is a symbiotic relationship with the ecosystem, and improving that wildlife habitat further increases the non-timber resources that all of society values and partakes of—clean air and clean water, all of those particular non-product values that are extremely important to all Americans.

So I am hoping that is answering your questions that these programs are vitally important. We need to continue that, but we also need to make it available to those others that are not on those programs in terms of our neighbors doing cross-boundary line, larger landscaped work that really makes an impact difference.

Thank you.

Senator STRANGE. I have one more quick question, if you have time, in the remaining time we have. We, of course, do not have the type of Forest Service management lands that other States have, but we do have some national forests, and I wonder if you might comment a little bit about the need for the Forest Service to be a good neighbor with our private landowners, which, of course, are the majority in our State.

Dr. SALOOM. That is very, very important. We all have room to grow and improve our lands. This includes the Forest Service as well, and I know listening to Chief Tidwell this morning, capacity is a big, big difficulty there. It is a big hurdle. They do not have the manpower and the women-power to do the work that needs to be done.

But the other problem that we see is the regulations. Their work is stifled so much by the regulations that they have to encounter just to even do management. Just to even cut timber and do the right timber management, it takes a year and a half sometimes to sell the timber off a national forest. I am not a land manager in terms of Federal lands, but those are things that I am quite—not knowledgeable, but understand, especially on the Conecuh National, which is a national forest within our region.

This cross-boundary that we have been talking about, neighbor to neighbor, and especially the Klobuchar and Daines legislation is very, very important, because if we can get landowners engaged—the private landowners on those contiguous acres and those border acres engaged in management, then that spills over to a better management throughout the entire region.

The West is significantly important. That cross-boundaries are extremely important in terms of wildfire reduction, fuel reduction, and even wildlife management to have that good neighbor-to-neighbor work across boundaries. We need that leeway.

Senator STRANGE. Thank you, Mr. Chairman.

Chairman ROBERTS. Ms. Downey, you stress in your testimony the importance of voluntary nature of conservation as the cornerstone for success. You listed quite a few examples of things that you wanted to do, anyway, all commensurate with recommended conservation practices. Doubtlessly, your operation of the livestock industry faces a number of challenges on a number of fronts. Can you elaborate on the regulatory challenges facing your operation in the livestock industry? What regulatory uncertainty do you face as a producer as it relates to air quality or prescribed burns or water quality or endangered species?

After you answer that, I am going to recommend that question for anybody else on the panel that wishes to comment, please.

Ms. DOWNEY. Certainly, Chairman.

Smoke management is a big issue in our State, and air quality is a big issue, because fire is an integral part of the tallgrass prairie ecosystem. It is an ecosystem that developed in concert with fire. So we use that in the spring of the year, generally, as part of maintaining this prairie ecosystem. Fire comes with smoke, and smoke, of course, travels.

Currently, we use our smoke management prediction tools to try to mitigate and, in fact, have changed plans on the fly so that we would not send smoke to our neighbors and cause exceedance events, but should it come down from the top that we can no longer apply this practice, at the risk of sounding overdramatic, that could very well spell the end of the tallgrass prairie. You cannot mow. You cannot spray. If you could come out to my ranch, you could see that fire is the way nature intended for this system to be preserved. We have got to have that.

Chairman ROBERTS. Anyone else?

Mr. Horning.

Mr. HORNING. I do prescribed burns. They are required, and they are very beneficial. The mid-management is really necessary to keep the CRP grasses going, and I love mid-management. I just want you to change it, how I can use it more effectively.

Chairman ROBERTS. Mr. Dees, any regulatory burdens that you would like to mention?

Mr. DEES. With regard to mid-management on the permanent easements, WRE and its predecessor WRP, a lot of those bottomland forests in our region are nearing 20 years old now, and they really do not have as much timber value as they could to the landowner or as much wildlife habitat value as they could, because the trees are planted too densely. We need more flexibility in that program, similar to what is allowed as you did in the last Farm Bill with the CRP programs.

Chairman ROBERTS. Thank you.

Mr. DEES. Yes, sir.

Chairman ROBERTS. Mr. Sharp?

Mr. SHARP. I would comment on RCPP.

Chairman ROBERTS. Hit that.

Mr. SHARP. I am sorry. I have to hit the button there.

I would comment particularly on RCPP and improvements in that regard when we are talking about some flexibility with program dollars as they move out into areas where there is RCPP-targeted programs.

Right now, of course, only NRCS-approved projects can be funded. It would be interesting if we could have a small portion of dollars that are available for new innovative approaches that may be even cost savings to farmers, in particular, when it comes to construction; for example, manure storage facilities, which can be very pricey, so looking at maybe ways to cut cost and save the government money with some flexibility and some innovative approaches there. So I would put that out.

But also, conservation—NRCS staff and the conservation experts is also something that has been a bit of a struggle for us too on occasion in our project with our Demonstration Farms, for example—Farms—and also, I hear it from a number of our farmers, is the technical expertise within NRCS being available at the right times to be able to give the input into the projects in a timely manner so that the projects can move forward in a timely manner has also been a bit of a struggle.

So I know that NRCS does struggle with staffing, time, and ability, and technical expertise being targeted at the right time. So I would raise those couple issues of things that we would definitely see as opportunities for improvement.

Chairman ROBERTS. Dr. Saloom.

Dr. SALOOM. Yes. Thank you.

Prescribed fire is primo importance in the South, and it really should be very important in the entire United States. It is historically why longleaf pine has been longleaf pine and has survived. It is the most important tool that we have in terms of managing our woodlands, and some of these regulations, yes, they are there, but probably not as much in the South as it is in the West and some other areas, except if you live in an urban wildland interface, where smoke is a problem but can be mitigated.

One of the things that I am really concerned about is this wild-fire funding. How are we going to manage the Forest Service's budget and help them out so that we can mitigate fuels, especially in the West, so that these wildfires will become not wildfires, but may be able to be controlled burns rather than disaster fires?

So there is a lot of insight into that that we can look at and talk about, and hopefully, through these Farm Bill programs, we can start encouraging more landowners with incentives to do the prescribed burning. That is one of the things that we are seeing on private lands. We need more prescribed burnings on private lands. Federal lands are doing pretty good, but private lands need to step it up.

Chairman ROBERTS. Mr. Roady.

Mr. ROADY. We have a little different situation in our forests west of the Continental Divide, so to speak our fires are catastrophic anymore. We did a really good job being Smokey Bear for a lot of years, but we did not follow it up with active management. Now we have got forests that are so thick when we have a fire, you have got to get out of the way. It is terrible. We need to work

through these problems that are blocking active management of our forests.

It is scary if you are the one that is in that path of the fire and you see those fires coming over the hill, yeah, you can certainly wish you had done some prescribed burning, but we really need to add an active management component to it. Prescribed burning is one of those tools, but I can tell you about living with smoke and fire. It is not fun and it is not good. We need to manage our forests, period. It is the right thing to do.

Chairman ROBERTS. When I was privileged to go up to Glacier, following the Ag Summit that we had there in Montana, I noted that the 2003 forest fire that occurred right across from the lodge at Lake McDonald, it was still gray. No green. That is since 2003. I would have thought there would have been some green showing or at least some kind of an organized effort.

Then walking along the Cedar Trail—that is for couples who have achieved a certain level of maturity as opposed to the hiking I used to do there—just an awful lot of old timber, and I mean huge cedar trees. One stroke of lightning and I could see that going up. That would just be absolutely criminal.

I want to ask you one more question before I get to another topic. Stay with me. What is going to happen with regards to the Endangered Species List and the grizzly bears now that you have gone from—I think they were down to about 400. Now there are over a thousand and posing real threats, human threats as well to the livestock.

Now, I think I got this right. The stockmen would prefer that you would list—no—you would delist the grizzly so that you would have a bear hunt only to a certain point. I am not talking about national parks now. I am talking about where you live.

Then I also heard from the folks that are in the sheep business that the grizzlies eat the coyotes—I hate to put that so brusquely, but that is what they do—and the same thing with wolves. So they were for continuing the number of bears to eat the wolves and grizzlies because they eat the sheep. This reminds me of Zane Grey's old books on the sheep and cattle wars. Where does that stand now, and how do you see that plan out? There is a human safety problem there.

Mr. ROADY. So they have proposed to delist the grizzly bear in the Yellowstone ecosystem to the south where I live. They have met their goals of numbers, and what I live in and work in is called the Northern Continental Divide ecosystem, and I am referring to grizzly bears. We have almost three times now the recovery number.

The proposal there when you delist is you would turn it over to State management, and the State management allows a more—one, it means the Endangered Species Act worked; it was a success. We should be celebrating that, but we have got to manage it, just like our forests.

I mean, man is here now. We need to get over that, and we need to manage these things to the best of our ability, and we learn more all the time. But the bears are just one component of that, and I propose, just like any other animals and any other wildlife,

whether predators, ungulates, birds, you got to manage it, and we tried to do the best job we can. The same thing with the bears.

I understand the ranchers and the farmers when it kills some of their livestock, but if we get that back under State management, I think—and hunting can be one of the tools. I think it will be very limited at the start, but also, those animals are smart. They learn, “Oh, man, I better fear that person with a firearm.”

I am a proponent of management, period, and I think we can all benefit from it.

Chairman ROBERTS. Got the message.

Dr. Topik.

Mr. TOPIK. Thank you.

To be brief, I want to make sure I associate myself with the remarks on fire and smoke from Ms. Downey, Dr. Saloom, and Mr. Roady. I strongly support those statements.

I would like to add to the last comment Mr. Roady was talking about managing forests to reduce fire risk—I think it is absolutely essential that we realize that in most of the U.S., we have a lot of fire-driven ecosystems naturally, and so thinning alone needs to be followed up with appropriate fire, depending on where you are at.

With respect to smoke, we have to learn to work together. We and many others are working through the Wildland Fire Leadership Council on smoke issues, bringing in the CDC, bringing in the local county and State air controllers, and this is an area where the agriculture industry is so vital to create some space in the airsheds for the kind of prescribed burning that we need. It is absolutely essential. I think those are the main things I would like to point out.

I have been around a lot of fatal wildfires myself, seen thousands of houses destroyed by fires, particularly in Southern California. So we need to make sure we have appropriate techniques for the appropriate area. It is really different, depending on where you are.

It is too bad Senator Boozman is not here from Arkansas. I would love it if the Committee could see the kind of forest management where they have had repeated prescribed burns going, like on the Ozark National Forest, those are model reference stand areas where you can see what it looks like, and they are harvesting shortleaf pine, making money on timber. The wildlife is so abundant, it is crazy. The wild turkeys and even elk are abundant there on the Ozark. It is something to see, and you should have Senator Boozman tell you about that, so thank you.

Chairman ROBERTS. Well, I appreciate that, and I appreciate the emphasis on wildfires. We just lost 850,000 acres in Kansas with a prairie fire, the largest prairie fire in the State’s history—maybe the United States on non-Federal land. I was out there the next day, stories of the 60-foot flames and 70-mile fire, 70-miles-per-hour winds. It is a frightening thing. It can turn on a dime, and we are very lucky that we did not lose—I think we lost one life, but that was quite an experience.

Senator STABENOW.

Senator STABENOW. Thank you very much, Mr. Chairman, and I think the whole question of what is happening with wildfires is incredibly serious. We all know that. I am also a member of the Energy Committee, and we were discussing this issue there as well

as here, and frankly, after working very hard to get a small amount of mandatory dollars into the forestry title in the last Farm Bill, and to see that we cannot use it for forest management because we keep seeing all the dollars going over to fight fires, we definitely need a different way to do this.

I have seen numbers showing that if we just took 2 or 3 percent of the top fires and put them over in a category where it would be viewed from a FEMA perspective, you could solve the problem, and so it seems to me this is of great urgency because we all care about having our work on this Committee not be about fighting fires, but be about how we can do forest management and the things that involve prevention.

In Michigan, we are eleventh in national forestland, and we fortunately are not on the front end of the big fires all the time. However, we do care deeply about this issue, and forest management is where we want to be. So thank you to all of you.

I want to start, Dr. Topik, with you, because in various forums, we are hearing what are the strategies going forward to address issues that have been raised, and we have heard testimony in this Committee and others that Congress ought to establish new exclusions to environmental laws to speed up forest health efforts.

I am happy to engage in a dialogue on these issues. As you know, we enacted exclusions in the 2014 Farm Bill for forests experiencing insect and disease epidemics. Based on your experience working for the Forest Service and working under both parties for the House Appropriations Committee as well as The Nature Conservancy, do you feel that large-scale categorical exclusions to environmental laws are the best way to spur forest health efforts, and if not, what types of policies would you prioritize?

Mr. TOPIK. Well, thank you.

It is a question of scale. So I would say no if it is really large scale.

I and we—we do support categorical exclusions when they are for project activities where we have a known kind of activity, where we can understand what the impact is. So I am very anxious to see what is going to happen with the insect and disease categorical exclusion.

I get fearful, frankly, of really large ones. So when you think about something like 30,000 acres, that is 50 percent larger than Lansing, Michigan, and it is almost on the order of size of Topeka, Kansas. It is a big area, and you do not want to just have people do projects without bringing in the benefit of local knowledge.

So I am very much a believer that you are going to get much better decisions if you make it open to public participation, and NEPA, when it is done right, is a vital tool to get that done, to bring the counties in, to bring in the tribes, to bring the local people who are affected.

If we go to really large CEs that are just done in the back room, I am really fearful that we will not have the benefit of the knowledge of people that are out there.

Senator STABENOW. Could you talk a little bit more about why? I mean, as you are saying, collaborative decision-making makes better management decisions, but also is really more durable and less subject to litigation?

Mr. TOPIK. Well, in many places. Montana has a crazy problem. But when we look around the country—I am fortunate. I have been able to go all over the country in my job for the last 15 years. There are an awful lot of successes that are out there when you see things that get done, but the buying power really is a serious problem on Federal forests. I mean, it is way, way down compared to what it used to be.

I could tell you detailed stories, but basically, there is less than half the buying power than they had before, and it is expensive to manage forests. What buying power they have, it goes to fire emergencies.

So I think we have to be honest. I think there is a lot that can be done to expand and share the stewardship, though, to bring in more companies, more administrative tools. I love things like Good Neighbor, where we can try to bring other partners to the table, so that is something we are very interested in. I think that is a real important area.

Senator STABENOW. Thank you.

Mr. Sharp, we will not talk about Ohio State versus Michigan or Michigan State, but we all care deeply about what is happening in Lake Erie and appreciate the efforts that are going on there. Algae blooms are incredibly serious, and when we saw what happened when a whole city's water system shut down, that proved how serious the situation was.

So I wondered if you might speak a little bit more about the tools we put in the Farm Bill, particularly the Regional Conservation Partnership, and a little bit about how the Ohio Farm Bureau's involvement has been important in terms of the regional partnership.

Mr. SHARP. The tools that are in the Farm Bill with conservation programs have been critical in this area for several reasons. One, it has given a lot of different opportunities for farmers to engage in the issue, and I think that has been absolutely key—a lot of different tools, a lot of different ways to approach this, this challenge.

We did—as you mentioned, had water shut off in the City of Toledo for about a half million people for 3 days. I remember exactly where I was sitting when the phone rang Saturday morning, and the question was, “Hey, Agriculture, what are you going to do about this problem?” Those were the questions we were getting from the media from across the country: What is happening, and what are you going to do to work on this? Voluntary conservation programs have been an absolute key cornerstone of what we have been able to do.

Now, a couple of the examples, with RCPP, the flexibility within that program, the ability to deliver programs for farmers has been critical. It also has allowed us to do things like edge-of-field research.

So, for example, we have over 40 monitoring stations on farmers' fields across the Western Lake Erie Basin. These monitor both surface and subsurface runoff of nutrients and collecting some of the best data that we have in the country on what actually happens when you apply fertilizers to fields, both commercial and manure, commercial fertilizers and manure, and then what happens when you change the practices. So when you are modifying your practices to deal with these challenges, what are the results? So we are get-

ting real results, and some of those are not easy results that we are going to have to deal with.

For example, for many years, we have talked about—and NRCS has talked about—in conservation, we have talked about no till being no till being very valuable in keeping soil in place. It absolutely is. There is no question. It still will continue to be a valuable process that farmers use.

But at the same time, what the data is also showing us is incorporating both commercial fertilizers or manures in the soil gives you added benefit. Well, how do you incorporate without tearing up the ground? It is a huge challenge. Right? But there is new equipment that is coming online that is being developed by companies to be able to do this very thing, but it is not cheap.

So one of the things that we do like to talk about as well is that one of our farmers in our Demonstration Farm project, for example, has invested \$250,000 in new equipment to incorporate fertilizer below the soil surface, but also not disturb the ground beyond what he wishes to do to maintain some of the benefits that he gets by keeping nutrients in place through less till or reduced till practices.

So these are challenges that we are learning about. We are able to study these, engage farmers in new practices, such as cover crops and other things happening in the Western Lake Erie Basin to find solutions, and it is exciting right now, because when you talk with farmers in the western part of our State, across our State, but in the northwestern part of our State—and I know also in Indiana and Michigan—you cannot get a group of them together without having an extended conversation about cover crops, what is working, and how are you applying fertilizers and manures and also incorporating those, and at the same time, what rotations are working for you in your cover crops in your systems, what equipment is needed, what is the cost, what is the best mix of those cover crops, so a lot of innovation happening because of what has been going on with voluntary conservation practices supported by the Farm Bills.

Thank you.

Senator STABENOW. Thank you so much.

Chairman ROBERTS. We have a 15-minute vote that just started.

Coop, you know more than anybody about High Noon, so you are recognized with the knowledge that we have a vote that has been called. The same for Senator Daines.

Senator THUNE. Thank you, Mr. Chairman, and you always manage to recognize me right at High Noon.

Senator STABENOW. Right.

Senator THUNE. So I most appreciate it.

First of all, I just want to make an observation, and that is many of you have commented about the need for some sort of midterm or other management on permanent easements, and I would like to add that I have offered a conservation title improvement bill, Senate Bill 909, that offers just such options for these long-term easement programs, which I hope ultimately will be included in the Farm Bill.

Mr. Horning, based on your testimony, I assume that you support my proposal for the next Farm Bill to allow all CRP acres to be hayed at the rate of one-third of each CRP contract each year?

Mr. HORNING. I certainly do, Senator.

When I started getting into CRP, I was not doing a very good job with mid-management, and the wildlife numbers would just drop dramatically. It would go about 3 or 4 years, and all of a sudden, the wildlife—pheasants, deer—would move to other parts, other CRP practices. Mid-management is mandatory. We have got to do a little better job on that.

They started policing my CRP, which really helped out. Then I started doing a better job of mid-management.

Senator THUNE. Okay. Do you believe that this can be accomplished without any detrimental effect on wildlife and wildlife habitat?

Mr. HORNING. You can make it work. In years like this, it is really tough. You are going to probably have to give and take a little bit.

Senator THUNE. Right.

Mr. HORNING. In normal years, you can make that mid-management work and not suffer wildlife.

Senator THUNE. I have also got a proposal out there. I am interested in your thoughts about a proposal that would grade CRP even during the primary nesting period at a 25 percent level of normal stock rates.

Mr. HORNING. Yes. What I would rather do instead of coming through and haying the whole contract, 100 percent of the contract, I would rather do one-third, one-third, one-third, or go one-fifth every year. I can provide good feed for my farmer neighbors. They always need hay.

Senator THUNE. It seems like that, yeah.

Mr. HORNING. Even in good years, they are still demanding the hay, and I will have a lot better job for wildlife if I just go a third of my contract or a fifth of my contract each year, whichever you decide.

Senator THUNE. What do you suggest the CRP acreage cap ought to be in the next Farm Bill?

Mr. HORNING. Forty million. Okay.

Senator THUNE. I have one other idea out there, and I would like to get your reaction to it. You mentioned in your written testimony that you supported—I have got this proposed idea to offer a 3-to-5-year conserving use program, the Soil Health and Income Protection Program, and the question is, Do you anticipate that this short-term conserving use program is a desirable option and complement to CRP for landowners and farmers who do not want to take their land out of production for 10 to 15 years?

Mr. HORNING. I am a CPA in public practice. I do a lot of farm tax returns. Okay? I know a lot of farmers. They are gun-shy to go 10 or 15 years.

I love the 3-or 5-year option and the flexibility or the different type of habitat we are going to add for wildlife. Does that make sense what I am saying?

Senator THUNE. Yeah. No, it does. Yeah.

So just—do you think we ought to incorporate some sort of targeting or allocation method on a State-by-State or regional basis to ensure that we do not have CRP leave States like South Dakota

that had depended so heavily on CRP's benefits? You know what I am saying?

Because like you suggested the last sign-up, we got two in South Dakota.

Mr. HORNING. Right. Yeah.

Senator THUNE. On 100 acres.

Mr. HORNING. Yeah.

Senator THUNE. We are down now to less than a third of what we were at one point in terms of acres. So should there be some sort of allocation method that recognizes that there are States like ours that heavily depend on it and need it?

Mr. HORNING. Yes, there should be. In the past, South Dakota used to get some priority, priority points, EBI scores.

Senator THUNE. Right.

Mr. HORNING. This last sign-up, the 49, they did not recognize the EBI points. I followed the 39th sign-up to the 45th on the general sign-ups, and I had a little formula, how I did my EBIs. I never anticipated going 0 for 6 on my application.

Senator THUNE. Yeah. I am sure you did not, and neither did we.

Senator Daines wants to ask questions, and we have got a vote on. I would be interested in any recommendations you all have for your highest priorities for this Committee when we write the next Farm Bill's conservation title.

But thank you all for being here and for offering your thoughts and input. This is very valuable to us as we start to shape that next bill.

Thank you, Mr. Chairman.

Chairman ROBERTS. Senator Daines.

Senator DAINES. Thank you, Mr. Chairman. I heard you mentioned the potential delisting of the grizzly bear in the Greater Yellowstone ecosystem. I can tell you that the people of Montana can manage grizzly bear populations. We had this same debate with the wolves years ago. I have my own wolf tag here; I pulled out of my wallet. We managed wolves much better than the Federal Government ever could, and the people of Montana are ready, able, and capable of managing the grizzly population. It is a tremendous success story. The grizzlies are at a record-level population. This is what the Endangered Species Act is supposed to do. You recover the species, and they delist the species. So we should celebrate the delisting and transfer that to the States.

Chuck Roady, thanks for coming to this Committee. I am always happy to introduce a fellow Montanan. Thank God for some common sense back in Washington, DC. We need you here.

In your testimony, you mentioned the collaborative work you and others in the wood product industry have put forth. You are an example of someone who leads the collaborative efforts. You have built strong relationships with the Whitefish Range Partnership, the Kootenai stakeholders, the Montana Forest Restoration Committee, the Montana Forest Collaborative Network as well.

You also mentioned several of the projects that these diverse groups supported that then were ultimately litigated and held up in court.

Chuck, in the context of supporting the collaborative process and empowering the agency to implement these restoration projects, do

you believe it is important that we protect collaborative projects from litigation and excessive regulation and find ways to empower their involvement?

Mr. ROADY. Absolutely. Nothing is more frustrating than sitting in a Grange Hall or a school gym or any place that we have met, the county commissioners and with all your partners—and you went down the list, Chris, of—and then you get blown out of the water after you finally agree on something—and of the people that did not come to the table and did not participate.

So I do not want to exclude anybody out of this public comment, but we have been down that road, and it does not work. We need some deference to the collaborative. So if you have collaborated—and 95 percent of the people who have been at that table, there is some deference—and to get around the litigation. I mean, absolutely. We have tried the other part, and I do not want to leave anybody out of the public comment, but it is the people that do not come to the table that stop the project.

Senator DAINES. Chuck, you have testified many times here in Washington, DC Here is a chance to express to the Ag Committee—Agriculture, Nutrition, and Forestry Committee—the answer to this question, and it is this: What in your view are the top reforms that Congress should pass that would have the most impact on restoring active management in our national forests?

Mr. ROADY. We could start by one you helped sponsor, is to reverse the Cottonwood decision. The implications of that decision, people have no idea.

Senator DAINES. Incidentally, the Obama administration supported that.

Mr. ROADY. Yes. I mean, it is—

Senator DAINES. We have got—Senator Tester and I—Tester is with me on that, so we have got bipartisan support. Obama administration supported that, just for what it is worth.

Mr. ROADY. The first thing we could do that would help the most is to reverse that.

Senator DAINES. Yep.

Mr. ROADY. Secondly is something on the litigation, and I am willing to try deference to collaboratives, some arbitration, anything that would help us. I mean, when our current system pays people taxpayer money to sue the taxpayer to stop a project that does not move our society forward, something is not right, and we have got to change that. I see it and live it every day. I want my kids and grandkids to have the same opportunities that I have had to enjoy those forests, and if we do not do something, a lot of those opportunities are going to be gone.

I went out on a tangent there, but I mean that.

Senator DAINES. Yeah. You talk about health threats and our watersheds. We have got municipalities right now that need to do timber projects here to reduce the threat of wildfires and do some thinning, and we are getting hung up in court, what threatens the watersheds with the environmental disasters we have from a wildfire, as we breathe the smoke. As we know as Montanans, every August and September, just get ready. It will be coming again.

Last question. You have been involved with other diverse partners to secure working landscapes on forestlands in northwest

Montana through conservation programs administered by Department of Ag. Briefly mention for me, if you would, your experience with the Forest Legacy Program, and how has that impacted Stoltze?

Mr. ROADY. Forest Legacy Program is a win-win. It is a program that my individual company has participated in, and it keeps the private forest in private. We still pay the taxes, but we have agreed that we will help protect. We own a municipal watershed. We own the city watershed of Whitefish, Montana, and then we use the Forest Legacy Program to help do that and put it in writing. That was a handshake deal for 100-plus years. But it also creates public access. So those people in the public now can fish and hunt in perpetuity on our land, and that was through the Forest Legacy Program. I cannot stress enough, if we had more programs like that, it would be a big help.

Senator DAINES. Well, thank you.

I am out of time, and I just remind the Committee here, Chuck is also a conservationist leader with the Rocky Mount Elk Foundation for years, and this is the marriage of forest management and wildlife conservation, go hand and hand, and I say that as a fellow elk hunter.

Thanks, Chuck.

Chairman ROBERTS. Thank you, Senator.

Thank you to all of our witnesses on both panels for taking time to share your views about the future and the direction of conservation and forestry programs. The testimonies provided today are extremely valuable for the Committee to hear firsthand.

For those in the audience, if you are still hanging with us, if you want to provide additional thoughts on the Farm Bill, we have set up an email address on the Senate Ag Committee's website to collect your input, fair and balanced. Please go to ag.senate.gov, and click on the Farm Bill Hearing box on the left-hand side of your screen. That link will be open for 5 business days following today's hearing, and for members, we would ask that any additional questions you may have for the record be submitted to the Committee Clerk, 5 business days from today or by 5:00 p.m. next Friday. That is July 7.

The Committee stands adjourned. Thank you all.

[Whereupon, at 12:15 p.m., the Committee was adjourned.]

APPENDIX

JUNE 29, 2017

**Statement by Senator Thad Cochran
Introduction of Paul Dees – Panel 2 Hearing Witness
Senate Agriculture Committee Hearing
Thursday, June 29, 2017**

Mr. Chairman, thank you for providing me the opportunity to welcome and introduce one of our witnesses today on the 2nd panel – Mr. Paul Dees, of Greenville, Mississippi.

Mr. Dees serves as Chairman of Delta Wildlife, which is dedicated to the conservation, enhancement, and restoration of wildlife and natural resources in the Mississippi Delta. He is also a successful row-crop farmer – raising rice, corn and soybeans – and private timberland owner.

In leading Delta Wildlife, Mr. Dees has been a notably strong advocate for conservation and forestry programs that focus on agricultural lands and non-industrial forestlands. His successful farming operation illustrates that the effective application of conservation practices on active farmland can provide significant environmental and economic benefits.

As this Committee works to identify the conservation and forestry programs that are working well and those that need improvement in the 2018 Farm Bill, I am pleased we have the opportunity to hear from Mr. Dees today.

Testimony of Jimmy Bramblett
Deputy Chief for Programs, Natural Resources Conservation Service
United States Department of Agriculture
before the
Agriculture, Nutrition, & Forestry Committee
of the
United States Senate
June 29, 2017

Chairman Roberts, Ranking Member Stabenow, and distinguished members of the Committee, thank you for the opportunity to appear before you today on behalf of USDA's Natural Resources Conservation Service (NRCS) to discuss conservation programs authorized by the Agricultural Act of 2014 (2014 Farm Bill). We appreciate the ongoing support and leadership that this Committee has provided for voluntary, private lands conservation and want to clearly communicate that this support is making a critical difference in our ability to accomplish our goals and mission. Farm Bill conservation programs provide America's farmers, ranchers and landowners with technical and financial assistance to enable conservation of valuable natural resources while protecting and improving agricultural operations. Our hope is that this testimony will help inform conversations that you will have with your constituents and key stakeholders in preparation for the 2018 Farm Bill.

This Committee's efforts to consolidate the Conservation Title's 23 programs into the 13 current programs in the 2014 Farm Bill allowed NRCS to focus on critical resource concerns, provide streamlined assistance to agricultural landowners and producers to address existing resource concerns with the flexibility to still give attention to emerging issues. The 2014 Farm Bill also provides NRCS with more tools to reach historically underserved producers through prioritization given to veteran farmers and ranchers and increased program flexibility for practice implementation.

NRCS provides technical and financial conservation assistance to individual, private landowners. More than 70 percent of land in the U.S. is held by private landowners. Decisions those landowners make every day not only have an impact on their land, but on that of their neighbors, on their communities, and ultimately on the entire U.S. population.

America's farmers have been able to achieve tremendous success through the 2014 Farm Bill's Conservation Title. The 2014 Farm Bill created or improved a series of programs, including the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), the Agricultural Conservation Easement Program (ACEP) and the Regional Conservation Partnership Program, to help NRCS facilitate its unique delivery system, carried out through local field offices that provide assistance to individual landowners across the Nation. Through these programs, NRCS has made tremendous strides in helping farmers, ranchers, foresters, and other private landowners restore and enhance our Nation's natural resource base in a voluntary, incentive-based fashion. Perhaps most importantly, the decisions surrounding the implementation and prioritization of these programs and funding are made on the local level, through Local Working Groups and State Technical Committees to ensure that your State's local needs are addressed.

Environmental Quality Incentives Program (EQIP)

EQIP promotes agricultural production, forest management, and environmental quality as compatible goals. Since the 2008 Farm Bill was implemented, EQIP participants have impacted nearly 94 million acres (93,776,393) through 267,202 active and completed contracts made possible with \$7.2 billion (\$7,241,507,182) in financial incentives. Many of these incentives are leveraged with local, State and other partnership financial and technical assistance.

EQIP has helped producers improve soil health using practices such as planting cover crops, using conservation tillage, and conservation crop rotation, which help protect farms from soil erosion, increase resiliency to drought and help break pest cycles; thereby reducing the need for pesticide and other chemical applications, and saving energy by reducing the number of equipment runs across a field. In turn, farmers and ranchers save time and money, while increasing productivity.

Other examples include collaboration with livestock producers who pursue prescribed grazing systems for the purpose of managing livestock to best utilize feed and forage, resulting in healthier pasture and range lands, and healthier herds.

As consumers have driven the demand for increased organic production, EQIP provides farmers and ranchers technical and financial assistance to help implement their Organic System Plan through the National Organic Initiative (NOI). Additionally, EQIP NOI can help transition farmers and ranchers from conventional to organic production. In 2016, \$5.4 million was obligated in NOI EQIP funds (2016 green sheets).

The U.S. Forest Service and USDA's Natural Resources Conservation Service are working together to improve the health of forests where public and private lands meet, especially in locations where insects and drought conditions have contributed to wildfire risk. Through the Joint Chiefs' Landscape Restoration Partnership, the two USDA agencies are restoring landscapes, reducing wildfire threats to communities and landowners, protecting water quality and enhancing wildlife habitat. The Partnership began in FY 2014, and a total of \$139 million has been jointly invested in 49 projects through FY 2017. Projects funded through this effort are designed to last three years, and the first round of projects concluded at the end of FY 2016. In FY 2017, the agencies are planning to work with partners to catalog and promote the successes and lessons learned from collaborative efforts.

Conservation Stewardship Program (CSP)

CSP is now USDA's largest working lands conservation program with more than 80 million acres enrolled in Fiscal Years 2010 through 2016. Through CSP, agricultural producers and forest landowners, who are already established conservation stewards earn payments for actively managing and maintaining the existing level of conservation on their land while also incorporating advanced conservation activities to take that stewardship to the next level. Advanced conservation activities include practices such as using cover crops, buffer strips, pollinator and beneficial insect habitat, and soil health building activities. These kinds of advanced conservation activities are keeping soil and nutrients out of the rivers and streams,

enhancing habitat for wildlife and improving the quality of the air we breathe – all while maintaining active agricultural production on working lands.

In the fall of 2016, we made several updates to this popular program, making a good program even better. These changes include new tools and methods for evaluating operations, expanded options to address the contract recipient's conservation and business objectives and a greater emphasis on local resource priorities. The result has been more flexibility to meet producer needs and even greater opportunities for and interest in participation, as evidenced by a greater than 30 percent increase in applications just this year.

We also reexamined the conservation practices and enhancements offered through the program, making adjustments where the science tells us we should, and creating a direct linkage to existing conservation practice standards. These adjustments will result in better reporting tools and metrics to provide information on what these enhancements mean for a landowner's operation, and also better tell the story of what the nation's largest conservation program is doing for natural resources and agriculture.

We have received positive feedback from customers, partners, and field staff as we work to deliver these changes to CSP in this first year. We are working to further refine the tools and processes to introduce greater efficiencies in the evaluation process, streamline activity choices and provide even more implementation tools to provide even more options and information to help producers take their conservation activities to that next level of stewardship.

Agricultural Conservation Easement Program (ACEP)

The 2014 Farm Bill consolidated the purposes of the Farm and Ranch Lands Protection Program (FRPP), the easement component of the Grassland Reserve Program (GRP), and Wetlands Reserve Program (WRP) into ACEP, greatly streamlining easement program delivery in NRCS. ACEP is a voluntary program, consisting of two components: 1) an agricultural land easement (ALE) component under which NRCS assists eligible entities to protect agricultural land by limiting nonagricultural uses of that land through the purchase of agricultural land easements; and 2) a wetland reserve easement (WRE) component under which NRCS provides financial and technical assistance directly to landowners to restore, protect and enhance wetlands through the purchase of wetland reserve easements.

Demand for NRCS conservation easements remains significantly higher than available funding and the split between the two components continues to be 70 percent for ACEP – Wetland Reserve Easements and 30 percent for ACEP – Agricultural Land Easements. This is consistent with the historic trends under the individual predecessor programs. In FY 2015, approximately 26 percent of the ACEP-ALE applications and 18 percent of the ACEP-WRE applications were funded. In 2016, available funding allowed for the enrolment of 14 percent of ACEP-ALE applications and 16 percent of the ACEP-WRE applications.

In FY 2016, NRCS used \$188 million in ACEP financial assistance funding to enroll an estimated 170,785 acres of farmland, grasslands, and wetlands through 373 new ACEP easements. States are actively utilizing the FY 2017 allocation of ACEP financial and technical assistance to enroll the highest ranking applications in each State.

We are also pleased to report that we are over 65 percent of the way through the approved creation of a national Easement Support Services (ESS) Branch that will perform real estate acquisition functions and the associated administrative tasks for the easement programs administered by NRCS. The ESS Branch will improve the delivery of private lands conservation through NRCS easement programs by centralizing the real estate acquisition functions and associated administrative tasks. The ESS Branch will improve conservation delivery by providing easement administrative and acquisition services to all States and territories. Additionally, NRCS easement acquisition functions will align nationwide under a strengthened, centralized process, with a complimentary oversight role, which will improve accountability, strengthen consistency, strengthen customer service, and increase efficiencies in the delivery of NRCS easement programs.

With over 17,000 easements totaling almost 3.5 million acres, NRCS now manages close to 50,000 miles of easement boundaries – if added together that would stretch around the earth twice! Because most of the easements NRCS acquires are perpetual, our management responsibility is also perpetual. Managing a large number of acres brings any number of challenges including, changes in ownership, incompatible development pressure, and boundary disputes and encroachments. However, the 2014 Farm Bill included an important provision that now allows NRCS to work with utilities, governments, and landowners to modify an easement when impacts to the easement are unavoidable – something that was unavailable under previous Farm Bills. Thus far, NRCS has been very successful in partnering with road, pipeline, and transmission line developers to allow for necessary infrastructure development while still protecting the public investment and mitigating impacts to the land.

Regional Conservation Partnership Program (RCPP)

RCPP is a partner-driven, locally-led approach to conservation administered by NRCS. It offers new opportunities for NRCS, conservation partners, and agricultural producers to work together to harness innovation, expand the conservation mission, and demonstrate the value and efficacy of voluntary, private lands conservation. In four years, NRCS has invested about \$800 million in 284 high-impact projects, bringing together more than 2,000 conservation partners who have contributed an estimated \$1.4 billion in financial and technical assistance. By 2018, NRCS and partners will have invested at least \$2.4 billion. Conservation partners represent a wide variety of groups, including Indian tribes, nonprofit organizations, State and local governments, private industry, water districts, universities and many others.

RCPP projects, underway now in all 50 States and Puerto Rico, are born locally. These projects aim to clean and conserve water, improve the quality of soil and air, enhance wildlife habitat and result in more resilient and productive agricultural lands and stronger rural economies. RCPP brings an expanded approach to investing in natural resource conservation that empowers local communities to work with multiple partners and agricultural producers to design solutions that work best for them.

With over 70 percent of the lower 48 States under private ownership, RCPP plays a critical role in connecting partners with producers to design and implement conservation solutions that benefit both natural resources and agriculture. The Farm Bill is the largest source of federal

funding for private lands conservation, and RCPP is one of the important Farm Bill conservation programs contributing innovative conservation solutions to America's communities. RCPP enables NRCS, partners and producers to work together to overcome natural resource challenges, including unhealthy forests, wildfire risks, drought and poor water quality.

Proven Success

Our latest science-based modeling under the Natural Resources Inventory (NRI) and assessment through the Conservation Effects Assessment Program (CEAP) continues to show voluntary, incentive-based conservation is effective. In the Chesapeake Bay, voluntary adoption of conservation practices has led to reductions in erosion and sedimentation by over 60 percent, and reductions in nutrient losses, specifically of nitrogen, approached 40 percent. Since 2009, NRCS has provided \$890 million in financial and technical assistance within the Chesapeake Bay watershed. Through a landscape focus to our conservation investments, some 80 percent of the Bay's critical cropland acreage has had conservation measures implemented on them. NRCS conservation investments in the Bay have resulted in a reduction of 15.1 million tons of sediment per year, enough to fill 150,000 train cars – which would stretch from Washington, DC to Albuquerque, New Mexico. Improvements in water quality monitoring data and aquatic habitat identified by external parties also confirms the positive impact of these investments.

This science-to-solutions approach has been demonstrated to positively affect critical wildlife species as well. Through another targeted landscape initiative, our Working Lands for Wildlife Initiative, NRCS has helped private landowners install appropriate science-based conservation practices on over 6.7 million acres. Wildlife species targeted for listing on the U.S. Fish and Wildlife Service's Threatened and Endangered Species List have recovered to the point where a pending listing decision is no longer being considered. As a result, thousands of landowners will not face increased regulatory pressures.

NRCS uses a Long Leaf Pine Initiative (LLPI) to achieve restoration and reestablishment goals for longleaf pine forests, consistent with the objectives of the public/private America's Longleaf Restoration Initiative. In FY 2016, NRCS invested \$12.8 million to support restoration efforts on 107,000 acres. LLPI includes the nine Southeastern states in the longleaf range, and it plays a crucial role in stitching together public and private lands. Overall, more than half of the forests conserved are located near military installations, National Forests, National Wildlife Refuges, state forests or heritage reserves. From 2010 to 2016, NRCS has invested \$65 million to help over 4,500 forest landowners restore nearly 400,000 acres on private lands. In FY 2017, NRCS is investing \$15.6 million to continue restoration efforts.

Utilizing Landscape-Scale Approaches

Such landscape-scale approaches are foundational to progress toward meeting today's challenges. NRCS uses Landscape Conservation Initiatives to accelerate the benefits of voluntary conservation programs, such as cleaner water and air, healthier soil and enhanced wildlife habitat. NRCS conservation programs help agricultural producers deliver these benefits while maintaining a vibrant agricultural sector.

These initiatives also enhance the locally-driven process to better address nationally and regionally important conservation goals that transcend localities. They build on locally led

efforts and partnerships, and they are based on science. Through the initiatives, NRCS and its partners coordinate the delivery of assistance where it can have the most impact.

These landscape-level efforts have seen success across the country. From the removal of streams from the list of “impaired” waterbodies to the determination not to list the Greater Sage Grouse and New England Cottontail under the Endangered Species Act, NRCS’ work with producers benefits wildlife, natural resources and agricultural operations across the country. Most of these initiatives have outcome-based goals and strategies established for implementation through the life of the current Farm Bill. I am attaching to my written testimony an update on these exceptionally successful initiatives.

However, the synergy NRCS creates between science and program implementation is not limited to informing our landscape initiatives. The sound science that NRCS brings also directs policy development to ensure that taxpayers receive the greatest return on their conservation investments. Many of the aforementioned accomplishments have been realized through our Conservation Technical Assistance (CTA) Program, which is the backbone of our Agency’s conservation delivery machine. Many customers begin their relationship with NRCS through requests for technical assistance that later evolve into conservation plans that may include financial assistance through one of the farm bill programs. Our CTA Program, in combination with our organizational delivery system, affords us the opportunity to visit with landowners on their property, to analyze their land, learn their objectives, and then collaboratively formulate a plan to help them meet their objectives, comply with federal, State, and local laws and ordinances, sustaining their operation for future generations.

NRCS provides outreach to ensure historically underserved farmers and ranchers are aware of the conservation programs available to them, and have access to these programs. Military veteran farmers and ranchers who are also beginning farmers and ranchers, and historically underserved producers, may be eligible to receive advance payments and increased financial assistance. Additionally, veteran farmers and ranchers are provided “preference” to conservation programs by being screened or ranked as high priority applicants.

NRCS’s technical and financial innovations have proven beneficial for both producers and the Nation’s resources. On June 14, 2017, seven farmers – two from California and five from Arkansas and Mississippi – tested an innovative idea and implemented conservation practices on their crops to reduce methane emissions, which led to the first ever carbon credits generated from rice farmers. As voiced by our Arkansas State Conservationist, Mike Sullivan, “The partnership that enabled this first-of-kind carbon offsets began with the growers and leveraged the expertise of many, many organizations. Getting innovative conservation on the ground requires forward-looking growers and a team of experts to support their efforts. This project had all of the components of success. It wasn’t easy but innovation is never easy. That’s where the NRCS Conservation Innovation Grants program provides such important value to our nation’s rural economies and rural innovators.”

Conclusion

Mr. Chairman, Ranking Member, and Members of this Committee, the Farm Bill’s Conservation Title has historically provided NRCS a full range of technical, scientific, and financial resources

to assist America's producers, providing the greatest impact on the sustainability and resiliency of our Nation's resources. These programs reflect our commitment to local leadership on critical conservation issues and have a reach that touches every Committee Member's District. As I mentioned in the conclusion of my testimony before the House's Conservation and Forestry Subcommittee two weeks ago, NRCS continually seeks to take responsible steps toward streamlining and modernizing our operations, while maximizing opportunities to get more conservation on the ground. Assisting with protecting our Nation's food security and ensuring the viability of future agricultural production is USDA's foremost mission. I would like to thank all of you for continuing to invest in voluntary conservation, and of course for the opportunity to appear before you this morning. I would be happy to respond to any questions.

Attachment One**NRCS Landscape Initiatives Update**Bay Delta Initiative

The 38 million-acre Bay Delta region of California includes the Sacramento and San Joaquin watersheds in the Central Valley and drains to the San Francisco Bay, one of the most important estuary systems in the nation. The region provides drinking water for more than 23 million people and irrigation water to four million acres of farmland. Resource issues include balancing demands for water between agricultural and urban uses, against often scarce surface and ground water supplies; maintaining groundwater quality for drinking water use, and maintain surface water quality and quantity to support at risk wildlife species.

NRCS works with local partners where action plans have been developed to target high priority resource concerns. Environmental Quality Incentives Program (EQIP) funds to help producers implement practices that improve irrigation water efficiency, manage manure, nutrients and chemicals improving water quality, and improve habitat. Producers benefit from using less inputs and water while enhancing revenues through higher crop yields and improved crop quality.

Chesapeake Bay Initiative

The Chesapeake Bay is the largest estuary in the United States. The Bay and its rivers, wetlands and forests provide homes, food and protection for diverse groups of animals and plants and supports more than 17 million people who live, work and play within the watershed. Agricultural lands compose nearly 30 percent of the watershed, and the region – which includes Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia and the District of Columbia – has more than 83,000 farms responsible for more than \$10 billion of agricultural production each year.

The Bay has suffered from high amounts of nitrogen, phosphorus and sediment pollution. By working with farmers on a voluntary basis, NRCS has provided technical and financial assistance to implement “Avoid-Control-Trap” conservation systems on over 3.6 million acres that benefit water quality in the Bay watershed. Since 2009, NRCS has provided \$890 million in financial and technical assistance within the Chesapeake Bay watershed. This federal investment is leveraged by the matching financial and management resources of the watershed’s farmers and forest landowners, increasing the investment by at least \$400 million.

Driftless Area Landscape Conservation Initiative

The Driftless Area is a 24,000-square-mile landscape that straddles the Mississippi River in Iowa, Illinois, Minnesota and Wisconsin. The area includes rocky bluffs, deeply carved river valleys and more than 600 cold-water springs and creeks. Its soils are highly vulnerable to erosion. When soil erodes, water quality and aquatic habitat is threatened.

The initiative focuses on restoring cold-water stream corridors. Environmental Quality Incentives Program (EQIP) funding helps producers install practices to protect streambanks from erosion, install fish habitat structures, fence livestock out of streams, and implement soil and

water conservation practices on adjacent farm and forest land. By 2017, NRCS aims to help producers restore 25 miles of streams, increase brown trout numbers by 30,000, reduce runoff of sediment by 150,000 tons and improve 20,500 acres of upstream habitat.

The Driftless Area initiative concludes at the end of FY2017. NRCS state offices will support practices used in the Driftless initiative through their regular EQIP programs. Partners will be able to use RCPP to develop new targeted efforts.

Great Lakes Restoration Initiative

The Great Lakes Restoration Initiative (GLRI) was authorized by Congress and launched in 2010 as a collaborative effort of 11 federal agencies, including NRCS, to accelerate the restoration and protection of the Great Lakes. EPA is the lead federal agency and provides funding for NRCS activities through and interagency agreement. NRCS has entered into more than 1,900 conservation contracts, with over \$81 million in GLRI funding, to help farmers implement conservation practices on over 370,000 acres to improve water quality and address other needs within the Great Lakes Basin. Through Farm Bill conservation program authorities, NRCS provides technical and financial assistance to landowners, enabling them to make conservation improvements to their land. This assistance helps producers plan and implement conservation practices that address priorities of the Great Lakes Action Plan including combating invasive species, protecting watersheds and shorelines from non-point source pollution, and restoring wetlands and other habitat areas.

Illinois River/Eucha-Spavinaw Watersheds Initiative

The Illinois River Sub-Basin and the Eucha-Spavinaw Lake Watershed provide drinking water for the urban center of Tulsa, Oklahoma, as well as many smaller nearby municipalities. As part of the Illinois River Sub-Basin and Eucha-Spavinaw Lake Watershed Initiative, NRCS is working with its conservation partners in northwestern Arkansas and northeastern Oklahoma to ensure an adequate supply of healthy drinking water for local residents. Utilizing EQIP, NRCS is helping agricultural producers implement a suite of conservation practices that decrease agricultural runoff and nutrient-loading into rivers and streams. Besides clean drinking water for Tulsa citizens, these conservation practices also will help benefit local recreation opportunities, since the Illinois River is designated a Scenic River.

Longleaf Pine Initiative

NRCS uses the Longleaf Pine Initiative (LLPI) to support voluntary private lands conservation that restores and reestablishes longleaf pine forest, consistent with the objectives of the public/private America's Longleaf Restoration Initiative to restore 4.6 million acres of longleaf pine forest. In FY 2016, NRCS invested \$12.8 million to support restoration efforts on 107,000 acres. LLPI includes the nine Southeastern states in the longleaf range, and it plays a crucial role in stitching together public and private lands. Overall, more than half of the forests conserved are located near military installations, National Forests, National Wildlife Refuges, state forests or heritage reserves. From 2010 to 2016, NRCS has invested \$65 million to help over 4500 forest landowners restore nearly 400,000 acres on private lands. In FY 2017, NRCS is investing \$15.6 million to continue restoration efforts.

Mississippi River Basin Initiative (MRBI)

MRBI was initiated in 2009 to accelerate voluntary, private lands conservation investments to improve water quality through a targeted approach, and complements efforts by the Hypoxia Task Force (HTF) states within the Mississippi River basin. Each HTF state has developed a Nutrient Reduction Strategy to reduce agricultural impacts to the Gulf, and MRBI funding is used to help implement these local strategies. From 2010 to 2016, \$250 million (EQIP) was obligated for MRBI project contracts providing treatment on over 1.2 million acres. There are currently 72 active projects, with 385 local partners leveraging \$8.5 million in financial assistance and providing over \$16 million in technical assistance. Partners include state agencies, conservation districts, city governments, private industry, NGOs, and local organizations. Findings from a 2014 report by the USDA's Conservation Effects Assessment Project (CEAP) show that conservation work on cropland in the Mississippi River basin has reduced the amount of nitrogen and phosphorus flowing to the Gulf of Mexico by 18 and 20 percent, respectively. Since 2009, nitrogen prevented from leaving agricultural fields in MRBI project watersheds could be used to fertilize over 63,000 acres of corn in the basin.

National Water Quality Initiative (NWQI)

NWQI is a cooperative program between NRCS, EPA, and state water quality agencies to accelerate voluntary, private lands conservation to improve water quality, focusing on conservation systems that have the greatest benefit. NRCS provides financial and technical assistance to implement practices that help avoid, trap and control run-off and erosion from agricultural fields in targeted watersheds. Since 2012, NRCS has obligated more than \$120 million in funding for water quality-related conservation systems in over 250 small high-priority watersheds throughout the country, treating almost 600,000 acres. NWQI has significantly increased the installation of primary water quality practices, compared to General EQIP, increased average annual funding for conservation practices increased by 200%, and served twice as many producers. State water quality agencies and other partners contribute additional resources for watershed planning, monitoring, implementation, and outreach, and NWQI has fostered additional collaboration within watersheds. To date, 8 stream segments within NWQI watersheds have been recommended for delisting from the impaired waters list.

Ogallala Aquifer Initiative

The Ogallala Aquifer underlies the Great Plains in eight states from South Dakota to Texas (CO, KS, NE, NM, OK, SD, TX, WY) and covers about 174,000 square miles. Ogallala groundwater supports nearly one-fifth of the wheat, corn, cotton and cattle produced in the United States and is the main water supply for the Plains' population. In much of the aquifer groundwater is being pumped at a greater rate than it is being replenished, leading to significant declines in groundwater levels.

Funding from the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP) is targeted to focus areas where NRCS and partners work with producers to implement projects that conserve ground water. NRCS provides technical and financial assistance to help producers implement practices that improve irrigation efficiency, manage nutrients, and help producers transition to dryland farming and grazing systems.

This helps maintain the long-term viability of the irrigated agricultural sector and offsets rising water costs and restricted water supplies on producers. By conserving water the useful life of the aquifer may be extended and flow is increased in rivers, benefiting wildlife.

Red River Basin Initiative

The Red River basin covers 25 million acres in Minnesota, North Dakota and South Dakota and includes 16 million acres of cropland. It's part of the Prairie Pothole Region and is a critical migratory bird pathway. Severe flooding damages homes, businesses, and farmland, decreases wildlife habitat, and impacts water quality.

Environmental Quality Incentives Program (EQIP) funding helps producers implement soil and water management practices on cropland and pasture. Wetland Reserve Easement (WRE) funding through the Agricultural Conservation Easement Program (ACEP) helps landowners restore and protect wetlands.

Water quality is improved through reduced delivery of nutrients and sediments to lakes, streams and rivers. Flood damage is reduced through detention of runoff water within restored wetlands and easement acres, and from improved water infiltration on agricultural land. Restored wetlands benefit migratory waterbirds and other water dependent species.

Attachment 2**NRCS Working Lands for Wildlife Initiatives (WLFW) Update**Bog Turtle

NRCS and state wildlife agencies have collaborated on habitat restoration and protection efforts under a WLFW partnership since 2012 when bog turtle was selected as a target species. The bog turtle's status under the ESA is endangered; the primary focus has been on the northern population distributed from New Hampshire to Maryland. NRCS approved in 2017 a complementary partnership effort in the Northeast and Midwest to conserve three additional at-risk turtle species (Blanding's, spotted, and wood turtles), and is currently considering combining these similar efforts to create one regional partnership. Benefits to landowners include reduction in the risk of additional ESA regulation, cost share for popular practices such as rotational grazing (e.g. fences and alternative watering systems), and income from voluntary conservation easements that secure the small habitats occupied by this species (home ranges average less than a few acres) and support reduced need to increase regulation of working lands.

Golden-winged warbler

In 2012, the golden-winged warbler was selected as a target species for WLFW after the U.S. Fish and Wildlife Service received a petition to list it under the ESA. WLFW conservation actions are focused on forestry management practices that create young forests by harvesting mid-stage forests. Young forests currently represent only approximately 6% of private forest lands across Appalachia based on Forest Service data, but forestry experts say this percentage should be closer to 25%, or preliminarily up to an additional 3,500,000 acres of harvests needed on private lands to support forest health and promote stable rural economies. In 2016, with partner and private landowner input, new priority areas and a strategic plan were developed to renew and strengthen this effort through 2021. Outcomes include habitat creation for the target species as well as a host of other at-risk migratory birds, and game species including deer, turkey, woodcock and grouse; additionally, resulting improvements to forest health will be reflected in future timber production income. State forestry agencies and private forestry consultants are strongly engaged in writing forest management plans that reflect landowner goals, marking trees, and completing projects.

Gopher Tortoise

Designated as a WLFW target species since 2012, in 2016 WLFW narrowed its priority area focus and released a strategic plan that doubled our previous acreage commitment to recover this species through practices that prioritize timber stand thinning, prescribed burns, invasives control, and management actions. The tortoise is currently listed as threatened under the ESA in the western portion of its range, from Louisiana to central Alabama; from central Alabama to South Carolina it is a candidate for ESA listing. NRCS is working very closely with FWS in hopes that our partnership with state agencies and ag producers might be successful in not only precluding further ESA listing in the eastern portion of its range, but also delisting the gopher tortoise in its western range. Landowners benefit from financial and technical assistance for managing longleaf pine forests, and these practices increase the market value of pine stands. Other benefits include the strong potential to influence a reduction in regulatory risk to working lands across six of the southeastern U.S. States.

Lesser Prairie Chicken

NRCS launched the Lesser Prairie-Chicken Initiative (LPCI) in 2010 to strategically focus conservation efforts to maximize biological benefits to prairie chicken populations. NRCS' efforts are part of WLFW, through which NRCS provides technical and financial assistance to help ranchers restore and protect habitat for prairie chickens in five Great Plains states to improve habitat for the lesser prairie-chicken and improve sustainability and productivity of grazing lands.

LPCI is enhancing NRCS' ongoing conservation efforts to support prairie chicken recovery by strategically focusing resources to promote healthy grazing lands management. Anticipated long-term outcomes of this initiative are improved rangeland health, greater connectivity of core prairie chicken habitat, and stabilization or recovery of prairie chicken populations. Since 2010 NRCS has assisted about 770 ranchers treat nearly 1.5 million acres for the benefit of their operations and the lesser prairie chicken.

Monarch Butterfly

The most recently announced WLFW effort supports the monarch butterfly. NRCS is working with agricultural producers in the Midwest and southern Great Plains to combat the decline of monarch butterflies by planting milkweed and other nectar-rich plants on private lands. This region, which includes Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Ohio, Oklahoma, Texas and Wisconsin, is the core of the monarch's migration route and breeding habitat. Milkweed not only provides food for monarchs, it also supports other pollinators such as honey bees that are vital to agriculture. Milkweed also provides homes for beneficial insects that control the spread of destructive insects.

Meanwhile, NRCS conservation practices that benefit monarch butterflies and other insects also help reduce erosion, increase soil health, control invasive species, provide quality forage for livestock and make agricultural operations more resilient and productive. NRCS provides technical and financial assistance to implement these practices, helping producers improve working lands and strengthening rural economies.

New England Cottontail

NRCS has worked closely with state agency partners in New England and the U.S. Fish and Wildlife Service (FWS) since 2012 to implement voluntary habitat restoration projects on private lands that would result in recovery of this species and preclude the imminent need to list it under the federal Endangered Species Act (ESA). In 2016, the FWS publicly announced a no-list decision. Leading up to this decision, NRCS had developed a strategic plan in 2016 that fulfills agency commitments made for additional conservation actions through 2018 (the end of the current Farm Bill). Beyond helping the New England Cottontail, the related benefits to private landowners include remedies to forest health issues such as invasive plants and diseases, as well as improvements to the abundance of both game and non-game species.

Sage grouse

NRCS has worked closely with private landowners, local, state, and federal agency partners since the 2010 launch of the NRCS-led Sage grouse Initiative (SGI) to implement voluntary

rangeland habitat restoration and protection projects on working private lands across eleven western states. Sage grouse occupy 186 million acres of western federal and privately owned lands. NRCS utilizes the Environmental Quality Incentives Program (EQIP) to help producers implement practices addressing habitat threats on their private land. Additionally, voluntary NRCS conservation easements through the Agricultural Conservation Easement Programs (ACEP) ensure private working lands are protected from fragmentation and continue as working lands that benefit Sage grouse.

SGI has supported ranchers to implement conservation actions on 5.6 million acres, reducing real threats facing both the bird and the grazing lands upon which those ranches depend. In 2015, the U.S. Fish and Wildlife Service (FWS) announced no-list decisions for both the Greater Sage grouse and the Bi-State population of Sage Grouse due to the unprecedented partnership in implementing conservation and the continued conservation implementation commitment. This conservation work benefits landowners through implementation of sustainable ranching practices that benefit both their agricultural operation and local communities, along with the sagebrush ecosystem, Sage grouse, and 350 other species of plant and animals.

Southwest Willow Flycatcher

NRCS provides technical and financial assistance through WLFW to assist agricultural producers implement conservation practices that benefit the species on their working lands. Practices aim to protect and restore breeding habitat, combat habitat losses because of surface water diversion and groundwater pumping, address changes in flooding and fire regimens and manage non-native and invasive plants.

Landowners are restoring habitat for southwestern willow flycatcher and other riparian habitat species, aiding in the implementation of its recovery plan and increase landowner confidence that the conservation practices they implement will not harm the species or its habitat. Since 2012, NRCS has assisted about 70 landowners with over 11,000 acres of conservation treatments that have or will make significant progress for the recovery goals of the species.

**TESTIMONY OF
PAUL D. DEES, CHAIRMAN OF THE BOARD
DELTA WILDLIFE
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, & FORESTRY
9:30 a.m., THURSDAY, JUNE 29, 2017
216 HART SENATE OFFICE BUILDING**

Chairman Roberts, Ranking Member Stabenow, and members of the Committee, thank you for holding this hearing to gather input on past and current conservation programs. I hope my recommendations will provide valuable perspective and be helpful to this committee as you begin the process of writing a new farm bill. I appreciate the opportunity to offer testimony on behalf of Delta Wildlife.

My name is Paul Dees and I produce corn, rice, and soybeans in a family farming operation in McGrath, Mississippi. As I mentioned, I'm here on behalf of Delta Wildlife, a regional non-profit organization comprised of farmers, sportsmen, and landowners who agree that locally led, voluntary-based conservation offers the best strategy to address natural resource concerns throughout the Delta. As a landowner, farmer, conservationist, and sportsman, my interests and those of Delta Wildlife are one in the same as we strive to accurately reflect the interests of a majority of landowners and land managers in the region we call home. I am also pleased to speak on behalf of Delta Council, Delta F.A.R.M., Delta Waterfowl, and the Rice Stewardship Partnership, which is a working lands conservation partnership, formed by the USA Rice Federation

and Ducks Unlimited. Our collective message places emphasis on what we believe should be the primary focus of the next Conservation Title: working lands conservation and active management.

According to the USDA Economic Research Service, agriculture, forestry and related industries contribute nearly 6% of the United States GDP and represents more than 11% of U.S. employment. Our agricultural and forest lands must continue to work for us, but the food security we enjoy today and the benefits to our economy cannot be sustained unless we manage these working lands wisely. Environmental sustainability provides the only path to ensure economic sustainability in the agriculture and forestry sectors.

There are two primary working lands programs currently offered through Title II that have had more impact on how we manage land today than any others - the Environmental Quality Incentive Program (EQIP) and the Conservation Stewardship Program (CSP).

The Environmental Quality Incentive Program or EQIP provides financial and technical assistance to agricultural producers to implement conservation practices on agricultural lands and non-industrial private forestlands. In our region, this program has incentivized many producers to begin using tools that reduce our environmental footprint and enhance wildlife habitat. The incentive is required, as change is not easily embraced when there is uncertainty of success on your farm and a cost associated with that change, even for those who do not meet the programmatic means test. In the Delta it is common for farmers to rent much of their cropland. Renters do not have certainty of

whether they will hold the lease on a piece of ground from one year to the next so it is often not worth the risk to invest significant capital into someone else's land. Cost-share programs like EQIP to bridge that gap, allowing land-renters to install conservation measures while footing only a portion of the cost.

To accelerate our path towards environmental and economic sustainability in our agriculture and forestry sectors, EQIP must be strengthened in the next Farm Bill through simplification and expansion. Simplification can be achieved by giving the states more authority and flexibility to utilize their funds to address statewide and local needs with the help of state and regional partners who have the expertise, access, and trust of private farm and forest land owners. Further simplification can be achieved by abandoning the System for Award Management or SAM. Expansion can be achieved through increased funding and focus on national resource concerns like Water Supply and Soil Health, as well as making a new commitment to other resource concerns that have not always received adequate funding, like Wildlife Management practices on cropland.

The Conservation Stewardship Program or CSP takes a slightly different approach to advancing environmental stewardship as compared to EQIP. CSP requires a producer to take a comprehensive look at their production system and identify areas for improvement. A plan is developed and specific goals are set for the producer to achieve over a CSP contract period. CSP incentivizes smaller incremental changes as compared to EQIP, but it does so on a broader basis.

While CSP has been successful, the consensus in our region suggests it is not adequately funded. 154 eligible producers, including myself, have unfunded applications in my county and those that surround it. Many more producers have not even applied because of the lack of funds. For those who have been enrolled and are seeking re-enrollment, the list of CSP Enhancements are too limited to offer incremental conservation adoption.

While more funding is needed for both EQIP and CSP, I'm pleased to see how the Regional Conservation Partnership Program or RCPP has used private investments to leverage existing conservation title funds. As an example, a RCPP partnership between agribusinesses, Delta FARM, Ducks Unlimited, and USA Rice has helped rice producers across the country conserve ground and surface water supplies.

Beyond traditional working land conservation programs like EQIP and CSP, there are other valuable conservation programs that could yield greater environmental and economic returns through a renewed focus on active management. This Committee provided additional flexibility to Conservation Reserve Program (CRP) contract holders in the last Farm Bill to more efficiently manage upland and bottomland forests to increase both wildlife habitat and timber quality. This trend towards active management should continue as should the enrollment of new CRP lands restored to appropriate habitat covers including both grasslands and forest. However, similar flexibility has not yet been provided for lands enrolled in Wetland Reserve Easements (WRE) under the Agricultural Conservation Easement Program (ACEP) and its predecessor, the Wetland Reserve Program (WRP).

Demand for WRE is growing, as should funding. Today, there are 2.7 million acres in the U.S. enrolled in WRE and WRP. Much of these lands in southern states have been planted to bottomland hardwood trees with the balance of the acres restored as seasonal and permanent wetlands. Many of these wetland areas are not being managed adequately to provide real benefits to migratory waterfowl and other wetland dependent species. And even less is being done to plan or actively manage these new forests to maximize wildlife habitat and future timber quality.

A greater emphasis must be placed on active wetland and forestry management on WRE and WRP lands. Active management would provide a greater return on the public investment. Greater environmental returns could certainly be measured. And additional annual investments in wetland and forestry management would help to support local businesses and economies that may have been impacted by initial land use changes. If sound forestry management is put in place today, it will begin to yield new jobs and opportunities for the forest products industry.

Before I conclude, I would like to mention a separate issue that is considered by some an epidemic - feral swine. A ten year-old national study places a \$1.5 billion dollar negative annual economic impact on our economy, most of which is in the agriculture and forestry sectors. We have no doubt that those numbers are markedly higher today. Many public and private landowners are working to slow the spread of local populations. USDA Animal and Plant Health Inspection Service (APHIS) is working hard to manage feral swine populations, but more help is needed, especially on USDA conservation lands. In line with our message of active management, CRP, WRE

and WRP landowners need more help, either through direct assistance from USDA or their partners in conservation.

On behalf of Delta Wildlife and our partners in agriculture and conservation, we would like to express our most sincere appreciation to you, Chairman Roberts, Ranking Member Stabenow, and all the members of the Committee for affording us the opportunity to appear before you today and submit these comments.

Respectfully,

Paul D. Dees, Chairman of the Board
Delta Wildlife

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Testimony

on behalf of the

National Cattlemen's Beef Association

with regard to

"Conservation and Forestry: Perspective on the Past and Future Direction for the 2018 Farm Bill"

submitted to the

United States Senate
Committee on Agriculture, Nutrition, & Forestry

Pat Roberts, Chairman

submitted by

Barbara Downey

Owner

Downey Ranch

Member

National Cattlemen's Beef Association

June 29, 2017
Washington, DC



**National Cattlemen's
Beef Association**

Cattlemen • Leadership • Solutions

Thank you Chairman Roberts and Ranking Member Stabenow for allowing me to testify today on conservation and the farm bill.

My name is Barb Downey. My husband, Joe, and I own and operate the Downey Ranch in the Flint Hills of Wabaunsee County and Riley County, Kansas. This land is comprised mostly of virgin tallgrass prairie and has been an ideal location for our registered and commercial Angus cow herd. We work to diligently maintain and improve the varied ecosystems found on the ranch which sustains our cattle and provides abundant habitat for wildlife.

U.S. cattle producers own and manage considerably more land than any other segment of agriculture— or any other industry for that matter. Cattle producers graze cattle on approximately 666.4 million acres of the approximately 2 billion acres of the U.S. land mass. In addition, the acreage used to grow hay, feed grains, and food grains add millions more acres of land under cattlemen's stewardship and private ownership. Some of the biggest challenges and threats to our industry come from the loss of our natural resources. The livestock industry is threatened daily by urban encroachment, natural disasters, and government overreach. Since our livelihood is made on the land, through the utilization of our natural resources, being good stewards of the land not only makes good environmental sense; it is fundamental for our industry to remain strong. We strive to operate as environmentally friendly as possible, and it is through voluntary conservation programs that ranchers will continue to be a proud partner with the government to reach our environmental conservation goals.

A major item on the mind of many cattle producers is the development of the 2018 Farm Bill. Farm Bill programs have a lasting effect, and sometimes a dramatic impact, on producers. This hearing today is about conservation, so I will focus my testimony on that, but I would be remiss as a cattle producer if I didn't mention the livestock industry's need for a more robust foot-and-mouth disease vaccine bank. An FMD outbreak has the potential to cause catastrophic economic losses to not only livestock producers, but also to the feed industry, auction markets, slaughterhouses, food processors; not to mention that we would shut us out of export markets. The economic consequences would be astronomical, and our current FMD vaccine bank is insufficient. So please consider supporting an enhanced FMD vaccine bank. Thank you for letting me veer off topic for a moment, now back to conservation.

Producers pride themselves on being good stewards of our country's natural resources. The Downey Ranch employs various conservation practices, some of which we put in place by utilizing NRCS programs, such as the Environmental Quality Incentives Program (or EQIP).

EQIP is improving habitat for grassland-nesting birds, like the Greater Prairie-Chickens we have on our ranch land. This program is enhancing the health of grazing lands, improving water quality, improving soil quality, and reducing soil erosion. One important feature of EQIP has been its focus on livestock operations, and we would like to see continued funding to preserve

this program in the 2018 Farm Bill. Federal funds spent on conservation are a good investment in our country's natural resources and the sustainability of agriculture and wildlife.

During the extensive drought from 2011 to 2015, springs and ponds across the countryside dried up. Had we not undertaken an effort to improve our drought resilience we would have been in a dire situation. Prior to the drought, we added water storage on our landscape. We also put measures in place to ensure that cattle do not have unrestricted access to the creeks and ponds. A public recreation area is located just 2 miles downstream and thousands of people, including our family, wade and swim in its waters each year. We move our cattle across these creeks via restricted crossings in parts of the creek that have solid rock bottom so little sediment is disturbed. We also installed controlled access drinking points on our stock ponds so cattle can't erode the banks, and we put terraces around the ponds so that any water from the cattle areas are filtered through the grasses rather than the ponds.

We used the EQIP program to install 2 of our 8 controlled access ponds. The success of our ponds led Senator Jerry Moran, other legislators, the state director of the KS NRCS, and others from NRCS in DC to come out to the ranch and tour it. The ponds are a cost-effective way to provide beneficial effects for water, wildlife, and cattle.

At Downey Ranch, we employ rotational grazing which controls the horn fly population and allows the prairie grass to regenerate nicely. We use an approach that replicates bison herd movement over the prairie in the 19th century, running one big group of cows through different pastures. As a result, we've seen species that are typically grazed out coming back to the ranch. Eastern Gamma Grass, Catclaw Sensitive Briar, Leadplant and other indicator species are growing strong in our pastures.

Another key to improving the grass on our ranch is brush control. Encroachment of trees, brush, and noxious weeds like the Sericea Lespedeza, represent the single largest threat to the Tallgrass Prairie ecosystem. We use a variety of ways to reduce brush including prescribed burns and mechanical treatment. We have been a community leader in promoting and using online smoke prediction tools in order to comply with the state's Smoke Management Plan. This is done to keep cities and regions downwind of a prairie burn from violating EPA air quality standards.

Flexibility is key to ranchers using conservation programs. We are working with innovators on a scheme of chemical control of the noxious weed Sericia Lespedeza complemented with a fall burning of affected areas. It has been shown to reduce seed production from 800 seeds per plant to less than 1, which is very effective. The ability to innovate and adapt with the local agent's oversight would allow integrated and holistic strategies to evolve. I'd urge you to support initiatives in the Farm Bill that allow this sort of innovation to be supported by NRCS programs.

The main point I'd like you all to take away from this hearing is that the "voluntary" part of the conservation programs is what really makes it work for ranchers. We've had success using some of these conservation programs, but just because this system works for us does not mean it's

right for everybody. It's important that we keep these programs funded to safeguard their continued success, and above all else - these programs must stay voluntary. A one-size fits all approach that accompanies top-down regulation does not work in my industry. If these programs were to become mandatory, the rules and regulations that farmers and ranchers would be subjected to would make it harder for them to utilize the unique conservation practices that help their individual operations thrive.

Economic prosperity and conservation go hand in hand and we are always looking for new, innovative conservation programs that will have tangible benefits for the environment, and help to improve our ranching lands. USDA's voluntary conservation programs have been a great asset to cattle producers and it is important that these programs are implemented in a practical, producer friendly, and voluntary manner for years to come to ensure that cattle producers will continue to have the ability to do what we do best – produce the world's safest, most nutritious, abundant and affordable protein while operating in the most environmentally friendly way possible. Ranchers across the country maintain open spaces, healthy rangelands, provide wildlife habitat and feed the world. Together we can sustain our country's natural resources and economic prosperity, ensuring the viability of our way of life for future generations. I appreciate the opportunity to visit with you today. Thank you for your time, and I welcome any questions you have.

Biography

Barb and her husband, Joe, own Downey Ranch, Inc., a family owned operation started in 1986 by Joe Downey, a 3rd generation cattle producer. The 550 head cowherd is comprised of both registered and commercial cows. Currently, day to day operations are handled by Joe and Barb, along with daughters Anna & Laura.

The ranch is located in the heart of the Kansas Flinthills southwest of Warnego, KS. This location has been an ideal one for our registered and commercial Angus cow herd. Since day one, the Downey family been focused on beef quality. This focus has led to the Ranch being recognized nationally for producing high quality beef. In 1993, Downey Ranch won the Certified Angus Beef Value Discovery Project and in 1995, had the highest marbling pen of Angus steers in the 20,000 head Angus Alliance project held at Syracuse Feedyard.

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TESTIMONY OF
STEVEN HORNING
HORNING FARMS

BEFORE THE:
THE UNITED STATES SENATE
COMMITTEE ON AGRICULTURE, NUTRITION AND FORESTRY

REGARDING:
CONSERVATION AND FORESTRY: PERSPECTIVE ON THE PAST
AND FUTURE DIRECTION FOR THE 2018 FARM BILL

THURSDAY JUNE 29, 2017
261 HART SENATE OFFICE BUILDING
WASHINGTON, DC

State	General Acres EBI >= 292 (49th)							# Acres Not accepted
	Number Offers	Number Accepted	Number Accepted (%)	# Offers Not accepted	Acres Offered	Acres Accepted	Acres Accepted (%)	
TEXAS	1,452	197	14%	-1,255	216,735	28,505	13.2%	-188,230
MONTANA	1,084	138	13%	-946	188,276	17,829	9.5%	-170,447
KANSAS	2,802	498	18%	-2,304	212,939	44,156	20.7%	-168,783
COLORADO	1,093	342	31%	-751	180,921	48,005	26.5%	-132,916
WASHINGTON	1,578	797	51%	-781	227,729	116,452	51.1%	-111,277
MISSOURI	2,649	472	18%	-2,177	121,307	20,867	17.2%	-100,440
OREGON	508	169	33%	-339	110,534	27,812	25.2%	-82,722
NORTH DAKOTA	1,094	69	6%	-1,025	74,059	5,944	8.0%	-68,115
NEBRASKA	1,599	288	18%	-1,311	88,381	25,024	28.3%	-63,357
IOWA	2,310	401	17%	-1,909	63,391	9,725	15.3%	-53,666
ILLINOIS	2,426	160	7%	-2,266	49,330	2,157	4.4%	-47,173
OKLAHOMA	598	139	23%	-459	55,528	12,188	21.9%	-43,340
SOUTH DAKOTA	727	2	0%	-725	42,352	101	0.2%	-42,251
MINNESOTA	1,367	149	11%	-1,218	31,662	2,966	9.4%	-28,696
MISSISSIPPI	622	212	34%	-410	36,419	13,303	36.5%	-23,116
IDAHO	224	57	25%	-167	28,902	10,544	36.5%	-18,358
WISCONSIN	957	124	13%	-833	17,886	1,988	11.1%	-15,898
MICHIGAN	568	30	5%	-538	13,539	923	6.8%	-12,616
WYOMING	33	7	21%	-26	12,155	2,043	16.8%	-10,112
UTAH	54	13	24%	-41	9,302	1,287	13.8%	-8,015
ALABAMA	250	64	26%	-186	9,808	2,193	22.4%	-7,615
KENTUCKY	367	111	30%	-256	9,620	2,790	29.0%	-6,830
INDIANA	365	44	12%	-321	7,638	851	11.1%	-6,787
NEW MEXICO	39	11	28%	-28	8,926	2,175	24.4%	-6,751
TENNESSEE	306	99	32%	-207	8,957	3,665	40.9%	-5,292
OHIO	350	37	11%	-313	5,625	541	9.6%	-5,084
ARKANSAS	108	28	26%	-80	4,971	1,046	21.0%	-3,925
VIRGINIA	211	43	20%	-168	4,236	982	23.2%	-3,254
LOUISIANA	81	20	25%	-61	4,041	811	20.1%	-3,230
GEORGIA	123	35	28%	-88	3,894	1,161	29.8%	-2,733
CALIFORNIA	11	3	27%	-8	2,021	718	35.5%	-1,303
NEW YORK	61	3	5%	-58	1,365	75	5.5%	-1,290
NORTH CAROLINA	152	70	46%	-82	2,263	1,171	51.7%	-1,092
SOUTH CAROLINA	35	11	31%	-24	1,166	443	38.0%	-723
DELAWARE	26	5	19%	-21	458	0	0.0%	-458
FLORIDA	20	0	0%	-20	585	176	30.1%	-409
MARYLAND	20	6	30%	-14	303	130	42.9%	-173
MAINE	5	1	20%	-4	130	18	13.8%	-112
WEST VIRGINIA	1	0	0%	-1	40	0	0.0%	-40
PENNSYLVANIA	3	2	67%	-1	20	9	45.0%	-11
CONNECTICUT								
HAWAII								
NEW JERSEY								
VERMONT								
US	26,279	4,857	18%	-21,422	1,857,414	410,774	22.1%	-1,446,640

USDA Farm Service Agency - CRP Signup #49

Good morning chairman Roberts, ranking member Stabenow, and members of the committee. My name is Steve Horning. I am a Certified Public Accountant and owner of Horning Farms in Watertown South Dakota. Because of my love of hunting pheasants, I started to buy farmland in 1990. I now own ten thousand acres of farmland. I produce corn, soybean, and wheat and rent out my pasture to local farmers. I follow the model of "farm the best and conserve the rest". Before I would consider purchasing land, I would see what I could do to improve the land for conservation. If I could not improve it, I would not buy it.

The primary program I have used is the Conservation Reserve Program. My CRP practices include: restoring grassland, implementing buffers, planting tree wind breaks, and restoring wetland areas. More recently I installed pollinator practices. I have also utilized WRP and WRE for long term easements. I depend on technical and financial assistance from USDA, NRCS, FSA, GFP, USFWS, and PF. All of these conservation practices provide for optimal habitat for wildlife. Pheasant hunting is a major economic driver for small rural communities bringing in over 230 million dollars annually to small mom and pop businesses.

South Dakota Game Fish and Parks started a new land owner recognition award in 2010. I was extremely honored to be the first to receive the "Habitat Partner of the year Award". Along with this, I have been recognized by the South Dakota Chapters of Pheasants Forever as their conservationist of the year 2009.

My purpose to meet with you today is to inform you of the need to increase the CRP acreage cap. I have had good success in past general CRP signups. I have had about 75% approval on my applications.

Then there was signup 49 in 2016. I was zero for six in my applications. In fact, the whole state of South Dakota only had two contracts approved for a total of 101 acres. There were over 43,000 acres offered. This was one of the worst acceptance rates in the country (see attached table). I would ask that you take a serious look at the CRP cap and how landowners can sign up.

Another concern of mine is the mid management on CRP contracts. Every 4 to 5 years you must either have a prescribed burn or mow, bale and destroy the grass. I suggest instead of you paying me cost share to waste the grass, you let my hay it and use it for livestock feed. I have utilized the haying and grazing option with my CRP. During 2012, because of emergency, I was allowed to hay some of my easement ground. My livestock neighbors call me annually requesting to hay my CRP. If you would allow me to mid manage 1/5th to 1/3rd of my CRP grasses each year, it would save the government two fold. First by not paying me to waste the grass, and second, I would receive a reduction in my CRP payment for the value of the grass.

We must be cautious about the impact to soil, erosion, and wildlife. Timing of haying and grazing is also critical and we should keep nesting season in mind as to minimize the impact to wildlife.

Another area I'd like to address is crop insurance. Since most of crop insurance claims come from marginal ground, I have taken this out and put into CRP programs. Marginal ground either burns up or is to wet, thereby, creating the most crop insurance claims.

I have switched from optional unit (where you account for each unit separately) to enterprise crop insurance (where each crop in the county is treated as one crop) by taking my marginal ground out I have reduced my claims to zero for 2014, 2015 and 2016. I have been on Enterprise crop insurance since 2014, where the premium is approximately 30% of the optimal unit.

Below are my crop insurance results:

Year	Total Premium	Subsidy	Steve's Premium	Acres
2014	\$115,000	\$84,000	\$31,000	2660
2015	\$90,000	\$70,000	\$20,000	2807
2016	\$58,000	\$46,000	\$12,000	2582

I also like Senator Thune's new Soil Health & Income Protection Plan (SHIPP). This program allows for shorter contracts. This will appeal to most farmers as they are reluctant to put it into a 10 or 15 year CRP contract.

In closing, please consider the recent demands from farmers, ranchers and landowners for these programs.

Thank you and I look forward to any questions.

**Testimony of Misty Jones
Director, Conservation and Environmental Programs Division,
Farm Service Agency
United States Department of Agriculture
before the
Agriculture, Nutrition, and Forestry Committee
of the
United States Senate
June 29, 2017**

Mr. Chairman, Ranking Member, and Members of the Committee, I appreciate this opportunity to offer testimony this morning on the USDA Farm Service Agency's (FSA's) conservation programs authorized by the Agricultural Act of 2014 (2014 Farm Bill).

CRP and the 24 Million-Acre Cap

The Conservation Reserve Program (CRP) first appeared in the 1985 Farm Bill and is one of USDA's largest conservation programs. CRP allows USDA to contract with landowners so that environmentally sensitive land can be devoted to conservation benefits. Participants establish long-term, resource-conserving cover and, in return, FSA provides participants with annual rental and other assistance. Contract duration is between 10 and 15 years. CRP improves water quality, reduces soil erosion, and restores habitat for pollinators, ducks, pheasants, turkey, quail, deer and other wildlife. In doing so, CRP spurs hunting, fishing, recreation, tourism, and other economic activity across rural America.

FSA administers CRP while technical support functions are provided by the USDA's Natural Resources Conservation Service (NRCS), state forestry agencies, local soil and water conservation districts, and other non-federal providers of technical assistance.

Currently, 23.5 million acres are enrolled in CRP contracts, including 16 million acres under General sign-up enrollment authority, 7.3 million acres under Continuous sign-up enrollment authority, and 90,000 acres under the Grasslands sign-up enrollment authority (see figure 1) with 800,000 more to come online in FY 2018. This is 13.4 million acres below peak enrollment in 2007 and just short of the 24 million-acre cap established in the 2014 Farm Bill. CRP contracts on 2.5 million acres (combined general and continuous) are set to expire on September 30, 2017.

CRP General sign-up is a competitive process conducted on a periodic basis; these sign-ups do not occur according to a fixed schedule. The last general sign-up occurred in the spring of 2016.

CRP Continuous sign-up occurs on a continuous basis throughout the year and does not involve a discrete sign-up period. The 7.3 million acres in enrollment in Continuous sign-up is the result of large demand and strong incentives over the past 8 years and a relatively small acceptance rate during the last General sign-up.

CRP Grasslands sign-up, newly created by the 2014 Farm Bill, is a continuous working lands program that particularly benefits livestock producers. FSA has held three Grasslands ranking periods and 800,000 acres have been approved for enrollment for FY 2018 contracts. Similar to General sign-up, enrolled lands are likely to be larger parcels than associated with Continuous CRP sign-up. The statutory enrollment cap is 2 million acres, which counts against the 24 million-acre overall CRP cap.

Largely due to lower commodity prices and the CRP cap, landowner demand and competition for program entry has been strong and increasing, having a particularly large impact on General sign-up acceptance rates (see figure 2). The FY 2016 General sign-up accepted only 400,000 acres. With 1.9 million acres offered, the overall acceptance rate was 22 percent. Landowners compete against one another for General enrollment entry based on relative “environmental benefits index” (EBI) scores, and those with lower scores were unlikely to be accepted given the acreage cap. In South Dakota, for example, where the average EBI score was 215, the acceptance rate was less than 1 percent. In contrast, in Iowa, with an average EBI score of 251, the acceptance rate was 15 percent.

Lower commodity prices also reduced landowners’ interest in the 2014 Farm Bill provision that allowed CRP contract termination without penalty during FY 2015. Contracts were required to have been in place for 5 years to be eligible. FSA data indicate that about 90,000 CRP acres were terminated under this provision—likely far lower than if this provision had been in effect for FY 2012 when many commodity prices were near peak levels.

CRP Looking Ahead

FSA is constantly on the look-out for ways to help new and beginning farmers gain entry into farming—whether through outreach or other means. The Transition Incentives Program (TIP) provides two additional years of payments for retired producers who transition expiring CRP acres to socially disadvantaged, veteran, or beginning producers who make conservation and land improvements, begin the certification process under the Organic Foods Production Act of 1990, or devote the land to sustainable grazing or crop production. The 2014 Farm Bill provided \$33 million through FY 2018, up from \$25 million under the 2008 Farm Bill. About \$12 million of TIP funding has been obligated under the 2014 Farm Bill so far, helping an estimated 931 eligible new producers.

FSA has also heard from beginning farmers that it can be difficult to compete for farmable land in certain areas given the level of CRP rental rates. Since the initiation of CRP in 1985, CRP rental rates have been set to align, as closely as possible, with cash market rents. FSA currently uses data from the National Agricultural Statistics Service (NASS) cash rents survey, adjusted for soil types, to set CRP annual payment rates. Rates are updated periodically. There is an inherent lag in these rates. As land prices go down over time, rates may be temporarily higher than the market, and conversely, as land prices go up, rates may be temporarily lower than the market. We try to minimize this lag by updating rates as soon as better data is available.

CRP has many flexible elements that allow adjustment to critical conditions, such as emergency haying and grazing, and we look forward to continuing our flexible approach going

forward. On April 4, 2017, USDA authorized emergency grazing on CRP lands in Kansas, Oklahoma, and Texas – the three states which were most heavily affected by wildfires which began on March 6, 2017. Without this assistance, many ranchers would have been forced to downsize their cattle herds due to lack of sufficient grazing land. This measure allows them to salvage what remains of their cattle and return to the important business of feeding the world. Just last week, Secretary Perdue authorized emergency grazing on CRP lands in drought-stricken counties in Montana, North Dakota, and South Dakota.

Emergency Assistance through non-Title II Conservation Programs

The Emergency Conservation Program (ECP) is of great importance to farmers and ranchers across the nation after a disaster. This program, first enacted in the Agricultural Credit Act of 1978, provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and for implementing emergency water conservation measures during periods of severe drought.

With 2017 flooding in Missouri, Arkansas and other states, we stand ready to provide ECP funding, within our available resources, to farmers and ranchers in those states to restore livestock fences and conservation structures, remove flood debris, and rehabilitate farmland. So far, FSA has allowed for the streamlining of signup at the local county offices by authorizing a waiver of on-site visits to farms and ranches. County offices are currently conducting signups.

Enhanced Service through Closer Interaction with NRCS

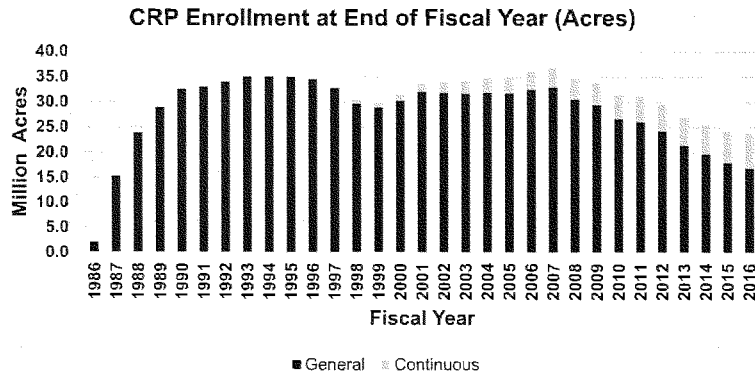
FSA is very much focused on our closer relationship with NRCS and Risk Management Agency (RMA) in the new Farm Production and Conservation mission area. Together, we look forward to enhancing the service provided to our farming and ranching customers. FSA is proud of the vital impact that CRP has had on the landscape to date. Since its inception, we estimate that CRP has prevented more than 8 billion tons of soil from eroding, and reduced nitrogen and phosphorous runoff by 95 percent and 85 percent, respectively, on enrolled lands. In addition, CRP sequesters an estimated 43 million tons of greenhouse gases annually. Our linkage with NRCS will help us achieve even greater environmental benefits.

Again, I want to thank you for allowing me to provide FSA's perspective on the valuable conservation programs your Committee authorizes. I am happy to answer any questions you may have.

FIGURE 1. Summary of CRP Sign-Up Types

General Signup	Continuous CRP	Grasslands
Enrollment through periodic competitive signups	Initiated in 1996 and is not based on competitive entry (if a landowner qualifies, the land is approved for enrollment)	New with the 2014 Farm Bill, eligible grassland including land that contain forbs or shrubland for which grazing is the predominant use may be enrolled through continuous enrollments with periodic ranking periods
USDA announces General sign-up periods-- typically no more frequently than once a year— where landowners submit bids and compete for entry.	environmentally desirable land devoted to certain conservation practices may be enrolled at any time, includes the <ul style="list-style-type: none"> •Conservation Reserve Enhancement Program (CREP) •Farmable Wetlands Program (FWP) •State Acres for Wildlife Enhancement (SAFE) •Highly Erodible Lands Initiative (HELI) 	Similar to general sign-up, enrolled lands are likely to be larger parcels than associated with Continuous CRP sign-up. “working lands” program that particularly benefits livestock producers.
The most recent General sign-up was held in FY2016. General sign-up enrollment is currently 16 million acres.	Given proximity to the acreage cap, FSA ended continuous enrollment in May 2017 for FY 2017 entry and “paused” entry for FY 2018 (although FY 2018 applications are still being accepted). Current enrollment is 7.3 million acres. Continuous sign-up increased significantly relative to General sign-up enrollment over the past eight years (see figure 2).	FSA has held three Grasslands ranking periods and 800,000 acres have been approved for enrollment for FY 2018 contracts. The statutory enrollment cap is 2 million acres, which counts against the 24-million-acre overall CRP cap.

FIGURE 2. Enrollment trends since 1986





FEDERAL FOREST

RESOURCE COALITION

Testimony:

Building on the Success of the 2014 Farm Bill for Federal Forests
Chuck Roady, Vice President & General Manager;
F.H. Stoltze Land & Lumber Company, Columbia Falls, Montana
Board Member, Federal Forest Resource Coalition, Washington, DC
Senate Committee on Agriculture, Nutrition, and Forestry
Washington, DC
June 29, 2017

Thank you, Chairman Roberts and Ranking Member Stabenow. My name is Chuck Roady, and I am Vice President and General Manager of F.H. Stoltze Land and Lumber Company in Columbia Falls, Montana. We are a fourth generation, family owned company operating a saw mill, a biomass co-generation facility, and managing just under 40,000 acres of timberland. These facilities create 120 direct jobs, and help support an additional 85 contractor jobs. Our company puts nearly \$30 million a year into our local economy.

I am also on the Board of Directors of the Federal Forest Resource Coalition, representing purchasers of Forest Service timber from 32 States. Collectively, our members employ over 390,000 people, and provide over \$19 billion in payroll. Our members purchase, harvest, transport, and process National Forest and BLM timber into renewable wood, paper, and biomass energy products.

I am also a board member and past President of the Rocky Mountain Elk Foundation, a hunter conservation group which has worked to conserve over 7.1 million acres and advocate for science-based resource management. I'm also on the board of the Montana Wood Products Association, a 37 year old association that includes sawmills, manufacturers of plywood, particle board, fiberboard, pulp and paper, posts and poles, log homes, as well as timberland owners and managers and logging contractors. MWPA's mission is to promote healthy forests and healthy communities through management of Montana forests.

The 2014 Farm Bill was the most significant Forest Service reform legislation at least since the passage of the Healthy Forest Restoration Act in 2003. Among other provisions, the 2014 Bill included:

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- Permanent reauthorization for Stewardship Contracting, including reforms that protected contractors from unlimited fire liability;
- Expanded Good Neighbor Authority from a two-state pilot to a nation-wide program;
- Authority to use Designation by Prescription and Designation by Description, streamlining timber sale preparation and reducing costs; and
- Creation of new Categorical Exclusions and streamlined Environmental Analyses to implement forest insect and disease treatments on certain national forest acres.

These provisions, while much appreciated, have yet to yield significant progress in reversing alarming trends in forest health on our National Forests. Greater flexibility is required in order to move the National Forests closer to forest plan objectives, including healthier forests, reduced fire danger, and increased timber outputs.

As you well know, millions of acres of National Forests have been affected by insect epidemics and catastrophic fires, and the Forest Service estimates that over 82 million acres of National Forests are at elevated risk of catastrophic wildfires, insect, or disease outbreaks. Last month, the Colorado State Forest Service estimated there are 834 million dead trees in the State, mostly from devastating insect epidemics. California is dealing with a large and rapidly growing mortality event, with as much as 10 billion board feet dead on just two of their overcrowded National Forests. Large scale wildfires cost billions annually to suppress, and cities such as Denver have been forced to spend tens of millions of dollars restoring damaged watersheds.

In other National Forests, such as those in the Lake States and New England, passive management has allowed forests to develop into closed canopy stands where little sunlight reaches the forest floor. These forests have limited value as wildlife habitat and are susceptible to fire and insects, while populations of species that require early successional habitat, such as the ruffed grouse and Kirtland's Warbler, continue to decline.

The extent of the problem is not in doubt. The Government Accountability Office recognized the urgency of the need to reduce hazardous fuels way back in 1991. The Forest Service acknowledges that over 73 million acres of their lands are a high priority for management and that "one time treatment of all high fire risk areas would not fully address the fuels problem, as landscapes continue to change over time and fuels would build up on many lands currently in historic condition, without periodic maintenance treatments." The Western Governors' Association this week issued a report urging rapid legislative and administrative action to address the hazardous conditions on our National Forest.

These problems are often the most severe in States which have lost most of their wood using industries due to constrained supplies from Forest Service lands. We've learned through painful experience that rebuilding the industry infrastructure in such places is a slow, laborious process. Efforts to increase the pace and scale of management are often stymied by this classic chicken-or-egg problem. The Forest Service must demonstrate it

will reliably offer viable projects to attract investment, and it's difficult for the Forest Service to offer these projects under current authorities.

Current Forest Plans allow for roughly twice the current level of harvest from our National Forests. Increasing the pace and scale of management to meet the roughly 6 Billion Board Feet called for in current plans will not only create American jobs in frequently hard pressed rural areas; it will reduce fire hazards and improve wildlife habitat coast to coast.

Current authorities do not allow the Forest Service to plan and implement needed management projects in a timely fashion. Badly needed projects to thin hazardous fuels can take years to plan, at which point groups opposed to management file lawsuits that cause further delays. Many National Forests are woefully behind on meeting forest plan objectives, particularly those associated with young forests. At best, it takes the Forest Service at least a year to plan and begin implementing salvage projects. Worse yet, the Forest Service has, in our view, been slow to implement streamlined authorities provided in the 2014 Farm Bill.

The Insect & Disease Treatment Areas authority created by the 2014 Bill is a case in point. The authority allowed States to petition the Secretary of Agriculture to designate certain NFS lands as "Insect & Disease Treatment Areas," where the Forest Service would then be allowed to use expedited NEPA tools – including Categorical Exclusions of up to 3,000 acres – to reduce fuel loads and increase stand health. 37 States petitioned for the inclusion of over 56 Million acres of National Forest lands. Since the petition process ended in May of 2014;

- 41 Categorical Exclusions have been decided in 12 States, covering a grand total of about 78,000 acres of treatments, including 26,000 acres of timber harvest.
- An additional 28 projects – using Categorical Exclusions and focused Environmental Assessments & Environmental Impact Statements – covering an additional 127,000 acres – are in the works.

This May, it will be 3 years since the close of the designation period. At this rate, the Forest Service is treating just over 26,000 acres per year. If we assume that the additional 127,000 acres will be decided entirely in this fiscal year, that would represent a significant ramp up. However, even at that higher rate, **it will take over 440 years to treat all 56 million acres designated in 2014.**

We are flummoxed at the low rate of use of these new authorities in regions that have had significant forest mortality events. Region 1, where my businesses are, has only used the new authorities on 12,000 acres, despite the fact that we've had millions of acres of damage from Mountain Pine beetles and Spruce Beetles. Oregon, for another example, had over 6.5 million acres designated as treatment areas, yet has completed only had two projects covering a few thousand acres, with only 5,100 acre in progress.

Likewise, we are concerned that Good Neighbor Authority Master Agreements are only in place in 18 States (Alabama, Alaska, Arizona, California, Colorado, Florida, Idaho, Indiana, Louisiana, Michigan, Minnesota, Montana, New Hampshire, Ohio, Oregon, South Dakota, Tennessee, Texas, Vermont, Wisconsin and Wyoming). The Forest Service should have Master Agreements with every State that includes NFS lands.

Moreover, we are concerned that implementation of the current Good Neighbor Authorities has exposed limitations which are hampering program effectiveness. Overlapping and conflicting authorities present this committee with the opportunity to fix problems we didn't foresee in 2014.

Why More Relief Is Needed:

The Forest Service faces many challenges, including an aging workforce, loss of key skill sets, a large infrastructure backlog, and a broken system for paying wildfire suppression costs. We do not expect the Farm Bill to address all of these challenges. But the Committee must understand – rampant litigation and the ripple effects it creates are a serious problem for the Forest Service.

In Region 1 where I work, 38 timber sales are under litigation, and 23 of these are enjoined. Over 17,000 acres of needed management – fuels reduction, creation of habitat diversity, and watershed protection are currently being blocked by the court, and another 11,500 acres could be delayed. More than 171 Million Board Feet of timber – timber that could be putting loggers, truckers, and mill hands to work – is currently being delayed by legal action.

While its true that the Forest Service conducts many minor projects using streamlined authorities, in general in our region when they are trying to execute larger projects they tend to use Environmental Impact Statements. It seems that any size project is subject to challenge, especially the larger landscape analysis that makes the most sense – even in a region that takes great pains to avoid controversial areas. At one point in 2015, 80 percent of the acres the Forest Service was trying to manage pursuant to an EIS was under litigation.

Example after example of litigation against collaboratively developed projects can be cited in Region 1. Here are just a few:

The East Reservoir Project on the Kootenai: After more than 4 years of strong local collaborative work on a project designed to improve wildlife habitat and reduce fire danger, the project has been in an out of court for the last few years, thanks to one of our frequent flyer litigants. It was enjoined last year and will remain so at least until this fall.

The Colt Summit Project on the Lolo – 7 years from scoping to final court clearance in order to do just over 3,200 acres of thinning in a fire prone forest. The lawsuit was filed by people who did not participate in the collaborative

The Lonesome Wood Project on the Gallatin National Forest – scoping began seven years ago. Extremist groups have won yet another injunction – on a 2,500 acre project.

The Telegraph Project on the Helena National Forest – a 5,700 acre fuels reduction effort – has taken seven years and five months to go from scoping to the filing of a lawsuit.

The Stonewall Project on the Helena National Forest – a collaborative project first proposed in 2008 – remains under injunction today, even after years of support from a local collaborative.

Because they know they will be sued, the Forest Service tends to propose less management than they should – and then to analyze it to death in the hopes of prevailing in court. Even in Regions with fewer active litigants, the effort to bulletproof NEPA saps resources, delays projects, and prevents efficiencies.

Recommendations for the Next Farm Bill:

The Farm Bill is a viable vehicle for meaningful reforms of our National Forest System. We urge you to continue this bi-partisan commitment to ensuring better management of the 191 million acres of National Forests, working closely with your counterparts on the Natural Resources Committee and, of course, your colleagues in the other chamber.

In order to address the continuing forest health crises these Federal lands are experiencing, we urge you to take the following steps in the next Farm Bill:

Create Additional Categorical Exclusions: Additional CE authority through new categories or expansion of existing categories would mean fewer projects would require detailed NEPA analysis. In adopting new CE's, Congress should specify that the Forest Service has the discretion to determine when and how to apply "extraordinary circumstances" reviews to the projects, and clarify that projects conducted pursuant to new and existing CE's do not require documentation of cumulative impacts. We recommend the following new or expanded CE's:

- o Early Seral Habitat Creation on up to 10,000 acres
- o Expansion of Insect & Disease Treatment Area CE's to 10,000
- o Improve wildlife habitat on up to 10,000 acres.

Allow the FS to conduct projects consistent with the Insect & Disease CE: The existing Insect & Disease CE's could be improved by (1) allowing the Forest Service to move forward with projects on lands that it determines meet the criteria for designation; (2) expand its application to all acres outside of designated wilderness, roadless, or on which removal of vegetation is prohibited by law; and (3) making the authorities permanent; and (4) authorizing projects in lands in Fire Regime IV.

Clarify NEPA Responsibilities at the Forest Service: GAO has found that the Forest Service does more NEPA compliance, produces more EIS's, and takes longer to do so than most other Federal agencies whose projects have inherently more lasting impacts on the

landscape, for instance through creation of permanent infrastructure. Congress should clarify that at the Forest Service:

- Application of NEPA should be restricted to truly “major” actions, not routine land management: Thinning of forests in general forest or “suited for timber production” acres under existing forest plans should presumptively not be considered a major action. Taking steps to rapidly address hazard trees after wildfires, ice storms, or wind throw events should not presumptively be considered “major.”
- Clarify that (1) environmental impact statements only require an agency to analyze the proposed action and a no action alternative, and that consideration of additional alternatives is solely at the discretion of the Forest Service; and (2) environmental assessments done by the Forest Service do not require analysis of a no action alternative.

Clarify Problems Restricting Use of Good Neighbor Authority: Due to a rapidly unfolding series of events, Congress enacted two different Good Neighbor Authorities during 2014. Unfortunately, both of these authorities contain language that, as explained in Forest Service guidance, limits the applicability of these authorities. In our view, an effective, single National Good Neighbor Authority is needed to strengthen the Forest Service relationships with the States, create program efficiencies, and maximize program effectiveness. A single new Good Neighbor Authority should:

- Allow the Forest Service to use GNA for projects anywhere on the National Forest System, not just those that meet abstract and poorly defined adjacency requirements; and
- Remove restrictions on road repair and rehabilitation. Current practice defines road reconstruction so broadly that even limited road work triggers concern when the Forest Service uses GNA. This leads to poorly designed timber sales and precludes some projects altogether.

Clarify Congressional Intent on Stewardship Contracting: Stewardship Contracting is one tool for achieving land management goals; in many cases, the same land management results can be – and are currently being – achieved with traditional timber sale contracts. Congress recognized this when they made the authority permanent in the 2014 Farm Bill, saying that Stewardship Contracting authorities is not intended to replace or supplant other contracting tools.

The Forest Service and BLM can achieve greater program efficiency and transparency in the use of Stewardship Contracts, while ensuring local support for the projects performed using this important tool. These reforms will also help attract a broader variety of potential partners who want to support and participate in Stewardship Contracting projects. The next Farm Bill should:

- Make retention of existing wood products infrastructure a co-equal objective with other goals of Stewardship contracts and agreements.
- Provide clearer criteria to help the Forest Service determine when to use Stewardship Contracts, Stewardship Agreements, or other contracting mechanisms.

In general, if a project is located in the suitable timber base and can be a viable, commercial timber sale, it should be offered as such.

- Clarify the Forest Service and BLM ability to use “best value” or “lowest cost, technically acceptable” criteria when making contract awards.
- Where Stewardship contracts or agreements result in payments to the Forest Service, 25% of those gross payments should be directed to the County where the project is being performed.
- Congress must remind the Forest Service that funds collected under the Knutson-Vandenberg Act may be used beyond the sale area boundary, and direct the Forest Service to reduce overhead costs charged against K-V collections.

Provide Greater Certainty for Project Level Decisions: This Committee played a key role in providing some of the judicial review relief for certain Forest Service decisions in the Healthy Forest Restoration Act of 2003. In addition to creating a streamlined “objection” process (expanded to all Forest Service projects in 2011), HFRA encouraged courts to provide deference to the Forest Service for a narrowly defined set of projects, required participation in the administrative objection process in order to be eligible to file suit, required courts to consider the “balance of harms” from a proposed project versus the harms that could be caused if a project wasn’t done, and provided that injunctions be limited to 60 days. In the next Farm Bill, the Congress should:

- Expand HFRA judicial review provisions to all Forest Service vegetation management projects, except on acres where timber management is prohibited by law or the Forest Plan;
- Provide for alternative dispute resolution mechanisms, including “baseball” style arbitration, for some projects on a pilot basis.
- Restrict EAJA payments to reasonable limits for hourly reimbursement, and provide stricter controls to ensure that payments do not go to losing plaintiffs or organizations which have substantial financial resources.

Conclusion: The Federal Forest Resource Coalition is extremely grateful for the work this committee did in the 2014 Farm Bill. We continue to encourage the Forest Service to more fully utilize the authorities provided in that landmark bill. However, we’ve also become aware of some key missing elements and unforeseen challenges as the Forest Service has worked to implement these authorities. The above recommendations would allow the Forest Service to rapidly propose, analyze, and implement needed forest management projects across the landscape. Doing more work, better, and faster will result in lower costs, more community support, and potentially higher returns to the Treasury.

If we fail to act, however, the alarming trends in declining forest health, loss of forest industry jobs, continued catastrophic fires, destroyed watersheds and degraded wildlife habitat are a virtual certainty. While the Congress has consistently provided streamlined authorities since 2003, we’ve seen that they have yet to succeed in moving the Forest Service far enough, fast enough to address its many and serious problems.

We urge you to take the opportunity offered by the next Farm Bill to help move the trend towards more, better, and faster management.

Testimony of Salem G. Saloom, M.D.
On Behalf of the American Forest Foundation and the National Wild Turkey Federation
Before the Senate Committee on Agriculture, Nutrition, and Forestry
June 29, 2017

Mr. Chairman, Ranking Member Stabenow, members of the Committee, I'm pleased to join you today to provide testimony on the Farm Bill's forestry and conservation tools from the perspective of a family Tree Farmer, certified by the American Tree Farm System® (ATFS), a Board member of the American Forest Foundation (AFF), which houses ATFS, and an avid sportsman and Diamond Life Member of the National Wild Turkey Federation (NWTf).

My wife Dianne and I own and care for 2,200 acres of forest Conecuh County, Alabama. We are one family out of the 22 million people in America who own forests. When most people think of forests in America they think of our National Forests and other public lands—when in fact, more than one-third of America's forests are owned by people like Dianne and me. Families and individuals own more of America's forests than the federal government or private companies.

Both the American Forest Foundation, a non-profit conservation organization that helps families manage our land and provide benefits like clean water, wildlife habitat, and sustainable wood supplies for all Americans, and the National Wild Turkey Federation, a non-profit wildlife conservation organization dedicated to the conservation of the wild turkey and the preservation of our hunting heritage, have been essential to my success as a Tree Farmer.

Unlike some landowners whose land was passed to them through multiple generations, Dianne and I started out by buying 158 acres of forest in 1983 because we wanted a place to enjoy both the outdoors and the wildlife we love to hunt. This dream, what some would call the "American Dream," was nearly destroyed when Hurricane Ivan made landfall in 2004, wiping out most of our standing pines and leaving only a few older, longleaf pine trees on the land.

After this devastating feeling of loss, Dianne and I made a conscious effort to manage proactively. As we began envisioning the new beginnings of our ruined forest, we also made plans for its future welfare. Many of the loblolly pine trees were either uprooted, twisted, or snapped-in-two due to Ivan. Compared to the other tree species, we were surprised to see that some of the larger longleaf on the property made it through the storm intact. This provided us an opportunity to learn about longleaf, and to change our management plan by incorporating longleaf pine in our restoration efforts.

Dianne and I began the hard work of recovering our forest with the help of the Wildlife Habitat Incentives Program, which has since been merged into the Environmental Quality Incentives Program, which helped us to prepare the site and plant 156 acres of longleaf pine. It is because of the work of this Committee, in its efforts to allow forest owners to participate in these programs, that this was made possible. Today, we have our land enrolled in the Conservation

Stewardship Program, which helps us continuously improve our land. We have also been blessed to have the support of the state service foresters from the Alabama Forestry Commission, some of which is funded through the U.S. Forest Service's Forest Stewardship Program.

Today we have planted about half of our now-2,200 acres in longleaf pine, with the other half a mix of loblolly, shortleaf, and slash pines, as well as some mixed hardwoods-- A diverse array of species that helps us manage for a variety of risks.

We actively manage our land, produce timber that fuels local mills and regularly initiate prescribed burns to maintain the stands in healthy condition. With our forest management alone, we provide jobs to many in our community and, with landowners throughout our state, help fuel \$23 billion economy in Alabama alone. I can say, without a doubt, that we would not have been able to get back on our feet were it not for these Farm Bill programs.

As we began learning more about longleaf and managing the ecosystem, we began seeing significant improvements in the habitat for not only deer, turkey, and quail, but also for the gopher tortoise—an at-risk species that could be listed under the Endangered Species Act in my area. The gopher tortoise is already listed as threatened in areas of southwestern Alabama.

I had, of course, heard the worries from other landowners who were afraid of having at-risk wildlife (endangered, threatened, or candidate species under the Endangered Species Act) on their land. Those warnings made me think long and hard about whether I wanted to do more of the proactive management that would eventually bring these species onto my property, and how that would affect our land management plans.

I ended up becoming more excited about the prospect as I learned more about these incredible creatures. I thought not only about how I could get value from my woods from timber and hunting, but also how little of me could be a part of saving species from extinction—how cool is that?

I also learned about the U.S. Fish and Wildlife Service (USFWS), and how I could proactively work with them to reduce the risk of future regulatory restrictions on my land while still performing the management my lands required.

In July, 2013 we signed a 30-year Memorandum of Agreement (MOA) with USFWS and the Alabama Department of Conservation and Natural Resources (DCNR) that allows me to continue the management I've outlined for my land, while also creating more habitat for the at-risk gopher tortoise. In exchange, USFWS gave me two guarantees: First, if I "take" a species during this management, I won't be held liable; and second, if my management results in additional wildlife on my property, I won't be responsible for their protection in the future.

While I've worked well with USFWS, along with Natural Resources Conservation Service (NRCS) and the state forestry agency, I recognize that I'm very unique landowner. The worry and fear of species listings, and the impact that can have on Tree Farmers' ability to manage their land,

is a very real fear. Truth be told, if I hadn't been forced to reforest my land because of the devastation wrought by Hurricane Ivan, I would be in a very different place.

These fears are well founded. AFF's recent report, *Southern Wildlife At-Risk: Family Forest Owners Offer Solution*, points to the growing number of at-risk wildlife in the South. With 224 forest-dependent species listed today, and the potential for another 293 candidate and petition forest-dependent species to be listed in the future, these species listings are becoming one of the most pressing issues for family Tree Farmers in the South.

But even as landowners are worried, they're still committed to helping maintain our nation's forests and associated wildlife habitat. Last year, AFF surveyed family woodland owners asking about their interest in doing more for wildlife on their property and 87% of landowners surveyed in the South say protecting and improving wildlife habitat is a key reason they own land. AFF's survey, highlighted in the above noted report, also found that landowners who are actively managing their land and harvesting timber are doing more for wildlife than landowners who aren't.

Forest owners want to do the right thing; they want to help wildlife. This tells us we have an opportunity, but we must find ways to protect landowners from the additional regulatory burdens that penalize them for doing the right thing. If I'm doing all I can to manage for at-risk wildlife, I shouldn't be saddled with extra regulations that tie my hands.

While USFWS can work with landowners like me to provide regulatory protections, the mechanisms in place now are extremely inefficient. Successfully navigating the labyrinth of federal regulations takes time, and it takes landowners who really know how to work within the system, which prevents many from doing what I did.

This leads me to both AFF and NWTF's suggestions for the upcoming Farm Bill reauthorization. This Committee has done so much work in the past few Farm Bills to help Tree Farmers like me. As a result of our management, we are helping all Americans by providing not only products, but also the countless non-timber benefits all Americans enjoy every day. Tree farmers play an integral role in stronger rural economies, the forest products industry, hunting and fishing businesses, wildlife habitat, clean water, and many other social benefits.

To continue and build on this great work, I'd like to offer the following recommendations on behalf of AFF, NWTF, and the millions of family forest owners and sportsmen in America these two organizations represent. Many of these recommendations reflect priorities of a broader coalition, the Forests in the Farm Bill Coalition (FIFB) that AFF and NWTF co-lead with the National Association of State Foresters (NASF) and The Nature Conservancy (TNC). While the FIFB Coalition has not yet come to consensus on our recommendations, nor has the coalition endorsed all the recommendations below, we expect to have those ready to share, with input from dozens of organizations, in the near future.

Maintain Funding and Support for Forest Owners in Forestry and Conservation Programs

- We know that budgets are tight. For those programs that need reauthorization in the next Farm Bill, we ask that you prioritize funding for the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), and the Conservation Reserve Program (CRP), which provide support for forest owners and wildlife habitat.
- We also ask that you consider funding the Healthy Forest Reserve Program (HFRP) with \$12 million in annual mandatory funding, or other strategies to help address the growing at-risk wildlife concerns.
- In the Conservation Reserve Program (CRP), we asked that you continue to support tree enrollment in the program and continue to improve mid-contract management on forested CRP acres to require, where feasible, proper thinning, prescribed fire and other management on CRP acres and continue funding incentives for this management at \$10 million annually.
- Additionally, we strongly support the Regional Conservation Partnership Program (RCPP) and authorities that encourage targeted application of conservation program funding to priority landscapes to achieve measurable outcomes. While individual landowners taking action is important, if many landowners in a landscape take action, our individual actions are amplified. For example, if I implement a wildlife habitat practice and my neighbors do the same, our combined action can reduce the need to list species because we're providing sufficient habitat. This helps all of us.

Improve Technical Assistance and Program Implementation for Woodland Owners

Both the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) should be applauded for making significant progress including forest owners in these programs. However, we still have challenges with forestry technical assistance and program implementation for forest owners. Tackling these challenges will result in more efficient delivery of program resources in ways that increase the benefits produced on issues like at-risk wildlife habitat. To do this we recommend the following:

- Encourage stronger forestry and wildlife agency partnerships with NRCS in implementing working lands programs such as EQIP and the Conservation Stewardship Program (CSP) in states with limited forestry capacity, similar to state forestry agencies' relationships with FSA.
- Streamline forest management plan requirements for EQIP and CSP by recognizing state approved Forest Stewardship Plans (FSP), developed based on national FSP guidelines, as equivalent to the requirements laid out in the NRCS CPA-52 evaluation form (i.e. when a landowner has an FSP plan, the CPA-52 evaluation would not need to be completed, eliminating duplicative processes.) We also request that landowners who utilize an area-wide or landscape-scale multi-ownership plan, developed by or in partnership with state forestry or wildlife agencies, qualify for EQIP without also needing an individual forest management plan or FSP.

- Increase ability to use Environmental Quality Incentives Program (EQIP) for “unengaged landowners.” Currently, because EQIP technical assistance and financial assistance funds are linked, and Conservation Technical Assistance is limited, the tendency of NRCS staff and Technical Service Providers (TSPs) is to work with landowners that are ready to implement conservation practices and ready to sign contracts, as opposed to landowners that might need more coaching or assistance before an EQIP contract can be designed. To address this, and ensure that landowners that need more upfront assistance and are essential to conservation outcomes are engaged, we ask that you encourage NRCS to use technical assistance funds flexibly to support assistance through TSPs and other partners that get landowners “in the pipeline” for EQIP financial assistance and practice implementation.
- Increase payment limitations on Conservation Title programs to reflect changing economic conditions in agriculture and forestry and allowing more landowners who contribute to priority conservation objectives to participate.

To solve some of these challenges noted above, AFF and NWTF have been working alongside NRCS and many partners, including state foresters in targeted landscapes, to reach woodland owners, educate them on the need for active forest management, and get them access to technical and planning assistance. The idea is to get landowners engaged, interested in management, and (if and when they are ready) to implement management practices. NRCS can then work with them to develop a contract. This work is highly targeted and focused on lands with the best opportunity to deliver on water, wildlife, or other goals; but this is the exception, not the rule. Funding for this work is limited. Aligning resources with this important up-front work with landowners will enhance the important conservation outcomes achieved through federal financial assistance.

Provide Support and Regulatory Assurance for At-Risk Wildlife

In addition to the above mentioned program improvements, there are two important policy improvements that we believe will significantly increase landowners’ ability to manage for wildlife, especially at-risk wildlife, and avoid the need for listing.

- Increase tools for prescribed burning. Often to maintain habitat for wildlife, especially in Southern longleaf and shortleaf pine forest ecosystems that are home to significant at-risk wildlife populations, prescribed burning is necessary. Unfortunately, even as we’re seeing increased interest in restoring these habitats, landowners are not conducting the burning that’s needed to maintain and improve the habitat in the long-term. While liability insurance is certainly an issue, the biggest barrier is lack of burning professionals that can do the work. We ask that you consider new approaches to help tackle this barrier.
- Provide landowners with regulatory assurance. As I noted earlier, landowners want to do the right thing and manage for wildlife, but often lack the tools and assurances that

we won't face costly future regulations as a result. The Natural Resources Conservation Service (NRCS) has been working with the U.S. Fish and Wildlife Service (USFWS) to provide landowners in some instances with such regulatory assurances if they are participating in NRCS programs. We see significant opportunities for expansion and improvement in this work to provide landowners who undertake conservation actions, with protection from further regulatory burdens for both listed and at-risk wildlife. The Healthy Forests Reserve Program (HFRP) offers safe harbor protections and could be expanded and other programs could adopt similar protections.

Support Cross-Boundary, Landscape-Scale Efforts to Tackle Forestry Issues

All landowners will be better off if we aren't the only ones in our landscape that are actively managing our lands. Whether we're trying to reduce wildfire risk or protect at-risk wildlife populations, because forests are often a patchwork of small parcels and different public and private ownerships, it won't be enough if just one or two landowners in a landscape are managing. New tools for the United States Department of Agriculture (USDA) agencies are needed so they can more efficiently work across ownerships boundaries, in targeted landscapes and with willing landowners and partners, to address these issues. We ask that the following new tools be included in the next Farm Bill:

- Landscape-Scale Restoration Program: currently the U.S. Forest Service (USFS), using a mix of statutory authority, is implementing a Landscape-scale Restoration Program in partnership with various state forestry agencies. This program is targeting landscapes identified in both state forest and wildlife action plans, helping improve management on both public and private land in a way that measurably addresses key outcomes. Rather than just working on one parcel here or there, this is allowing the agencies to scale the work and fully address management problems. We ask that you clarify and create permanent direction and authority for USFS and state forestry agencies to continue this work and to carry it out in partnership with Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA), including with the Regional Conservation Partnership Program (RCP).
- Cross-Boundary authority in USFS Hazardous Fuels Program: currently, the USFS has limited authority to work with nearby landowners, when doing wildfire mitigation work. With the patchwork of public and private lands in the West, for example, to fully protect communities, water supplies, homes, and lives, work is needed on all these lands, not just federal lands. Expanding the USFS' ability to work with adjacent landowners will better enable the scaled wildfire mitigation that's desperately needed. Our intention is not to reduce funding for work on federal land but, as funding increases for hazardous fuels, for proportionately more funds to be used on private lands.
- Continued support for landscape initiatives. NRCS has developed a number of very successful landscape initiatives, like the Longleaf Pine Initiative and the Working Lands

for Wildlife Program. We ask that you support continuation of these landscape scale efforts, especially in partnership with organizations like AFF and NWTF.

Support a Strong, Diverse Forest Products Industry

As noted above, markets are essential for landowners, good forest management, and growing rural jobs and economies. Landowners need a diversity of markets to sell their wood into: markets for both high quality trees and for low-grade pulp wood as well as residual tops and limbs.

Markets can be one of the biggest tools for tackling issues like wildlife management. As noted above, not only can harvesting timber help landowners stay on their land and afford good management, but the harvest itself can help create the types of habitats needed for a variety of species, including wild turkey!

To strengthen markets for forest products:

- Support the Timber Innovation Act (S.538). Many of you have already agreed to cosponsor the Timber Innovation Act, and thank you. This legislation clarifies authority and directs the U.S. Forest Service (USFS) to conduct research and development into new and improved forest products, such as products for building tall buildings out of wood. New and improved forest products mean more landowners can sell their wood and afford good stewardship.
- Modify and expand the Community Wood Energy Program (CWEP), with \$50 million in annual mandatory funding to focus on not just community facilities but enabling capital investment in both public and private facilities that use wood, especially low value wood.
- Ensure Rural Development programs sufficiently support forestry businesses: Maintain funding for rural development business, housing, and utilities programs and make the programs more accessible to forest-related entities and businesses by broadening the categories of eligible matching funds and clarifying that logging equipment is eligible for loan guarantees.

Federal Forest Management

While I'm not an expert in federal forest management by any means, both AFF and NWTF support better federal forest management and reforms that enable more active management:

Like this committee and the House Committee on Natural Resources next door, we place a very high priority on better management of the National Forests. We know good management reduces wildfires, generates revenue for counties, greatly improves wildlife habitat, and creates early successional habitat that wild turkeys love. In fact, NWTF is the 18th largest purchaser of federal timber, a testament to NWTF's focus on collaboration and better management. But

management of National Forests has been in decline for far too long. We support legislation to require better management of these forests.

The Natural Resources Committee continues to try and move Congressman Westerman's legislation, the Resilient Federal Forests Act of 2017 (H.R. 2936), which NWTF strongly supports. AFF does not get directly involved in federal forest management legislation, but overall believes improved management is essential.

The Senate has been active as well, having worked on comprehensive bills before both the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources that would improve federal forest management. I won't go into detail about all of the bills, as each is different, but all would improve management compared to the current approach. Again, while AFF does not get directly involved in federal forest management legislation, NWTF urges all stakeholders to do what it takes to merge the best or most palatable elements of those bills into something that can gain bipartisan support and address forest management, improve collaboration, increase prescribed fire, improve wildlife habitat, generate local revenue from a renewable resources, and reduce wildfires.

Wildfire Funding Fix

In addition to enacting the above recommendations in the upcoming Farm Bill, there is one other policy issue that we ask for your support on. Although largely outside the jurisdiction of the Agriculture Committee, if not addressed, this issue could impact the success of improvements you enact in the Farm Bill.

As you all know, wildfire fighting is literally consuming the U.S. Forest Service budget. While it may seem tangential to today's hearing discussion, it is far from it. As more and more of the USFS budget is used for wildfire fighting, less funding is available for the needed land management, technical assistance, and research that USFS delivers. This support is fundamental to successfully implementing the Farm Bill programs. We respectfully ask that you continue to work with the relevant committees and enact a wildfire funding fix that stops the erosion of the agency's budget and stops the persistent "borrowing" that USFS must do when they run out of funds for firefighting.

Thank you again for the opportunity to testify. I'm happy to answer any questions you may have.

Testimony before
The Committee on Agriculture, Nutrition and Forestry of the United States Senate

Regarding "Conservation and Forestry: Perspectives on the Past and Future
Direction for the 2018 Farm Bill"

Submitted by
Adam Sharp, Executive Vice President, Ohio Farm Bureau Federation
Columbus, Ohio

June 29, 2017

Chairman Roberts, Ranking Member Stabenow, Ohio's own Senator Brown and members of the committee, I appreciate the opportunity to come before you today to discuss the issue of conservation practices in Ohio and the importance of conservation programs in the Farm Bill. My name is Adam Sharp and I have the privilege to serve as the Executive Vice President for the Ohio Farm Bureau Federation, helping represent Ohio's largest general farm organization and nearly 165,000 members. I also farm in partnership with my two brothers on our dairy farm and row crop operation growing corn, soybeans, wheat and hay in south central Ohio.

The environmental challenges we face in Ohio are well documented, particularly related to nutrient issues and water quality. I am proud of how focused Ohio's farmers are in working to address nutrient run-off issues and I appreciate the opportunity to share with you the value of our state partnerships supported by federal conservation programs. From what I share with you today, I hope that one key component you take away is that Ohio is unique and successful because our conservation efforts have been an amazing demonstration of all sectors and entities working together as one for the collective good.

The agricultural community is committed to addressing water quality issues through numerous combined and individual measures. There is extensive research being conducted both in the lab and in the field. Farmers have invested tens of millions of dollars of their own money in establishing voluntary conservation practices on their farms. Between 2006 and 2012, they have voluntarily reduced phosphorous applications in the Western Lake Erie Basin (WLEB) by more than 13 million pounds.* As farmers are stepping up to implement conservation practices now, they are committed to finding additional solutions in the future.

Part of those partnerships include working with organizations such as the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS) with conservation tools provided through the Farm Bill such as the Environmental Quality Incentives Program (EQIP) or through programs such as the Regional Conservation Partnership Program (RCPP). As an organization that promotes working lands programs over retirement land programs, programs

like EQIP and RCPP fit right in line with our organizational policy. While we are all aware of the importance of the funding of these programs, let me take a minute to share just how unique this partnership is with USDA-NRCS and Ohio and how critical these programs are to preserving water quality.

Demonstration Farms:

Ohio Farm Bureau is collaborating with USDA-NRCS along with other partners in creating only the second in the nation Demonstration Farms project. This project is located in the heart of the WLEB along the Blanchard River focusing on conservation efforts. The farm organizations involved with this endeavor have voluntarily taken on this project as have the three farmers – two row crop and one swine – whose acreage is being used. This total \$1 million, 5-year project, funds EQIP approved practices. Approximately 75% of the funding is from USDA-NRCS and 25% is from Ohio Farm Bureau.

These demonstration farms are serving as models for new innovations that reduce and prevent agricultural runoff and those discoveries will be shared with farmers across the watershed and the region, land management agencies, policy makers, the media and the public. These conservation practices are being implemented by EQIP dollars and display the best models available for other farmers to incorporate on their fields.

Regional Conservation Partnership Program (RCPP):

Ohio's agriculture and conservation organizations also took an active role in supporting the Farm Bill's Regional Conservation Partnership Program and committed resources to this public-private partnership. Farmers have been eager to participate in this voluntary program that allows them to implement on-ground conservation practices for sediment and nutrient management. The EQIP programs under RCPP are the perfect combination of allowing farmers to keep land in production while practicing effective conservation measures.

We appreciate that Congress, and this committee specifically, saw the importance of these programs. These dollars were used for critical on-farm needs including animal waste systems and storages, lot covers and roofs, controlled drainage structures, cover crops, drainage water management, nutrient management plans, waterways, crop rotations and multi-year cover crops.

In 2015, USDA awarded \$17.5 million to a Regional Conservation Partnership Program (RCPP-Tri State WLEB) in the western Lake Erie watershed. The targeted approach focuses efforts on the 855,000 acres that have been identified as the most critical areas to treat within the larger 7-million-acre watershed within Ohio, Indiana and Michigan. The RCPP project: 1) expands access to public and private technical assistance, 2) supports new and ongoing innovative conservation practices, and 3) provides expertise for modeling and evaluating outcomes to farmers in critical sub-watersheds. The 5-year multi-state project includes more than 40 collaborating public and private sector organizations with representation from Ohio, Michigan, and Indiana, state and local governments, as well as non-profit entities, universities, and private sector businesses committing an additional \$28 million to the project.

Edge-of-Field Research:

A critical partnership is with the Ohio Farm Bureau, Ohio Corn and Wheat, Ohio Soybean Council, Ohio Agribusiness Association and others that joined together with USDA-NRCS to fund a project of over \$2 million to conduct edge of field research throughout the state to better learn how to prevent nutrients from escaping from fields. The combined efforts of Ohio's agriculture community with the Ohio State University and USDA researchers now have important baseline data, measures, practices and results. The information being collected is invaluable and will be used to modify Ohio's Phosphorus Risk Index as well as help identify effective management practices.

While the findings are under continuous evaluation, preliminary results about how phosphorous leaves the field include:

- Controlling erosion continues to be important. Particulate bound phosphorus makes up over 73% of the total phosphorus in surface runoff and over 52% of the total phosphorus in tile flow.
- There is a strong relationship between soil test phosphorus levels and the amount of particulate bound phosphorus transported off site in surface runoff.
- Fertilizer application is a high-risk practice – timing and placement are important.
- Incorporation of fertilizer during or after application can result in more than a 90% reduction in phosphorus runoff.

These programs would not have been possible without the financial commitment of Farm Bill dollars along with the significant matching investment by Ohio's farmers. Some recent data provided by USDA-NRCS highlight that partnership well and the tremendous work taking place to improve nutrient management and water quality.

- Between **2009 and 2014**, NRCS provided almost **\$57 million to fund over 2,000** conservation contracts on over **435,000 enrolled acres** in the Western Lake Erie Basin.
- During fiscal year **2015**, the **Great Lakes Restoration Initiative (GLRI)**, which provides funding for agriculture through Farm Bill programs, **funded \$1.7 million** for nutrient and sediment reduction projects on **over 100,000 acres** in targeted agricultural watersheds in the Great Lakes basin. These projects are estimated to prevent over 160,000 pounds (72.5 metric tons) of phosphorus from entering the Great Lakes annually. Federal agencies and their partners also funded urban runoff projects that are anticipated to capture an average annual volume of more than 37 million gallons of untreated urban runoff per year. These projects reduce flooding, increase green space in urban areas, and return vacant properties to productive use.
- In **FY 2015**, NRCS funded **99 EQIP** contracts for \$3,353,195 in the **Ohio WLEB**.
- In **FY 2016**, NRCS launched a new funding **WLEB Initiative** and strategy, with support from Ranking Member Stabenow, Senator Brown and Senator Donnelly, based on the findings of their special study evaluating the impacts of voluntary conservation in the western basin of Lake Erie and conservation treatment needs. The Initiative helps

landowners reduce phosphorus runoff from farms by more than 640,000 pounds (290 metric tons) each year – 175,000 pounds of which is in the form of soluble phosphorus – by effectively doubling the acres under conservation in the western basin of Lake Erie watershed over the course of the 3-year investment.

- In the first year of the WLEB Initiative, **\$20.7 million in EQIP** program funds was allocated; **79 percent of these dollars went to Ohio farms** (\$16,306,828).
- To date in **2017**, Ohio NRCS has contracted **over \$6 million in EQIP** with nearly \$1 million additional in approved or pre-approved status. There were 472 applications needing \$33.3 million (in fund pool including RCPP EQIP, WLEB EQIP and GLRI).

In addition to the Edge of Field Study, farmers are also committed to coordinating water research and programming through our land grant's "Field to Faucet" initiative as well as through increased educational opportunities. Ohio Farm Bureau, Ohio Corn and Wheat, Ohio Soybean Council and Ohio Agribusiness Association have also funded four new OSU staff to work with farmers to develop Nutrient Management Plans in the WLEB and one new staff to work with retailer 4R certification.

The industry lead 4R Nutrient Stewardship Certification Program covers nearly 1.9 million acres in the WLEB that are now under guidance of Agriculture Retailers and Nutrient Service Providers that have voluntarily earned certification from the 4R Nutrient Stewardship Certification Program.

I would also be remiss if I did not lift up Healthy Water Ohio. This is an initiative led by the agricultural community that included a voluntary and diverse partnership of stakeholders charged with developing a 20- to 30-year water resource management strategy for Ohio. Healthy Water Ohio has representatives from business and industry, conservation and environment, finance, food and farming, lawn and horticulture, municipal water systems, public health, recreation and tourism, research, education and outreach.

The group conducted multiple information gathering sessions throughout the state and conducted meetings with water quality experts and public officials. The final report from Healthy Water Ohio provides a roadmap of innovative research, policy, education and infrastructure proposals along with an implementation schedule. Voluntary implementation of components of the report has begun including the pursuit of a Water Trust that can fund a variety of water-related needs such as research, monitoring and improvement of gray and green infrastructure.

While the results of the various edge of field studies are beginning to show us possible solutions, we also know that the measures farmers are taking to reduce run-off voluntarily are also showing success. USDA-NRCS produced a Special Study Report titled "Effects of Conservation Practice Adoption on Cultivated Cropland Acres in Western Lake Erie Basin, 2003-06 and 2012" (March 2016). This study was designed to quantify the environmental benefits that farmers and conservation programs in the WLEB provide to society. The report, based on farmer survey data in the Basin, shows that voluntary conservation is making significant

headway in reducing nutrient and sediment loss from farms. Even so, there is opportunity to improve conservation management across the basin and no single conservation solution will meet the needs of each field and farm.

Key findings of the survey on conservation practices in the WLEB include:

- 99% of the cropland acres are managed with at least one conservation practice
- 70% of the nitrogen applied is removed by crop harvest
- 58% of the cropland acres are managed with phosphorus application rates at or below crop removal rates
- The cost of conservation practices in place represents a significant annual investment. Regardless of funding source (federal, state, local or private) the annual regional investment in conservation is \$277 million or \$56.98 per acre.
- No single conservation solution will meet the needs of each field and farm. WLEB croplands are diverse in terms of soils, farm fields, farming operations and management, which creates differences in conservation needs and potential solutions. Field-scale conservation planning and conservation systems are needed to accommodate different treatment needs within and across farm fields, while maintaining productivity.
- Additional progress in nutrient and erosion control will depend on advanced precision technologies directed to unique zones or soils within field boundaries.

I appreciate the opportunity to address you today and provide just a brief overview of the efforts Ohio's farmers are making to ensure a long future of clean water in our state. We sincerely value the partnership we have been able to form over the years with USDA-NRCS and appreciate all of your efforts to provide access to federal conservation programs through the Farm Bill. We support the Committee's efforts to prioritize these working lands conservation programs in the upcoming 2018 Farm Bill. Together we can continue to make a difference.

If you want to learn more about our numerous efforts go to www.farmersforwater.com or www.blancharddemofarms.org.

* USDA-NRCS Special Study Report titled "Effects of Conservation Practice Adoption on Cultivated Cropland Acres in Western Lake Erie Basin, 2003-06 and 2012". (March 2016)

**STATEMENT of
TOM TIDWELL
CHIEF
UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
Before
SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
on
Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018
Farm Bill**

Mr. Chairman, Ranking Member, and members of the Committee, thank you for the opportunity to address the Committee regarding our implementation of Farm Bill programs. Over the past five decades, the Forest Service has received authorization for numerous valuable programs through the Farm Bill. Throughout the 2014 Farm Bill, particularly in the Forestry Title, there are many authorities and provisions that assist the Forest Service in accomplishing our priority work, particularly ecological restoration, support to communities, and reducing the risk of wildfires. Together, these provisions help us demonstrate our commitment to shared stewardship of national forests, while strengthening relationships with states and local communities. I will specifically highlight the accomplishments achieved through the Insect and Disease Designations, the Good Neighbor Authority, and the permanent authorization of the stewardship contracting authority.

The Insect and Disease provisions (Section 8204) set requirements for designating affected National Forest System areas, enabling streamlined environmental review procedures to expedite projects that reduce the risk and extent of, or increase the resilience of the forest to, insect or disease infestations. Based on requests from States, the Forest Service has designated approximately 45.6 million acres across the National Forest System that are already experiencing, or are at risk of experiencing, insect and disease infestations. I also designated an additional 10.1 million acres based on requests from Regional Foresters, bringing the total acres designated to 55.7 million. So far, the Forest Service is using the Farm Bill Insect and Disease provisions for 94 projects spanning 43 National Forests and 19 States.

The Good Neighbor Authority helps the Forest Service work with States to treat more acres. This authority allows the Forest Service to enter into cooperative agreements or contracts with States and Puerto Rico to allow our partners to perform watershed restoration and forest management services on federal lands. To date, the Forest Service has completed 95 Good Neighbor Agreements in 29 States to accomplish a variety of restoration work. This authority is very helpful to the Forest Service, as it improves our access to State agency expertise to accomplish additional acres of restoration work. This State support provides another tool to augment and potentially add to the federal timber sold. This authority also helps us to learn from the States so we apply innovations broadly on public lands.

The Forest Service received permanent authority for stewardship contracting in the 2014 Farm Bill. Stewardship contracting helps the Forest Service achieve our land management goals while promoting closer public-private working relationships by using the value of timber or other

forest products to offset the cost of restoration activities. In Fiscal Year 2016, the Forest Service entered into 225 stewardship contracts and agreements – treating more than 96,000 acres of hazardous fuels in the Wildland-Urban Interface, selling over 718 million board feet of timber, and restoring or improving over 22,000 acres of wildlife habitat.

In addition to the new authorities in the most recent Farm Bill, Congress also provided authorities to work with States and private forest landowners through previous Farm Bills. Over half of the forestland in the United States is in private ownership, and over 90 percent of domestically-produced wood products come from privately owned forests¹. The Forest Service is invested in protecting all of our nation's productive rural working lands from threats, including insect and disease, wildfire, drought, and conversion to non-forest uses. The Forest Stewardship Program was originally authorized through the 1990 Farm Bill. This program allows us to help private forest landowners actively manage their land through funding and technical assistance for management plans. Research has shown us private landowners with management plans are 81 percent more likely to actively manage their lands², leading to local jobs, timber revenue, and economic benefit to the local community. Currently, the Forest Stewardship Program has 25.8 million acres managed under Forest Stewardship plans, and assists 400,000 landowners each year through a variety of technical assistance and education programs. Forest Stewardship plans enable landowners to access a variety of assistance and programs including USDA landowner assistance programs, State tax abatement programs, forest certification, and emerging ecosystem services and renewable energy markets. In addition, as a result of direction in the 2008 Farm Bill, the Forest Service and State Forestry agencies undertook a new effort to develop State Forest Action Plans, which provide an analysis of forest conditions and trends and delineate priority forest landscape areas in each State. State Forest Action plans are practical, long-term plans for investing State, federal, and other resources where they can be most effective in achieving national conservation goals.

An incredible amount of time and effort goes into drafting a new Farm Bill every five years. I appreciate your efforts and look forward to continuing to work with you and your staff as you frame and develop the 2018 Farm Bill.

Again, I thank you for the opportunity to testify this morning. The Forest Service stands ready to work with you as you craft the next Farm Bill.

¹ Oswalt, Sonja N.; et al. 2014. Forest Resources of the United States, 2012: a technical document supporting the Forest Service 2015 update of the RPA Assessment. Gen. Tech. Rep. WO-91. Washington, DC: U.S. Department of Agriculture, Forest Service, Washington Office. 218 p.

² Butler, B.J.; et al. 2016. USDA Forest Service National Woodland Owner Survey: National, regional, and state statistics for family forest and woodland ownerships with 10+ acres, 2011-2013. Supplemental Data, Table 16: Management Plans. Newtown Square, PA: U.S. Department of Agriculture, Forest Service, Northern Research Station. 39 p. <http://dx.doi.org/10.2737/NRS-RB-99>.



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**Statement of Christopher Topik, Ph.D.
Director, *Restoring America's Forests*
The Nature Conservancy
June 29, 2017**

“Collaborative Forestry Improvements for the 2018 Farm Bill that enhance the benefits of America’s forests”

**Senate Committee on Agriculture, Nutrition, and Forestry hearing on:
Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill.**

Chairman Roberts, Ranking Member Stabenow and members of the Committee, thank you for the opportunity to participate in this important hearing about the past and future Farm Bill direction on conservation and forestry. My name is Christopher Topik and for the past 6 years I have been the Director of the Nature Conservancy’s *Restoring America’s Forests* Program. The Nature Conservancy is an international, non-profit conservation organization working around the world to protect ecologically important lands and waters for people and nature. Our mission is to conserve the lands and waters upon which all life depends. Prior to this job I worked as a forest ecologist at the USDA Forest Service for 16 years (10 years in support of forest management in the Washington and Oregon Cascades) and then 15 years as majority professional staff for both parties on the House Interior and Environment Appropriations subcommittee, responsible for the budgets and oversight of important natural resource and science agencies, such as the USDA Forest Service.

The Nature Conservancy

We at The Nature Conservancy (TNC) are proud to be part of the conversation today since the Farm Bill is the nation’s largest single investment supporting voluntary and successful conservation, restoration and management of America’s private lands. We have a long history of working directly with farmers, ranchers and private forest landowners, as well as states, Tribes and federal agencies, to improve the condition of America’s lands and waters, and improve economies for citizens and communities. We strongly believe that the best conservation outcomes arrive when communities are directly involved and directly benefit from the wealth that nature blesses us through agriculture, forestry and land management. In the past, and



hopefully the future, the Farm Bill provides farmers, ranchers and forest landowners with the tools necessary to protect and conserve not only the land, but also the rural way of life.

The Nature Conservancy is a large and decentralized organization with over 3700 employees, including over 500 scientists, working in all 50 states, territories and the District of Columbia, as well as 70 nations. Guided by science, we collaborate with local landowners, communities and businesses to implement practical conservation solutions that benefit people and nature. We are supported by almost a million members and by boards of trustees made up of local leaders in each of the states and countries where we work. We are nonpartisan, and our trustees, members, and staff come from across the political spectrum. Our recommendations are drawn from the hands-on experience of over 60 years working with people from all walks of life, with businesses and industries, and with governments from the local to the national level. We seek opportunities to advance solutions that work for people and nature, and we stand ready to defend our core values and bedrock environmental laws. We own and operate a lot of land, including over 2 million acres directly and easements on another 3 million; our preserve management includes many active forestry, farming and ranching operations so we know what it is like to be a producer. We are also very active in communities in many ways, for instance, last year we conducted controlled burns to conserve landscapes on 154,577 acres and assisted on another 306,000 acres.

I. Forests

Today my testimony will focus on just one aspect of our interest and experience on the Farm Bill: forestry. I attach a short summary of our overall Farm Bill priorities at the end of this statement. We will provide additional detailed recommendations and experiences on other Farm Bill agriculture and conservation issues in other forums.

Our country's forests are a vital natural resource, and a strong Farm Bill ensures that our national and private forests remain healthy and productive. Our forest lands—whether federal, state, tribal or private—are huge economic drivers in many communities. We all benefit from healthy forests and the clean air and water, habitat, recreation, timber and other forest products they provide. The Conservancy's work across North America is guided by an ambitious vision that involves developing nature-based solutions to some of humanity's most pressing global challenges. Among our primary North American priorities is our *Restoring America's Forests* program, through which we aim to foster a dramatic increase in the proactive, science-based restoration of our nation's federal forests, thereby reducing the tremendous human and environmental costs associated with unnaturally large and damaging megafires.

A specific example of the way we use science and timber harvest for conservation is our 23,800 acre Two-Hearted River Forest Reserve in the Upper Peninsula of Michigan. Like many

hardwood forests in the Lake States, this reserve has been managed for a century to maximize the production of a few commercially valuable tree species. The result is a forest that is 80% hard maple of about the same age. If our next forest pest or disease attacks hard maple, the economic and environmental impacts will devastate millions of acres of forests and the communities that depend on those forests. TNC is actively harvesting in the Two-Hearted River Reserve to develop and demonstrate management regimes that increase age and species diversity to reduce pest and disease risk while maintaining economic returns to landowners, timber supply to forest dependent communities and clean water and recreational opportunities for all of us. (<https://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/michigan/explore/forest-to-floor.xml>).

Our Farm Bill views are based on detailed internal assessments that have involved all of our state chapters, and are informed by science and interactions with a host of forest landowners, industries and entities that benefit from healthy and productive forests. We are also active in several relevant coalitions working on Farm Bill matters, such as the Forests in the Farm Bill coalition and the Agriculture and Wildlife Working Group. Some of our suggestions today will be consistent with coalition positions that are still being developed.

Forests are vital to America for many reasons so forest health is important to landowners, industries and over half of Americans that get their water from forested water sources. Forest threats are real, including climate related stresses of drought and fire, and also land use conversion to non-forest uses. America's forests are 56% privately owned, so the work of the Senate Agriculture, Nutrition and Forestry Committee is especially vital to support technical assistance and provide economic assistance for meritorious practices that improve production and enhance environmental quality, allowing nature's benefits to continue to flow to society. We believe these core functions of the Farm Bill need to be our primary focus on this legislation. We realize that the Farm Bill legislation is also a chance to affect other related matters, such as specific federal forest management issues, so we will comment on some of those past Farm Bill items and suggest some for the next Farm Bill. Yet, the core conservation and forestry assistance and research functions are so important in the long run that we hope other side-bar issues do not distract too much from the need to continue commendable past Farm Bill programs and activities.

II. Forestry- Comments on the past Farm Bill

We believe that the 2014 Agricultural Act had many outstanding aspects that enhanced private landowner's abilities to manage forests and to do so in a way that helped their work roll-up with others and with public forests to have large scale, lasting impacts, while benefitting the landowners and supporting rural jobs. You will see below that it is essential to maintain key conservation funding that was provided in the 2014 Farm Bill. We also commend and support

the inclusion of forestry practices in a variety of Farm Bill programs since the production of wood and fiber are vital to the nation and to the forest landowners who facilitate the production. These practices are also essential to maintain or enhance water supply and flow, water that we can't live without and water that is absolutely essential to cities as well as to American agriculture.

The last Farm Bill also should be commended for allowing and encouraging strategic application of technical and funding assistance to large landscape efforts that really add up. Specifically, the Regional Conservation Partnership Program (RCPP) has provided the authority to bring many projects together that increase the impact of federal funding by partnering with a whole host of landowners, industries, and NGOs to bring more money and talent to bear on vital forestry and watershed projects. The NRCS landscape conservation initiative has been successful at forging benefits to water, wildlife and to forest landowners. TNC staff in many states are directly involved with science, collaboration and technical assistance in these landscape projects.

The Farm Bill funding and authorities, such as EQIP and RCPP, also aided the Joint Chiefs Landscape Restoration Partnership to create a whole new cross boundary conservation effort in which private forests, through the NRCS, and the National Forests can work together to improve conditions on both public and private forests, and in the process, create many jobs, increase forest product harvest, and secure wildlife and water benefits. TNC has been involved in at least twenty of these projects. We see this as an important way to increase the buying power of federal money by partnering with many groups and private landowners to get larger projects done, faster.

The 2014 Farm Bill included essential support for science, research and forestry universities. We also believe the Farm Bill easement programs are important to both conservation and to private landowners who need assistance to make the most of their properties.

The 2014 Farm Bill also included some provisions that aid better management of federal forests. I want to call out in particular the Good Neighbor Authority and the Stewardship Contracting Authority. The Good Neighbor Authority provides for greater state participation in federal forest stewardship and has improved work in a number of places. This authority gets larger projects done that can cross boundary lines and therefore be more efficient and have greater benefit to neighboring communities.

We remain pleased that stewardship contracting was given permanent authorization in the last bill. Stewardship contracting has now been in force since the fiscal year 1999 Interior and Related Agencies Appropriations Act, and is having many positive results. This administrative tool is used to achieve key land-management goals on Federal land that improve, maintain or restore forest or rangeland health through a trade of goods (timber value) and services

(stewardship activities). Simply stated, more work gets done on the ground, more jobs are provided locally to improve communities and local tax revenues, and the funds and projects stay local.

We attach in an appendix short example case studies showing how TNC staff and partners are using the stewardship contracting and agreement authority to improve forest health and local community resilience. TNC is just one of a great number of institutions and forest product companies using these authorities. Please see this appendix for more on these projects that demonstrate the importance of stewardship contracting and agreements:

- Florida and Longleaf Pine on the Osceola National Forest:
- Michigan and Ottawa National Forest
- Oregon, Ashland Forest Resiliency Stewardship Project (Southern Oregon fire risk reduction)
- Arizona Four Forest Restoration Initiative (4FRI)
- Oregon, Klamath Tribal and Forest Service Partnership effort with a Master Stewardship Agreement since 2011

The Insect and Disease Infestation provision in the last Farm bill (Section 8204) was a good attempt to provide for better interaction between counties, states and the federal management of national forests. We remain hopeful that its implementation will go faster and accelerate accomplishments of the desired treatments. TNC recommends that such proposals are selectively utilized, and we recommend emphasizing collaborative, science-based restoration to address large forest landscapes challenges.

III. Forestry- Comments on the next Farm Bill

As stated above, we see the Farm Bill as a vital tool for America, providing needed assistance and authority to improve the vast agricultural, range and forest lands of our nation, and provide the food, fiber and nature we all depend on. First, we are very concerned that funds are already being cut disproportionately for our critical working lands. The Farm Bill must provide adequate resources for conservation so our farmers, ranchers and forest landowners can ensure our food security and economic stability, and bolster rural economies in the process. Voluntary conservation works: The Farm Bill is essential to keep our people and our nature healthy. The Forestry community should focus on these important needs and public services and not get sidetracked with contentious efforts to alter US Forest Service public land decisions by eliminating environmental reviews.

Principles to consider with respect to Forestry

Bolster Conservation Rewards and Incentives.

The bill needs to continue to encourage best practices as well as provide funds for investments that improve stewardship practices, technical assistance and cost-share programs on working private forest lands.

Prioritize Key Resource Issues.

The bill should be strategic and direct higher percentage of resources to conservation issues of special significance using the Regional Conservation Partnership Program (RCPP) and through the continuation of National NRCS Landscape Initiatives such as Longleaf Pine to achieve local and landscape-scale environmental benefits.

Forest Service land management- Environmental Safeguards

The Congress should resist the temptation to use the Farm Bill as a way of preventing public participation and review of federal forestry projects by short cutting the National Environmental Policy Act procedures that allow transparency and local participation in decision making. We firmly believe that better forestry decisions are made when public discourse, collaboration and participation are encouraged through the NEPA process. The NEPA process ensures that local citizens, counties and others, as well as the best available science, are used to inform decisions that can have lasting impact on our forests.

Forest Service land management - Negotiated Agreements

Similarly, if legislation is considered that encourages the use of arbitration to determine US Forest Service forestry decisions, the process must allow the deciding officers to engage the participants in negotiations to come up with new and better decisions than those that may have been previously offered by proponents or the agency. Negotiation, especially when built on collaboration, can allow for better decisions, and these decisions may be able to span much larger forest areas to increase efficiency.

Encourage Conservation of Significant and Sensitive Habitat.

Maintain conservation compliance to prevent conversion of significant and sensitive habitats.

Improve Water Quality and Supply.

Encourage forest practices that reduce the amount of pollutants entering our waterways and promote sustainable water management for people and nature, especially in drought-prone areas.

Promote Climate Action.

Forests are vital for so many purposes, and that includes the natural carbon sequestration and water filtering that are vital to mitigate climate stresses. Maintaining productive and profitable forests helps our Nation keep forests as forests, so they are not converted to other purposes that lose these properties. Such investments provide many benefits to landowners, to water and

wildlife users, and are cheaper than other forms of climate mitigation.

Improve Conservation Outcomes.

Strengthen conservation outcomes of Farm Bill programs by refining implementation of those programs based on monitoring results and science-based assessment methods.

Maintain Healthy and Resilient Forests.

Increase the long-term protection of forest resources and their benefits from threats such as catastrophic wildfire, insects, and diseases, and promote the use of fire as an important forest management tool with the goal of maintaining healthy and resilient forests.

Support Research and Science

The Farm Bill provides some essential forest science support, and it also has programs and practices that rely on good science to foster efficient and useful forestry. Science support is a vital federal function.

Private Forests -- Specific Recommendations:

1. Create incentives for increasing prescribed burning and other forest management on state and private forests and grasslands by formally addressing challenges to using prescribed burning. Prioritize projects that use prescribed burning and other forest management activities funded through Conservation Title programs, including EQIP, HFRP, CRP, among others.
2. Enhance water sources by enhancing forest health and resilience:
 - There are many federal departments and agencies, as well as other governmental levels, many industrial sectors, and more, that all have a role to play in improving water sources. Provision of water quality and quantity are two critical benefits provided by well-managed forests, and are thus a key justification to keeping forests on the landscape. There is need for dedicated programs and policy to be built around combining federal and bringing non-federal financial resources to bear in assisting those who manage forested water resources that impact the public at large. The overarching goal would be to incentivize maintenance of forest cover on the landscape, including implementation of silvicultural best management practices, while reducing potential impacts to water resources through fire and disease risk reduction. We believe that the Farm Bill should require the Secretary of Agriculture to establish a federal government-wide technical and policy working group, with key science, economics, industry and citizen participation, to produce a plan within 18 months that identifies existing, and recommends additional, federal and private sector funding and cost share efforts that provide forest land owners resources to implement management actions that protect downstream water quality and enhance regulated flows of flood waters. The report will evaluate costs and benefits of forest treatments, and evaluate potential impacts on water users, including agricultural producers and municipal consumers.

- Amend Farm Bill authorities to allow aggregation of landowners or municipal water organizations to participate in forestry that enhances water sources. We recommend amending conservation program authorities, including RCPP, to allow NRCS to pilot test the concept of aggregating financial assistance payments in priority landscapes to a landowner cooperative or similar non-governmental entity, where the aggregation allows leveraging of non-governmental organization and/or water utility funds for practices that enhance or maintain water quality and quantity from forested landscapes
 - Investigate ways to enhance Rural Development authorities to include improvements to forest practices and stimulate forest related businesses that are a major part of many rural economies. Practices that improve water quality and delivery, *and* increase rural jobs, should be encouraged.
 - Develop a Forest and Water Fund (modeled off RCPP) to support forest watershed restoration and conservation projects with the objective of protecting drinking water and mitigating the risks of water extremes (flooding/drought) for downstream users. Funding can be made available with support from the Conservation, Forestry, Rural Development, and Research Titles and be leveraged with non-federal funding sources. This fund could additionally support outreach, education and enrollment of targeted landowners, and for community planning to identify high-priority watersheds for investment.
3. Reauthorize HFRP and amend the program to 1) dedicate mandatory annual funding, 2) allow third party easements, 3) allow donated easements to serve as matches, 4) expand to include threatened and endangered species, and 5) identify water protection as a specific objective for HFRP funding.
 4. Develop a 5-year dedicated National Reforestation Initiative to incentivize reforestation within priority areas experiencing forest loss
 5. Include an LWCF provision allowing third parties to receive Forest Legacy grants to purchase, hold and manage conservation easements within federally-designated project areas. This new approach will create efficiencies in collaborating with third parties, by reducing costs for easement management and monitoring, and enhance states' role in federal conservation efforts, among many other benefits.
 6. Fully consider commercially viable forest land within the NRCS Agricultural Conservation Easement Program (ACEP) and the Healthy Forest Reserve Program. Forest products are an important use that should be encouraged, so we support removal of the 2/3 forested acreage limitation that currently exists for the ACEP program, which has limited forest enrollment.

National Forests -- Specific Recommendations:

While the intent of the Farm Bill is to primarily focus on non-federal land policies, the bill also can be used to advance national forest policy. The Conservancy supports the following

1. Create an Accelerated Landscape Scale Restoration authority through a pilot program that would accelerate the pace of forest and watershed restoration, improve the resiliency of forest ecosystems, and better manage the threat of large fires in fire-prone western forests and address other forest challenges.
2. Extend and expand the Collaborative Forest Landscape Restoration (CFLR) program. There are 23 signature CFLR restoration projects in 14 states covering over 17 million acres. The Conservancy would like to see this program extended to 2024 and expanded to allow up to 5% of funds for planning, encourage private investments, encourage coordination with opportunities for cross-boundary impact (possibly by leveraging the Good Neighbor Authority or other cross-boundary authorities) where appropriate, and increase the authorized funding level to \$80 million.
3. Improve the U.S. Forest Service Good Neighbor Authority, by allowing road access, and Stewardship Contracting authority, by allowing at least 5% of retained receipts for planning and NEPA for future stewardship projects within the same region/forest, with an appropriate tracking mechanism.
4. Any fire funding solution in a Farm Bill package must be comprehensive by including the following three criteria: 1) address the continued erosion of agency budgets that results from the increasing ten-year average, and stabilize the level of funding for suppression within the agencies; 2) access disaster funding for extraordinarily costly fires, including those that may be calculated as part of the ten-year average; and 3) significantly reduce the need to transfer from non-suppression accounts and programs.

TNC additionally supports a legislative remedy to disconnected and isolated parcels of land in Georgia's Chattahoochee-Oconee National Forest, by including the Chattahoochee-Oconee National Forest Land Adjustment Act (S. 571, H.R. 1434) to establish a "modified land exchange," whereby the USFS can sell these isolated parcels (30 totaling 3,841 acres; as identified in the legislation). Proceeds from the sale of these parcels will go into a federal account that the agency may use only to buy critical inholdings from willing sellers. The funds could only be spent inside the existing USFS proclamation boundary in Georgia – they could not be used to "grow" the forest beyond that boundary.

IV. Conclusion

We greatly appreciate the opportunity to participate in this hearing and in the open, thoughtful legislative process the Committee has provided. We know that investments in conservation provide the Nation with many benefits. Nature's solutions are important for nature, but they are also fundamental to our agricultural, ranching and forest industries and cultures.

Summary of TNC main points regarding Forestry:

1. Maintain funding for conservation and related programs that help forests and forest landowners, as well enhance the lasting benefits that forests provide, including rural jobs, quality water, fish and wildlife habitat, and open space that helps mitigate climate change.
2. Allow forest landowners continued and enhanced participation in Farm Bill programs like other producers.
3. Support strategic programs that can provide large landscape-scale benefits through focused activity, especially the Regional Conservation Partnership Program and related landscape efforts, including the Joint Chiefs Landscape Restoration Partnership.
4. Maintain and enhance vital forestry research and science capacity and their roles in sound management of America's lands and waters.
5. Support legislative provisions that enhance collaborative forestry, maintain NEPA and other bedrock environmental legal procedures, and provide for continued and enhanced participation of the public, industries, and local governments.
6. Pass a comprehensive federal fire suppression funding fix that includes 3 critical properties:
 - (a) addresses the continued erosion of agency budgets that results from the increasing ten-year average;
 - (b) accesses disaster funding for extraordinarily costly fires;
 - (c) end the need to transfer funds from non-fire suppression accounts and programs.

Appendix

Stewardship Contracting and Agreements

Case Study Examples TNC use of Stewardship Contracting and Agreements

We attach short example case studies showing how TNC staff and partners are using the stewardship contracting and agreement authority to improve forest health and local community resilience. TNC is just one of a great number of organizations and institutions using these authorities.

Florida and Longleaf Pine:

In a landscape where industry attitudes have considered federal lands as inaccessible and merely “in the way” of their route to private lands with a stable wood supply, contractors and loggers are beginning to have a different view in Florida. The Nature Conservancy’s Stewardship agreements on the Osceola National Forest have resulted in multiple active logging crews working simultaneously throughout each of the past four years. Use of stewardship has allowed the forest to reach its annual board feet targets, while at the same time concentrate on areas most vulnerable to wildfire on the forest. Stewardship agreements have been a tool that have assisted wildfire mitigation programs such as the Collaborative Forest Landscape Restoration (CFLR) program, with the most highly vulnerable areas being prioritized for stewardship and wildfire mitigation activities.

In summary, stewardship has:

- Allowed for increased harvest and thus access for the private forestry sector to federal timberlands
- Increased employment for loggers, timber contractors, road construction, and other contractors that are performing vegetation management and other services that are part of the stewardship agreement.
- Allowed for accelerated restoration of longleaf pine as well as fish habitat enhancement and erosion control activities.
- Supported the development of a job training program that recruits underserved youth to implement management activities on the Osceola.
- Expanded the footprint of prescribed fire and supporting mechanical vegetative activities
- Increased habitat for targeted endangered and species of conservation concern such as red-cockaded woodpecker and gopher tortoise.

These activities have been possible due to the approval of a forest-wide NEPA and without the need for additional federal appropriations due to use of revenue from stewardship sales.

Michigan and Ottawa National Forest

The Nature Conservancy’s Michigan Chapter entered into its first Stewardship Agreement with Ottawa National Forest in July 2016. The largest project is aimed at larger scale restoration and planting of 1200 acres of degraded riparian areas along cold and cold transitional streams to

protect cold water refugia for cold water species like brook trout. This project that TNC plans to complete in three years might take the Forest Service 20 years to complete in-house. Other projects include natural regeneration of a Jack Pine stand, maintenance and rehabilitation of 7.5 miles of wilderness area trails, and the replacement of a foot bridge stream crossing along the North Country Trail.

Ashland, OR Forest Resiliency Stewardship Project (Southern Oregon fire risk reduction)

Use of the Stewardship Authority on the Ashland Forest Resiliency project, through the Rogue River – Siskiyou National Forest, has fostered a high functioning partnership with the City of Ashland, Lomakatsi Restoration Project, and TNC. Early collaborative implementation successes helped attract an additional \$7.5 million in Forest Service investments, along with a designation as a Joint Chiefs Landscape Restoration Partnership, which leveraged \$4 million in funding from the Natural Resources Conservation Service to create a public-private partnership working cross boundary. More recently, the partners secured an award of \$6 million from the Oregon Watershed Enhancement Board, taking the all-lands project to nearly 14,000 acres of treatment to reduce forestland/fire community risks across the 54,000-acre planning area. The City of Ashland has also delivered an ongoing annual commitment of \$175,000 in City restoration funds from a new water service surcharge spent on the USFS lands. The project has treated 6,600 acres to date, delivered 14 MMBF of timber to mills, generating \$5.9 million in wood value, while sustaining ~17 FTE jobs, and as many as 100 FTE annually considering indirect and induced work supporting restoration and milling.

Arizona Four Forest Restoration Initiative (4FRI)

The stewardship contracting authority is being used to implement the largest restoration effort in Forest Service history – The Four Forest Restoration Initiative, a project funded under the Collaborative Forest Landscape Restoration (CFLR) Program. Over 500,000 acres of ponderosa pine forest have been cleared for thinning in Arizona through the NEPA process, and another 1.2 million acres will be cleared within two years. The project enjoys considerable public support with more than 40 stakeholder groups collaboratively developing recommendations to the Forest Service.

Continued losses of forest from large, catastrophic fires will have real economic and ecological impacts on water supplies and jobs. There is an urgent need to increase the pace and scale of restoration. The stewardship contracting authority provides the certainty and flexibility needed to attract private investment, which is critical for rebuilding industry, creating jobs, and accelerating restoration.

Under a 20,000-acre stewardship agreement signed in March of 2017, The Nature Conservancy, Forest Service, and industry are working to catalyze fundamental change. We are bringing

together strategic partnerships, advanced technology, and new business practices to attract new investment, sustain existing investments in wood products, and create a more reliable flow of wood at a reasonable cost and at a scale large enough to make a difference. We are working to develop technological innovations that increase agency capacity; remove agency disincentives to innovation that reduce costs and streamline processes; and are working with industry to reduce costs so that small-diameter wood can be removed economically. There is an urgent need to modernize the agency model for managing our forests. Tools such as CFLR and Stewardship Contracting authority provide unique and valuable vehicles for collaborative innovation and developing a new model of forest management that leverages strategic partnerships to increase the pace and scale of forest restoration.

Klamath, OR Tribal and Forest Service Partnership effort with a Master Stewardship Agreement

The established, strategic partnership among the Klamath Tribe, Lomakatsi Restoration Project and The Nature Conservancy uses collaboration to restore forested ecosystems in south-Central Oregon. The partners are building additional capacity within the Klamath Tribe's Natural Resources Department, creating sustainable job opportunities with a focus on tribal members, and implementing ecological forestry and ecosystem restoration on the Klamath Reservation Forest and ancestral lands. The Master Stewardship Agreement, executed in September of 2011, put into place a ten-year framework for landscape restoration activities through the planning and development of Supplemental Project Agreements. The area of focus is the approximate 1.7 million acres of the Fremont-Winema National Forest, which includes the 1.1 million acres of former reservation land and ancestral lands.

Since the spring of 2011 through the spring of 2017, 29 Klamath tribal workers have been involved in a variety of ecological restoration training and employment opportunities working across private and federal lands. Over the past five years, tribal workers have engaged in peer and mentor training, learning the skills to conduct a variety of ecological restoration prescriptions – forest thinning, prescribed fire application, native grass seeding, tree and shrub planting, riparian restoration, cultural monitoring, and project layout, marking and design. The partnership has leveraged over \$2.2 million to support this training and employment program across private, municipal and federal lands.



The Farm Bill is the nation's largest investment supporting the voluntary and successful conservation, restoration and management of America's private lands. These activities are critical to a strong economy, healthy and productive rural lands, and thriving communities.

Seventy percent of the land in the lower 48 states is privately owned. Nearly 900 million acres (roughly half of the land in the contiguous United States) are cropland, rangeland or pastureland and eligible for Farm Bill programs.

The Farm Bill is the most important legislation for conserving private lands in America. It provides farmers, ranchers and forest landowners with the tools necessary to protect and conserve not only the land, but also their way of life. These practices result in cleaner water, healthy soils, enhanced wildlife habitat, outdoor recreation opportunities and increased flood control.

Our country's forests are a vital natural resource, and a strong Farm Bill ensures our national and private forests remain healthy and productive. Our forest lands—whether federal, state, or private—are huge economic drivers in many communities. We all benefit from healthy forests and the clean air and water, habitat, recreation, timber and forest products they provide.

The Nature Conservancy has a long history of working directly with farmers, ranchers and private forest landowners. We partner together across America to create conservation opportunities to build safer local communities and stronger rural economies.

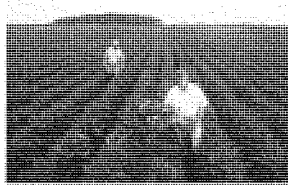
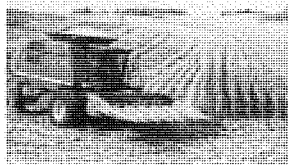
Farm Bill Funding

Funding for America's critical working lands has already been disproportionately cut. The next Farm Bill should increase funding so that the Conservation Title can continue meeting the needs of our farmers, ranchers, and forest landowners to ensure our country's food security and economic stability.

It is critically important that we restore the baseline funding for easement programs—the Agricultural Lands Easement (ALE) program and Wetlands Reserve Easement program (WRE)—to at least \$500 million a year.

Farm Bill conservation programs account for just 6 percent of Farm Bill funding. Congress should create and pass a Farm Bill that increases funding to the Conservation Title and avoids further cuts to the Forestry and Research Titles.

With more than \$6 billion already cut from conservation programs compared to authorized funding, conservation has already answered the call with more than its fair share for meaningful deficit reduction. Further cuts would gravely compromise the ability of conservation programs to accomplish their objectives and deliver multiple economic, conservation, and quality of life benefits to every region of America. Voluntary conservation works, and the results speak for themselves as the Conservation Title helps landowners maintain their legacy as stewards of America's working lands.



The Nature Conservancy's Top Farm Bill Priorities

Bolster Conservation Rewards and Incentives. Encourage farmers to conserve wetlands, grasslands and private forests. Congress can further incentivize these practices by increasing funding for the Agricultural Conservation Easement Program (ACEP), Healthy Forest Reserve Program (HFRP) and Regional Conservation Partnership Program (RCPP), and by maximizing investments in those programs through more efficient program delivery. Congress should also increase the acreage cap for the Conservation Reserve Program (CRP), and improve stewardship practices, technical assistance and cost-share programs on working agricultural and private forest lands.

Prioritize Key Resource Issues. Direct a higher percentage of Farm Bill resources to conservation issues of special significance via the Regional Conservation Partnership Program (RCPP) Program and the National NRCS Initiatives such as the Sage Grouse Initiative (SGI) and the Mississippi River Basin Initiative (MRBI) to achieve local and landscape-scale environmental benefits.

Encourage Conservation of Significant and Sensitive Habitat. Maintain conservation compliance to prevent conversion of significant and sensitive habitats, with a special emphasis placed on removing incentives to convert native prairie or grasslands to cropland.

Improve Water Quality and Supply. Reduce the amount of pollutants entering our waterways and promote sustainable water management for people and nature, especially in drought-prone areas.

Promote Soil Health. Create incentives for producers to adopt soil health practices that mutually benefit farmers, resource production and the ecosystems on which such productivity depends.

Improve Conservation Outcomes. Strengthen conservation outcomes of Farm Bill programs by refining implementation of those programs based on monitoring results and science-based assessment methods.

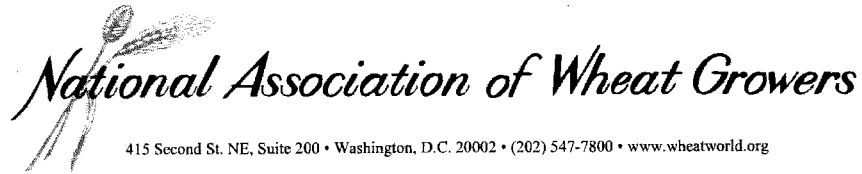
Maintain Healthy and Resilient Forests. Increase the long-term protection of forest resources and their benefits from threats such as catastrophic wildfire, insects and diseases, and promote the use of fire as an important forest management tool.

Contact: Jenny Conner Nelms | The Nature Conservancy | (305) 304-1424 or jconner@tnc.org

The Nature Conservancy is a leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. Visit us at nature.org. 6/6/17

DOCUMENTS SUBMITTED FOR THE RECORD

JUNE 29, 2017



June 29, 2017

Chairman Pat Roberts
Committee on Agriculture, Nutrition & Forestry
United States Senate
328 A Russell Senate Office Building
Washington, D.C. 20515

Dear Chairman Roberts:

Thank you for the opportunity to submit a written statement for the Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill.

My name is David Schemm and I am the current President of the National Association of Wheat Growers and a farmer near Sharon Springs, Kansas. I raise wheat, corn, grain sorghum and sunflower on my operation. The National Association of Wheat Growers (NAWG) is a federation of 20 state wheat grower associations that works to represent the needs and interests of wheat producers before Congress and federal agencies. Based in Washington, D.C., NAWG is grower-governed, grower-funded, and works in areas as diverse as federal farm policy, trade, environmental regulation, agricultural research and sustainability.

Wheat is grown in many states and is grown both as a continuous cropping system or as part of a multi-year rotation. On my operation, I have a four-year rotation of wheat, corn, sorghum and summer fallow. These different rotations and the regions of the country in which wheat are grown require us to look at a variety of conservation programs and conservation practices as the right tools for individual wheat farmers. No one program works for everyone, and conservation practices and conservation options for growers must change just as the landscape across the country changes.

Wheat growers are having a positive impact on the environment, as new traits and crop protection tools are introduced, production practices change. According to the report, *Environmental and Socioeconomic Indicators for Measuring Outcomes of On Farm Agricultural Production in the United States (2016)* from Field the Market: The Alliance for Sustainable Agriculture, over the last 35 years, U.S. wheat producers have increased resource efficiency in

land use, soil conservation, irrigation water use, energy use and greenhouse gas emissions. We are also producing more bushels per acre. These production efficiencies are important to feed a growing population and are the result of conservation efforts by producers and through the use of USDA conservation programs.

Wheat growers are focused on productivity and profitability and an important element of maintaining both productivity and profitability is managing our operations for long term success, managing productive healthy soils and being good stewards of the land. For a farmer, without a successful crop each year and our long term financial viability, we cannot purchase new equipment, test new practices and experiment with new cropping systems. We don't operate on margins that allow us to take the risk of an unsuccessful crop. Farm Bill Conservation programs provide a backstop that allows us to make investments in new technology and try new conservation practices.

I am a participant in Conservation Stewardship Program (CSP) and the Conservation Reserve Program (CRP). Under my CSP contract, I have been able to focus on irrigation water management, and important issue in my area. I have also been able to improve wildlife habitat by providing a food source and water. These different approaches to water management allow for efficient irrigation water use, and providing benefits to wildlife. Through CRP I have utilized both continuous and general sign-up options. Enrolling a larger area through a general sign up and a smaller buffer strip through continuous sign-up were options that worked well for my farm. Having that flexibility allows someone like me to make the best use of the program and providing benefits for improvement water quality, controlling erosion and improving the soil.

NAWG supports the continuation of voluntary, incentive-based conservation programs in the next Farm Bill. NAWG members have prioritized working lands conservation programs in our discussions about the next Farm Bill. We believe these programs should work with farmers to integrate conservation practices and techniques into their farming operation. Part of that conservation assistance may be a buffer or filter strip, and these practices should be taken into consideration across the entire farming operation. There must be balance in the types of programs offered and flexibility to meet local needs.

For instance, in western Kansas, there are many acres in CRP. As I mentioned, I too have land in a CRP contract. But the operation on my farm is much different than what was typical in 1985 when CRP was created. CRP fit the needs of that time, and I want to be clear, we feel there is still a need, but what we know and how we manage our operations is different now compared to 30 years ago. Certain land that is coming out of CRP can be farmed, and we have better techniques for managing tillage, nutrient application and the application of crop protection tools and we have different seed varieties. Conservation programs should provide a variety of types of

assistance to producers, and recognize the different needs in different parts of the country and for different crop rotations.

We had a serious drought in the Midwest several years ago and the soil didn't blow and we didn't experience the same problems from the 1930s. And I credit farmers' management practices, improved seed varieties, adoption of new technology and conservation practices for keeping the soil on the ground during the drought. In semi-arid regions of the country, like western Kansas, we need to have conservation programs that work for our soils and climate. The needs for my crop rotation are different than the needs of my fellow wheat farmers in North Carolina, Maryland, Texas, North Dakota, Montana and the Pacific Northwest. We need a variety of programs and conservation practices to the diversity of agriculture and cropping systems.

The Conservation Stewardship Program (CSP) helps producers adopt conservation practices across their operations. Wheat growers have been participating in the program and have integrated practices and enhancements such as variable rate application of nutrients, replacing spray nozzles to control crop protection tool application, converting to direct seeding/no till farming, irrigation water management, and stalk testing for appropriate fertilizer application. NAWG members support continuation of CSP and allowing additional opportunities to enroll in CSP and would like to allow for an additional contract renewal. The financial incentive payments provided by CSP help producers off-set the cost of adopting a new practice, purchasing new equipment and providing habitat. These practices improve soil health, improve water quality, result in more efficient irrigation water use and benefit wildlife.

The Environmental Quality Incentives Program (EQIP) is another conservation program that is important to wheat growers. EQIP provides financial incentives for growers to undertake a certain conservation practice and provides for a shorter-term contract. EQIP also helps those producers that aren't quite ready for CSP. EQIP allows them to work toward meeting the requirements for eligibility in CSP. EQIP also provides assistance to producers seeking to undertake a specific conservation project on their operation. Farm Bill Conservation Programs have also been used to help producers comply with regulations. Specifically, EQIP provides assistance for producers to come into compliance with requirements of the Spill Prevention, Control, and Countermeasure regulations for on-farm fuel storage. Conservation programs also help producers meet requirements under federal and state water quality regulations.

We are concerned about the provisions of the President's budget proposal that call for the elimination of CSP and halting general sign-ups of CRP. This approach is short-sighted and doesn't look comprehensively at the balance of the different conservation approaches. Working lands incentive programs help farmers transition operations to new management practices and

adopt technology. CRP enrollments should be balanced and allow for management of acreage under the cap through general sign-up and continuous enrollments.

NAWG encourages the committee to exempt farmers from obtaining a Dun and Bradstreet number and a Systems of Award Management number. These requirements have been an added paperwork burden and headache for growers. Frequently, we hear of numbers being automatically generated, without request from growers, and growers who are then seeking a number end up with duplicate numbers, causing eligibility issues on their conservation program contracts.

NAWG remains concerned about linking conservation compliance to crop insurance. The changes that were made during the last farm bill added stress to a system that was already overloaded. The backlog of wetland determination in the Prairie Pothole region still exists. NAWG appreciates that the Natural Resources Conservation Service (NRCS) reaffirmed their process for certain wetland determinations earlier this year and we believe that farmers that went through the process to obtain a determination in accordance with the Farm Bill provisions should not be required to go through another evaluation or re-determination.

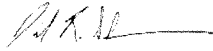
We encourage NRCS to continue to make improvements in consistency of conservation program delivery. As a national organization, we hear from our state members about different experiences with they have with program application and implementation. Frequently this leads to grower frustration, especially when the program delivery is substantially different across county lines.

I also have the opportunity to represent NAWG on the board of Field to Market: The Alliance for Sustainable Agriculture. NRCS conservation models, information, and expertise have been instrumental in shaping the Field to Market Fieldprint Calculator Platform. This tool looks at the conservation outcomes on row crop farms, and a farmer's participation in USDA conservation programs can help him or her make improvements on their sustainability journey. NAWG hopes that this support from NRCS continues, but we believe that sustainability efforts are taking place through the marketplace and industry partnerships and there should not be a formal role of the government to establish a sustainability standard for agricultural production.

Thank you for the opportunity to submit this statement. NAWG members are very supportive of Farm Bill Conservation Program and we encourage the committee to retain the variety of conservation programs the Farm Bill offers. Cropping systems, climate, and soils are different across the country for all of our wheat farmer members, and our conservation programs need to be able to help farmers manage their resources in a manner that is specific to their cropping and resource needs. Working lands programs are the most beneficial in helping grower manage their operations to address natural resource concerns and maintain a viable crop. The working lands

programs, such as CSP and EQIP, should be balanced with CRP that can also play an integral part of a conservation plan on a farmer's operation.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Schemm", with a horizontal line extending to the right.

David Schemm
President
National Association of Wheat Growers

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June 12, 2017

The Honorable Mike Enzi
Chairman, U.S. Senate Budget Committee on the
Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bernie Sanders
Ranking Member, U.S. Senate Committee on the
Budget
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Diane Black
Chairman, U.S. House Committee on the Budget
B-234 Longworth House Office Building
Washington, DC 20515

The Honorable John Yarmuth
Ranking Member, U.S. House Committee on the
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B-234 Longworth House Office Building
Washington, DC 20515

The Honorable Thad Cochran
Chairman, U.S. Senate Committee on
Appropriations
Room 5-128, The Capitol
Washington, D.C. 20510

The Honorable Patrick Leahy
Ranking Member, U.S. Senate Committee on
Appropriations
Room 5-128, The Capitol
Washington, D.C. 20510

The Honorable Rodney Frelinghuysen
Chairman, U.S. House Committee on Appropriations
H-305, The Capitol
Washington, DC 20515

The Honorable Nita Lowey
Ranking Member, U.S. House Committee on
Appropriations
H-305, The Capitol
Washington, DC 20515

Dear Members of Congress,

The Midwest Row Crop Collaborative (the Collaborative) is a diverse and unique private-sector/NGO coalition working to expand agricultural solutions that support air and water quality and enhance soil health. The Collaborative would like to share our concerns about the Administration's FY2018 proposed budget for the U.S. Department of Agriculture (USDA).

American farmers play an essential role in producing the food, fiber, and fuel our growing world needs. They also are pioneering innovative ways to protect our nation's vital natural resources. With the 2014 Farm Bill, Congress created the Regional Conservation Partnership Program (RCPP), which relies on existing USDA authorities to invest in agricultural conservation efforts and leverages private-sector financial and technical resources, resulting in a multiplying effect unparalleled in other federal programs. The Natural Resource Conservation Service (NRCS) estimates that, to-date, \$590 million in federal dollars have been matched by over \$900 million dollars of technical and financial support from the private sector. The RCPP is projected to invest \$2.4 billion in federal and matching private-sector funds in rural communities through 2018.

USDA support for voluntary approaches is having positive environmental and economic outcomes across rural America. The Administration's proposed cuts to USDA to eliminate the RCPP will impact thousands of farmer-led

**MIDWEST
ROW CROP**
COLLABORATIVE

conservation efforts in the Midwest and across rural America. Without this critical program, we are concerned that many of the efficiencies of NRCS services and incentives for matching funding would be lost.

The Collaborative is actively investing in scaling up conservation practices in Nebraska, Illinois, and Iowa, including funding 20 soil health demonstration farms in those states. Its members — Cargill, Inc., Environmental Defense Fund, General Mills, Kellogg Company, Land O'Lakes, Inc., Monsanto, PepsiCo, The Nature Conservancy, Unilever, Walmart, and World Wildlife Fund — have experienced firsthand the vital role the RCPP can play in supporting farmer-led efforts to improve soil health, reduce nutrient losses into the rivers and streams of the Mississippi River Basin, and maximize water conservation.

In addition to the many RCPP projects that our individual members are funding, the Collaborative has directly invested in the following RCPP projects:

- The Midwest Agriculture Water Quality Partnership has matched \$9.5 million in federal funding with more than \$38 million in private investment from more than 40 partners. The Partnership promotes science-based, non-regulatory approaches to reducing nutrient loss and improving water quality, soil health, and habitat for at-risk species. It aims to scale up conservation planning and delivery by leveraging partner-farmer relationships and precision agriculture technology to improve environmental outcomes and farmland productivity at the same time.
- The Precision Conservation Management program (PCM) combines farm business financial planning with precision conservation technology to inform decision making on conservation practices. PCM's 30 partners aim to quantify the farmer's bottom line benefit from adopting conservation practices, from efficiency gains to risk mitigation, in a data-driven approach. This information is then used to help growers apply enterprise-scale changes through the Conservation Stewardship Program. PCM seeks to engage farmers in Illinois, Iowa, and Kentucky.

We respectfully ask you to continue your support of RCPP as an essential tool in scaling up conservation and economic outcomes for rural America as you consider the Fiscal Year 2018 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations bill for USDA.

If you require additional information about the Collaborative, its work in the Upper Mississippi River Basin or if you want to visit one of the many farm and watershed-level projects which demonstrate the Collaborative's investments, please contact Sarah Stokes Alexander, Vice President, Keystone Policy Center at 970-513-5846, salexander@keystone.org. Thank you for your consideration.

Sincerely,

The Midwest Row Crop Collaborative

cc: U.S. House Committee on Agriculture
U.S. Senate Committee on Agriculture, Nutrition, & Forestry
Sonny Perdue, Secretary, USDA
Leonard Jordan, Acting Chief, NRCS



The Western Agriculture and Conservation Coalition

June 20, 2017

The Honorable John Hoeven, Chair
 The Honorable Jeff Merkley, Ranking Member
 Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related
 Agencies
 U.S. Senate Committee on Appropriations
 Washington, DC 20510

Re: Importance of Regional Conservation Partnership Program (RCPP)

Dear Chairman Hoeven and Ranking Member Merkley:

The Western Agriculture and Conservation Coalition (WACC) writes to you today in support of the RCPP program, and urges you to provide not less than FY 2017 funding for this program in light of the Administration's proposal to zero out funding for this successful program. The WACC was formed over five years ago from the on-the-ground partnerships among agricultural producers and conservation organizations, including those that delivered agricultural benefits through irrigated infrastructure improvements and increased system reliability, while also restoring streams and improving watershed health.

Throughout the western United States, family farms and ranches have facilitated the conservation and stewardship of the region's natural resources while anchoring the region's rich cultural heritage and identity. It is a landscape and a way of life that works for rural economies and resource conservation. In the West, private land stewardship is key to continued conservation innovation, resource and habitat enhancements, and sustainable working land partnerships.

The West's Irrigation Infrastructure Sets Western Producers Apart and Requires Watershed-Scale solutions. The West has one thing in common across all producers—water scarcity. The human ingenuity and resourcefulness to bring irrigation water to water-short fields and pastures means that western producers are often linked by common irrigation canals, diversion structures, and reservoirs in ways that their Mid-Western and Southern counterparts are not. RCPP ensures that government funding for water quantity and quality projects will focus on the appropriate scale

to achieve meaningful results. It is also designed so that producers and partners on the ground design the projects rather than agency officials in Washington. Local engagement with conservation is among the most important means for promoting success of the effort.

RCPP has been successful. RCPP has been successful in delivering conservation benefits at scale, and reaching more producers in a target watershed focused on particular limiting factors that would not otherwise be addressed in a coordinated fashion. In the West, for example, WACC members have worked in these RCPP's:

- **High-Desert, Drought-Resilient Ranching in the Owyhee River basin**, crossing Idaho, Nevada, and Oregon state lines. A \$1.3 million RCPP investment matched through 17 partners, is working with ranchers who have experienced severe drought for the majority of years in the last 30-year cycle. This project is reducing drought impacts to wildlife and livestock in the Owyhee watershed and adjacent communities in two lesser watersheds, which have been historically underserved. Project partners are working together to develop on-the-ground projects that keep water in streams longer for both livestock and wildlife.
- **Irrigators in Oregon's Klamath Basin have been hit hard by many years of drought**, and water scarcity and nutrient loading are key factors limiting watershed health. A \$7.6 million RCPP investment matched through five partners is working to address drought and external nutrient loading into Upper Klamath Lake, problems that persist downstream through the mainstem Klamath River. WACC member Trout Unlimited is working with a number of ranchers on projects that include piping to improve water delivery and pasture condition, while also reducing out-of-stream diversions from designated critical habitat for ESA-listed bull trout and Klamath redband trout.
- **Salton Sea.** Since the early 2000s, inflows to the Salton Sea, California's largest lake located in Imperial and Riverside counties, have been decreasing due to drought, decreases in water inflow from Mexico, and agriculture-to-urban water transfers, resulting in significant negative public health, agricultural, ecological, cultural, and economic impacts. The Sea receives the majority of its inflows in the form of drainage waters from two agricultural areas of national importance, the Imperial Irrigation District and the Coachella Valley Water District. The RCPP, which is currently being implemented, will provide water quality, habitat, air quality and wetland benefits to the public. Some of the conservation practices implemented through the program are serving as a demonstration project for generating better air quality and wildlife habitat on the Sea's rapidly exposing playa.
- **Agriculture and birds both benefit from RCPP's California's Waterbird Enhancement Program (WHEP).** With \$10 million in federal funding, 100,000 acres of California's Central Valley ricelands have been enhanced to benefit wildlife while sustaining agricultural production. WHEP works with farmers to ensure shallow water wetlands, mudflats and nesting areas for many species of migratory, wintering and breeding birds, for less than .01% of the cost of establishing a shorebird habitat refuge. The Central Valley supports as many as seven million wintering waterfowl, and rice fields in this area provide 60% of all of their food resources. In the Central Valley, wetland habitat has undergone substantial habitat loss and this program ensures an alternative for this crucial habitat.

The Farm Bill's RCPP Serves Agriculture and Conservation Interests. The WACC members recognize the importance of landscape-scale projects, planning, and collaboration to tackle pressing issues in the West. One of the leading issues for the Coalition coming together was to create a Farm Bill program building on EQIP (Environmental Quality Incentives Program) that would deliver more agricultural and conservation benefit in achieving measurable water quantity and water quality results at the watershed scale. The most recent Farm Bill's Regional Conservation Partnership Program (RCPP) is the latest expression of this effort.

RCPP Should be Fully Funded in FY2018. The recently-released Administration FY2018 budget, *A New Foundation for American Greatness*, proposes to zero out RCPP. The WACC urges you to provide not less than FY2017 funding levels for the RCPP in the coming fiscal year. Rather than cutting or eliminating the RCPP, the Administration should be working with Congress and stakeholders to improve the operation of that program and streamline contracting. The concept of allowing trade associations, non-profits or other qualified entities to help farmers and ranchers aggregate projects to bring more scale to conservation dollars spent is an idea worthy of refinement and expansion, not elimination.

If you have any questions regarding this letter or WACC's activities, please feel free to contact Jeff Eisenberg, coalition director, or any of the members of the coalition. Jeff can be reached at jeffeisenberg@rocksprings.com or 571.355.3073.

Sincerely,

Members of the Western Agriculture and Conservation Coalition

Steering Committee: Arizona Cattle Growers Association, California Farm Bureau Federation, Environmental Defense Fund, Family Farm Alliance, Irrigation Association, The Nature Conservancy, Public Lands Council, Trout Unlimited, Wyoming Stock Growers Association

Members: California Agricultural Irrigation Association, Montana Stock Growers Association, National Audubon Society, Farmers Conservation Alliance, Oregon Water Resources Congress, Western Growers Association

Business Advisory Council: K-Coe Isom, LLP

Cc:

Senator Pat Roberts, Chair
Senator Debbie Stabenow, Ranking Member
Senate Committee on Agriculture
328 Senate Russell Building
Washington, D.C. 20510

Senator Daines, Chair
Senator Bennet, Ranking Member,
Subcommittee on Conservation, Forestry, and Natural Resources
328A Senate Russell Building
Washington, D.C. 20510

January 24, 2017

To Whom It May or Should Concern:

My name is Mike Kelley. We have a family farm operation in Monona Co. Iowa. I am writing in regard to the current Conservation Reserve Programs. As a 5th generation family farmer, I would like to express my deep concerns about what these current programs have done and what they will continue to do to not only my family farm operation but the agriculture community as a whole. I have been farming all my life and now have 2 sons that are farming with us. I have enrolled in the past 14 years some areas of my own farms or leased land into some of the wetlands programs which made total sense from an economic perspective as they were unproductive and also helped for environmental reasons and with wildlife habitat. These were on a very small scale. For whatever reason that I cannot fathom, these multitudes of programs seem totally out of control. The majority of the land going into these programs currently is very productive farmland. One of my sons lost 80 acres of leased land in 2016 to one of these programs which he had a center pivot irrigation system recently installed on at a tremendous cost assuming he would have the ability to farm this land on a long term basis. The owners received a bid from USDA at a rental rate of over \$100/Acre more than he was paying or could afford to pay at a cost to the government of over \$300,000 over 10 years.

I in turn in 2017 have lost a 150 acre farm to another USDA Pollinator program. I was currently paying \$286/Acre for this farm. Three years ago, I installed a center pivot, drilled a well and installed wiring on this farm at a cost of over \$40,000 again with the hope that I would be able to keep this land for many years. This farm is the most productive, high quality, irrigated land that I farm with no additional wetlands, non-erodible without any conservation benefits whatsoever outside of honey bees. I was trying to negotiate a lower rent based on the current commodity prices when the owners came to me and told me the government offered them nearly \$380/Acre with a \$150/Acre signing bonus. Myself and the owners were shocked. Obviously I was unsuccessful at getting the rent lowered so I could remain profitable because I was outbid by the government by well over \$100/Acre. Not only have I lost this part of my base acres of my farming operation for 10 years if not forever, I have a pivot to sell and remove by March 1, 2017 and am out the cost of the well and wiring. Again for a total cost to the taxpayers of nearly \$600,000 and cost share for seed of up to \$22,500 and further administration cost. Not only the costs to the taxpayer but its loss in revenue to the local grain elevator of 30,000 bushels of grain/year or \$100,000+, the seed company that one of my sons is a part time sales manager, chemical and fertilizer suppliers, machinery dealers, insurance salesmen, fuel supplier, local bank and on and on. Not only is it a travesty to the taxpayer, but is anyone as I just stated putting a dollar amount on the lost long term revenue to the local community?

Never in my 30+ years of farming did I feel the government was going to be a threat to me and my young son's farm operation. I am confident and terrified that the loss of more land to the USDA is forthcoming based on these ridiculous programs and the asinine rental rates.

These programs are a gravy train for people fortunate to own a lot of land and a lot of these owners are absentee so the revenue is gone from the local area. There is a huge trend for landowners looking to retire or change tenants to look at the USDA first rather than offering it to a producer.

I am a strong believer in conservation and believe a lot of these programs are good on a much smaller scale and a price that is not competitive with the people out here in production agriculture. This is not only happening to our operation but also our friends and neighbors. At a time with huge deficits where are these 100's of millions if not billions coming from? You can be assured that when we do have

a production shortfall, consumers will be up in arms over the price of food in which these runaway government programs will be a contributing factor.

I also found there has been a precedence set in a court case in the 8th District Court that if you are a landowner, not actively involved in farming; the CRP payments are not subject to Social Security tax. This is another huge incentive to take land away from a producer and a loss to the taxpayer.

As I understand there is currently over 100,000 additional acres wanted by USDA to be enrolled in CRP alone in Iowa of which I have found our area of the state has a bull's eye on it. The local FSA is encouraging this enrollment because if the county quota is not achieved these acres and dollars will be lost to another county or counties. I recently saw a spokesman for USDA describe this new announcement for additional acres to be a stimulus for the currently depressed Ag economy. Are you kidding me!

I have been told that Monona County, Iowa had the highest payment rate per acre in 2015 of all the Corn Belt states and also 9th out of all 2,534 U.S. counties that received payments that year. CRP rental rates are supposed to be based off of cash rental rates. We do not by any stretch have the highest cash rental rates in the Midwest and certainly not 9th highest in the United States.

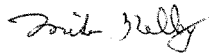
In summation:

- #1 CRP rental rates should be below current cash rental rates so as not to compete against the producer.
- #2 Whole farms should not be allowed in these programs (maybe only a very small percentage of each farm)
- #3 Do we really need to take more land out of production for Pollinator Programs? It seems as if wild flowers could be over seeded into some current CRP acres easily and effectively at little cost to the taxpayer.
- #4 Payment limitations on the dollar amount of income earned are easily bypassed and even suggested by FSA simply by enrolling various family members as operators on that farm.
- #5 Non-payment of Social Security tax loophole needs to be closed.
- #6 Inevitably when the next Farm Bill is considered. Federal Crop Insurance funding will be contentious. Doesn't it seem more rational to use some of this CRP funding to continue to fund a program that puts solid support under every producer and benefits all?

Please take a look at these CRP programs for the cost to the taxpayer, true benefits and revenue loss to the local and state economy. Someone please rein in this program that was originally well intended and did not displace the producers out here trying to feed the world and doing what we do best.

I love my job, as my sons do and ancestors before me. My biggest fear is no longer the weather or commodity prices, it is the Federal Government in which all I can do is express my deep concerns.

Sincerely,



Mike Kelley/Kelley Family Farms
25399 Hickory Avenue
Onawa IA 51040
email kelley@onawave.net

QUESTIONS AND ANSWERS

JUNE 29, 2017

Senate Committee on Agriculture, Nutrition, & Forestry
 Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill
 June 29, 2017
 Questions for the Record
 Mr. Jimmy Bramblett

Chairman Pat Roberts

1. Mr. Bramblett, how does a Comprehensive Nutrient Management Plan assist Confined Animal Feeding Operations (CAFOs) to address air quality impacts? Specifically, how are these management plans developed and implemented? What other conservation programs at NRCS assist CAFOs with addressing air quality?

Response: Mr. Chairman, NRCS helps CAFO producers minimize potential air and water pollutants from storage facilities, confinement areas, and land application areas through technical and financial assistance, as appropriate. Development of a Comprehensive Nutrient Management Plan (CNMP) generally begins with a comprehensive resource inventory of a CAFO. An NRCS conservation planner meets with the producer onsite and identifies air quality resource concerns for emissions of particulate matter, ozone precursors, greenhouse gases, and objectionable odors. NRCS also identifies management options and structural alternatives during the planning process. NRCS trained staff develop CNMPs based on comprehensive engineering and resource assessments and these CNMPs are all approved by a Certified Conservation Planner. During implementation, a producer adopts and documents the CNMP's practices and management activities.

NRCS has many manure management conservation practices which address air quality concerns. The Environmental Quality Incentives Program (EQIP) is the primary program through which NRCS provides financial and technical assistance to agricultural producers. Several states are using National Air Quality Initiative (NAQI) funds, authorized under EQIP, to address specifically agricultural air quality issues at CAFOs and other agricultural operations. Other conservation programs which provide assistance to address air quality concerns include the Conservation Stewardship Program (CSP) and the Regional Conservation Partnership Program (RCPP). Additionally, the NRCS Conservation Innovation Grant (CIG) program has been used to develop and demonstrate additional technologies and techniques for addressing agricultural air quality issues.

2. Many of the Farm Bill conservation programs are highly oversubscribed. Specific to the Voluntary Access Program and Habitat Incentive Program, can you explain state agencies' and tribal governments' level of interest and demand for the program, and NRCS' ability to meet that demand? In addition, can you explain the many ways states and tribes are using the program to assist landowners, to provide recreational access, and to improve fish and game habitat?

Response: The purpose of the Voluntary Public Access and Habitat Incentive Program (VPA-HIP) is to make grants available to State wildlife agencies and Tribal governments to encourage private landowners to make some of their land available to the public for wildlife-dependent recreation (e.g., hunting, fishing, nature photography, canoeing) and to enhance the wildlife habitat quality of the land and water involved.

NRCS published two Announcements for Program Funding (APF) providing applicants the opportunity to compete for the \$40 million Congress authorized in the 2014 Farm Bill. State wildlife agencies demonstrated a high level of interest, submitting 53 proposals requesting a total of over \$94 million. For most of the State wildlife agencies, the requested VPA-HIP funds were to supplement funds from other in-state partners to maintain the very popular State programs that make private lands available to the public for wildlife-dependent recreation, generally referred to as "Open Access" programs. NRCS awarded funds to 10 State wildlife agencies in FY 2014 and 15 State wildlife agencies in FY 2016, for a total of 25 separate VPA-HIP agreements with 22 State wildlife agencies.

Through March 2017, the 22 State wildlife agency awardees have used VPA-HIP funds to enter into approximately 650 contracts with private landowners for a duration ranging from 2 to 30 years, making approximately 1.7 million acres available to the public for wildlife-dependent recreation. The VPA-HIP State wildlife agency awardees have improved the wildlife habitat on approximately 340,000 acres of the 1.7 million acres made available. The majority of the approximately \$40 million VPA-HIP funds have been used to lease private lands for direct public access and use. The most prevalent recreational uses of the private lands are hunting and fishing. These hunting and fishing activities are varied and innovative, and can complement other State-level initiatives. One State, for example, is targeting leases to provide public access for hunting and to address wildlife-related issues like deer damage, an example of the synergistic potential of a well-administered VPA-HIP.

Unlike State wildlife agencies, the level of interest for VPA-HIP funds among Tribal governments, based upon the number of proposals received, is low. NRCS received proposals from only two Tribal governments in response to the FY 2014 APF, and did not receive any Tribal government proposals in response to the FY 2015 APF. NRCS awarded \$374,584 to the Yakama Nation to assist with their implementation of the Yakama Nation's Valley Restoration Areas Wildlife Viewing and Environmental Management Plan to expand access for non-consumptive uses (e.g., day-use hiking, bird watching, photography). Their kick-off grand opening of an improved hiking trail and observation kiosks in the Satus Wildlife Area near Toppenish, Washington, was well-received and well-attended by local residents.

3. How many total acres currently enrolled in the Conservation Stewardship Program will not be eligible for renewal?

Response: In the current renewal cycle of FY 2013 contracts to be renewed in FY 2018, NRCS received 5,153 applications, representing an estimated 77 percent of the initial FY 2013 contracts. These applications are being reviewed for eligibility and therefore, NRCS is unable to provide a count of ineligible requests for renewal at this time. The data will be available when the renewal cycle is completed in FY 2018.

NRCS can project the renewal rate based on historical information from the three renewal cycles conducted for the FY 2015 through FY 2017 renewal contracts. Overall, 59 percent of all initial contracts have been awarded renewal contracts. In the program's third renewal cycle of FY 2012 contracts to be renewed in FY 2017, the renewal rate was 61 percent. Of the renewal applications received, NRCS determined 292 as ineligible applications, for an ineligibility rate of approximately 4 percent. There

were also 1273 renewal applications that were cancelled, and some of these may also have been ineligible but were cancelled by the applicants prior to an ineligibility determination.

Ranking Member Debbie Stabenow

1. Conservation Compliance: On March 10th I wrote a letter to USDA regarding NRCS' implementation of swampbuster and sodbuster provisions in light of two OIG reports, one published in June 2016 titled *USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations* and one published in January 2017 titled *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*. In response to these OIG reports, I understand that NRCS has updated its procedures to address the issues raised by OIG. As I have not yet received a response to the questions I asked in this letter, I would request a response to the following questions about the changes in NRCS policy as it relates to conservation compliance:

- How many farms and acres of land will be impacted by the policy changes implemented by NRCS on both HEL and wetlands?

Response: In response to the 2016 OIG report, *USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations*, NRCS issued policy which clarified the identification and required treatment of ephemeral gully erosion on highly erodible land (HEL), detailed instruction on how to complete the wetland part of the compliance status review, and enhanced guidance on the requirement of quality assurance for the compliance status reviews. NRCS expects that the clarification regarding the identification and treatment of ephemeral gully erosion carries the most potential impact to producers, and believes the guidance on wetland reviews and quality assurance to have little impact.

NRCS has had the policy requirement to treat ephemeral gully erosion since 1991. However the 2016 OIG report identified two states, Missouri and Nebraska, which had in place State-specific guidance that relaxed the requirement for ephemeral erosion treatment in some instances. NRCS expects the impact in these two states may be significant, affecting up to thousands of farms and acres; however, the full extent is difficult to estimate. In these two states, NRCS has put measures in place which can allow producers a reasonable time period to phase additional practices required to address ephemeral erosion into their operations, while also being eligible for USDA technical and financial assistance. NRCS does not expect the national impact to be significant.

In response to the January 2017 OIG report, *NRCS: Wetland Conservation Provisions in the Prairie Pothole Region*, NRCS issued policy clarifications regarding the certification status of previously-completed wetland determinations. NRCS National policy clarified policy issued in 2010 regarding determinations completed prior to 1996. 2010 policy identified that these determinations are considered certified if they met the procedural (appeal rights) and quality mandates of the 1990 Farm Bill, but it did not provide details on how these two standards were to be evaluated. The OIG report identified that states in the Prairie Pothole Region (Iowa, Minnesota, North Dakota, and South Dakota) were not consistent in their evaluation of previously-completed wetland determinations, with some states incorrectly automatically rejecting the certification status of all pre-1996 determinations. Of these four states, the impacts are expected to be greatest in North Dakota and South Dakota. NRCS is

aware that inconsistencies also previously existed nationally; however, obtaining estimates of number of farms or acres impacted is extremely difficult.

- The new policy on wetlands clarifies that wetland determinations on maps issued prior to 1996 will be considered certified. How reliable are these determinations and how much does the quality of these determinations vary from state to state?

Response: Following Congressional direction in the 1990 Farm Bill, NRCS began completing and issuing certified wetland determinations. Since that time, there have been many technological innovations, including more comprehensive and accurate digital remote resources which have improved the accuracy and precision of wetland determinations. In the 1996 Farm Bill, Congress specifically addressed the issue of changing wetland determinations by removing the agency's ability to replace a final certified determination. Since the 1996 legislative change, certified wetland determinations are only subject to change when requested by the affected USDA participant. By law, participants can rely on all final certified wetland determinations issued after November 28, 1990. The January 2017 policy clarifications provide basic criteria to ensure that those determinations were issued as certified with appeal rights provided, and that they meet a quality mandate such that the maps can reasonably be used by a producer to identify wetland locations. NRCS acknowledges that the quality of older determinations in all states may be different than those completed using more recent digital remote resources and procedures. However, this difference in quality does not impact their certification status.

- By relying on the older wetland certifications, will the new policy guidance result in more wetlands being drained? If no, why not?

Response: By law, all certified wetland determinations issued after November 28, 1990 can only be replaced when a review is requested by the affected USDA participant. Producers who rely on these determinations and avoid adverse impacts to all identified wetland areas will not result in draining wetlands subject to the USDA wetland compliance provisions. The 2017 OIG report identified several examples where more recent maps identified more wetlands than the earlier maps did. However, this varies widely nationally, by State, and even within a State depending on the wetland identification procedures that were utilized at the time.

- Provide clarification on how the NRCS' national guidance on gully erosion will be enforced.

Response: NRCS uses the following methods to enforce the conservation compliance provisions, including soil erosion reduction requirements and ephemeral gully erosion treatment. As identified above, NRCS has required ephemeral erosion treatment in national policy since at least 1991:

- USDA conducts annual compliance reviews on a random selection of approximately 1.4% of all USDA identified tracts that have either an identified Highly Erodible Land (HEL) field or at least one potential wetland area. This results in approximately 22,000 annual compliance checks each year on an average of 3.28 million acres.

- o USDA also conducts investigations of potential compliance violations reported by other agencies and members of the public through a formal whistleblower complaint procedure.
 - o Outside of the whistleblower and annual compliance review process, when providing technical assistance, NRCS employees who notice a potential HEL violation are required to notify the affected USDA participant. By regulation, these participants are provided an opportunity to revise their HEL plan and implement any soil erosion treatment within one year.
 - o In an ongoing fashion, all USDA participants must keep their self-certification of compliance updated and notify USDA of any planned changes that could impact their compliance.
- What stakeholders did USDA consult with over the revision to the policies on HEL and wetlands?

Response: It is important to note that, in these cases, NRCS simply clarified existing national policy and such clarifications primarily impact a limited number of States where deviations from policy were identified. By issuing updates to its national policy, NRCS is providing a consistent national interpretation for the future implementation regarding these issues. The NRCS State Conservationists in Nebraska and Missouri consulted with their State Technical Committees concerning the clarifications to the gully control requirements on HEL. At the national level, NRCS met with conservation and agriculture stakeholders to explain these policy clarifications. NRCS began the discussions with partners regarding the certification status of previously conducted wetland determinations in the Prairie Pothole Region as early as 2012.

- How many farmers today are considered out of compliance with wetland and HEL requirements and what is being done to reduce the number of farmers on this list?

Response: Below is a table showing NRCS compliance status review violation data for CY 2012 to CY 2016. Note that that these are preliminary technical findings which are subject to change through the appeal process. Variances, rather than findings of violations, can be granted for a variety of reasons including minimal effect, personal hardship, severe weather, pest, or disease. When a variance is granted, the tract is reviewed the next year to ensure that any deficiencies have been addressed. All USDA agencies involved with conservation compliance (the Farm Service Agency, Risk Management Agency, and NRCS) work together to inform and remind USDA participants of their compliance responsibilities.

Year	# Violations	% Violations	States Reporting Violations	Variances Granted
2012	743	3.0	30	1081
2013	680	2.9	34	1352
2014	606	2.7	38	1121
2015*	358	3.3	29	487
2016	487	2.2	37	783
Average	629	2.7	35	1084

* 2015 is considered an outlier due to reduced sample size and was not included in the calculation of averages.

- Do the policy changes proposed by NRCS on both HEL and wetlands change the number of producers who are considered out of compliance? If so, how?

Response: These policy clarifications do not immediately result in changing the number of producers out of compliance. For the HEL provisions, producers can rely on their existing approved conservation plans. If additional gully erosion treatments are required, NRCS will work with these producers to revise their existing conservation plan and will provide them a reasonable amount of time, usually one year, to implement needed conservation practices.

- What is the overall effectiveness of the agency's enforcement of conservation compliance and what metrics does the agency use to make that determination?

Response: NRCS and FSA share responsibility for the conservation compliance enforcement process, with NRCS addressing the technical aspects of identifying HEL and wetland violations and FSA making determinations regarding compliance penalties and producer eligibility for USDA programs. NRCS believes that the existing compliance monitoring processes provide a strong incentive for producers to accept and implement their conservation responsibilities. Statistics on the number of violations have remained relatively stable for many years, which is also an indicator of consistent compliance enforcement.

2. Budget: In his FY18 budget proposal, the President recommended eliminating the Conservation Stewardship Program and the Regional Conservation Partnership Program and increasing funding for the Environmental Quality Incentives Program and the Agricultural Conservation Easement Program. Can you please provide the rationale for eliminating some programs and increasing funding for others?

Response: The President's Budget proposal sought to streamline and focus the delivery of conservation resources through the Environmental Quality Incentives Program (EQIP) as the primary financial assistance program and the Agricultural Conservation Easement Program (ACEP) as the primary conservation easement program.

3. Agricultural Conservation Easement Program: Can you discuss how ACEP fits into the Department's strategy on helping beginning farmers and ranchers? Given that an increasingly high number of farmers are at or nearing retirement age, how will you be prioritizing this program as a way to help new farmers access land?

Response: The Agricultural Conservation Easement Program (ACEP) provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits. Under the Agricultural Land Easements (ALE) component, NRCS helps Tribal, State and local governments and non-governmental organizations protect working agricultural lands and limit non-agricultural uses of the land. Under the Wetlands Reserve Easements (WRE) component, NRCS helps to restore, protect and enhance enrolled wetlands.

ACEP creates opportunities for new and beginning farmers either to purchase agricultural land at a reduced cost or to reduce financial liabilities by selling an easement on newly acquired land. In particular, the placement of an easement on a parcel decreases the development pressure on that parcel and eliminates the competition for non-agricultural uses on the property, allowing a beginning farmer or rancher to purchase the land at agricultural value. In turn, the retiring farmers may be able to receive full or near full compensation for their long-term investment in the land through the easement compensation they receive for the ACEP easement and the compensation they receive from beginning farmer or rancher for the remaining value of the land. A WRE easement may provide a source of diversified income to a beginning farmer or rancher.

To help prioritize ACEP's ability to help new farmers and ranchers access land, NRCS provides eligible entities the flexibility to engage in buy-sell-protect projects using ACEP-ALE funds. In a buy-sell-protect scenario an eligible entity can move quickly to secure a parcel of agricultural land prior to the land being sold for non-agricultural development. Once the land is secured through a purchase agreement or an outright acquisition, an entity could identify a new and beginning farmer or rancher, and agree to convey the land to this new owner. At this point, the entity would apply for ACEP-ALE funds and begin the process of acquiring the agricultural easement and transferring the ownership of the land to the new farmer or rancher. The entity would complete the buy-sell-protect project at closing by transferring the land to the new farmer or rancher and immediately acquiring the agricultural easement from them.

4. Conservation Stewardship Program: Given the changes that NRCS made to the program last year, can you provide an update on how the changes worked with this year's sign up? Specifically, for FY17, how many applications you submitted, how many was NRCS able to fund, will you fully enroll the 10 million acres for FY17? Will you continue to apply the new requirements only to new contracts, or will you be applying them to renewing contracts as well? Can you also please provide a list of the top 10 states with the highest rate of applications?

Response: The new CSP process applies to all new enrollments during fiscal year 2017 and thereafter. Additionally, NRCS will use the new CSP process for the renewal applications currently under consideration which NRCS will contract in FY2018. These changes reduced program complexity, streamlined application evaluation and processing, and increased overall transparency. NRCS continues to make improvements to CSP based on the feedback received from these external and internal stakeholders.

NRCS has received 17,695 applications for consideration in FY 2017, which is 11 percent higher than FY 2016. This increased demand is also reflected in an increased number of applications received from nontraditional and small farmers, as well as from areas with historically low participation rates. States are currently evaluating these applications and entering into contracts. NRCS will make available the final sign-up report when all FY 2017 sign-up activities have been completed. NRCS projects the program enrollment goals will be met, since demand exceeds the 10 million acres allocated for FY 2017.

The following states received the highest number of applications (in order from highest to lowest) in FY 2017: Oklahoma, Arkansas, Minnesota, Nebraska, Missouri, Mississippi, North Dakota, Georgia, South Dakota, and Illinois.

5. EQIP: Please provide a breakdown of funding that goes towards wildlife practices and how this compares to funding under the Wildlife Habitat Incentives Program?

Response: The table below outlines the Financial Assistance (FA) obligated to wildlife practices in EQIP (2014-2016) and under WHIP (2009-2013).

EQIP	
Financial Assistance (FA) Obligated to Wildlife Initiatives and Practices	
FA	
Year	Obligations
2016	\$63,755,195
2015	\$61,311,742
2014	\$60,538,856

WHIP	
Financial Assistance (FA) Obligated	
FA	
Year	Obligations
2013	\$44,516,866
2012	\$33,919,744
2011	\$60,810,383
2010	\$62,862,480
2009	\$51,998,722

6. EQIP: Please provide a breakdown of the practices that are currently funded through the 60% livestock set-aside in EQIP, the cost for those practices, and the states where those practices are being implemented.

Response: The majority of currently active contracts were obligated since the 2008 Farm Bill. During the 2009-2016 time period, nearly 879,000 practice occurrences for approximately \$4.5B have been obligated to livestock-related operations under EQIP across the country. Below are the top ten practices based on financial assistance obligated, the top ten practices based on number of occurrences, and the top ten states with the most practice occurrences and associated financial assistance obligations.

**Top Ten Livestock Practices Obligated under EQIP (2009-2016) -
Financial Assistance Obligated**

Practice Name	Financial Assistance Obligated	
1 Waste Storage Facility	\$	457,950,118
2 Fence	\$	455,204,474
3 Brush Management	\$	356,438,499
4 Pipeline	\$	250,845,067
5 Heavy Use Area Protection	\$	214,654,889
6 Pasture & Hayland Planting	\$	189,318,960
7 Irrigation System, Sprinkler	\$	186,478,917
8 Trough or Tank	\$	163,248,378
9 Waste Facility Cover	\$	148,735,806
10 Prescribed Grazing	\$	128,398,001

**Top Ten Livestock Practices Obligated Under EQIP (2009-2016) -
Occurrences**

Practice Name	Occurrences
1 Fence	104,208
2 Trough or Tank	80,158
3 Pipeline	66,240
4 Brush Management	51,523
5 Prescribed Grazing	47,108
6 Heavy Use Area Protection	46,256
7 Pasture & Hayland Planting	44,635
8 Nutrient Management	34,898
9 Cover Crop	29,677
10 Pumping Plant for Water Control	25,675

**Top Ten States with Livestock Practice Occurrences and Associated Financial Assistance
Obligated Under EQIP (2009-2016)**

State	Financial Assistance	
	Occurrences	Obligated
1 Texas	83,601	\$ 448,756,432
2 Oklahoma	44,510	\$ 134,355,044
3 California	32,614	\$ 277,035,553
4 Arkansas	32,366	\$ 129,758,107
5 Tennessee	31,469	\$ 94,527,799
6 Mississippi	29,891	\$ 74,937,961
7 North Dakota	27,984	\$ 104,549,907
8 Georgia	25,373	\$ 96,868,308
9 South Dakota	25,016	\$ 107,126,981
10 Wisconsin	24,808	\$ 139,772,616

7. Regional Conservation Partnership Program: Please provide a breakdown of the percent and number of contracts that have been awarded through each of the covered programs under RCPP.

Response: Please see the tables in Attachment One for a breakdown of the percent and number of contracts that have been awarded through each of the covered programs under RCPP.

8. RCPP: How does NRCS determine the amount of technical assistance (TA) that the agency needs to implement RCPP projects and does the agency have recommendations for how to improve this process in the 2018 Farm Bill so that partners applying for RCPP can know up front the amount of funding available for TA for their project?

Response: NRCS requires that a partner under RCPP identify the requested technical assistance costs in their project proposal and NRCS and the partner then identify the TA amount in their negotiated partnership agreement. Technical assistance can include natural resource assessment, planning, design, practice implementation or other technical activities, and the services are provided either by NRCS, the Partner, or a combination of both. All technical assistance implementation activities must be presented in the partnership agreement since NRCS must fund all RCPP FA and TA activities via the program to ensure the agency and partners both adequately consider the level of technical effort needed for successful implementation of projects. This approach keeps Partners in the "drivers' seat" since they determine how much, if any, TA they wish NRCS to provide in support of implementing their project.

NRCS State Conservationists work with their partners to negotiate partnership agreements to implement partner-led RCPP projects with the designated funding available for each project. NRCS cannot augment RCPP with FA or TA funds from other NRCS program sources beyond the 7 percent covered program contribution made available to the program under the Farm Bill.

NRCS programs are delivered via direct charge, so all activities connected with delivering a program must be charged to that program. However, partners remain in charge of deciding if they wish to use NRCS technical help for RCPP project implementation or if they prefer to implement with other technical resources. Under the statute, NRCS cannot provide RCPP funding for the administrative expenses or indirect costs of partners. While partners cannot use RCPP TA to cover administrative costs, they can account for those expenses as part of the partner contribution to the project.

9. Conservation Practices: Can you please discuss the process for approving new conservation practices and why it is that the government often lags behind the private sector in utilizing the latest conservation technologies and innovations?

Response: NRCS utilizes Federal funds to advise and assist with implementing conservation technologies and innovations, and thus must ensure that the standards for their use are appropriate and their benefits proven. Therefore, conservation practice standards (CPS) evolve in accordance with advancement in farming and ranching techniques and technology as documented by research, conservation field trials, and accumulated experience. CPS are reviewed and maintained on a five-year cycle to stay current with changes in technology and to ensure that they address multiple resources. CPS contain information on why and where the practice is applied and they set forth the minimum quality criteria that must be met during the application of that practice in order for it to achieve its

intended purpose(s). Moreover, NRCS has the authority to develop interim CPS to enable the use of cutting edge technology, as described more fully below.

National Conservation Practice Standards can be used within a State without modification, or they can be rewritten to include additional requirements to meet State or local needs. Because of wide variations in soils, climate, and topography, States may need to add special provisions or provide additional details in the conservation practice standards. State laws and local ordinances or regulations may dictate more stringent criteria. Once a national standard is created or revised, States have up to a year to adopt or revise State standards.

New technology or innovations that address soil, water, air, plant, animal, and energy resource concerns can be used in conservation planning through the creation of interim conservation practice standards. Interim conservation practice standards are prepared to enable the use of new technology and to field test these new technologies. Interim standards are based on requests from the State University, Agricultural Research Service (ARS), a landowner, an industry representative, employees at the field office, or other such sources.

Interim standard requests are reviewed and approved for development by the State Technical Guide Committee then forwarded for National level review. Once the interim practice has been determined to be appropriate, the State Conservationist will direct the State discipline specialist to oversee use and evaluation of the interim standard. At the end of a 3-year evaluation period, a final evaluation report is completed with specific disposition recommendations (either a new national conservation practice standard; incorporation into existing standard; or discontinuation).

Once recommended for inclusion as a national standard, a national discipline leader will draft a national standard with information on why and where the practice is applied, and sets forth the minimum quality criteria that must be met during the application of that practice in order for it to achieve its intended purpose(s). The draft practice standard will then go through a rigorous review process which includes posting for comment on the Federal Register before becoming finalized and published as a national conservation practice standard.

10. We all know that farming is inherently risky. Many conservation practices can help farmers reduce risk on their operations by improving soil health, reducing fertilizer and water use, and reducing impacts of severe weather like drought. Increasingly there is an interest in understanding more specifically how conservation practices can improve the long-term resiliency of farms and how that may impact the crop insurance program. Can you please discuss if there is data that you currently collect linking conservation practices to crop yields? If not, can you provide recommendations for how you could collect this data going forward?

Response: While some relevant yield data has been collected over the years by NRCS and partners, a more strategic nationwide effort is currently being launched to leverage NRCS, other federal agency, and partner resources to collect a nation-wide dataset that effectively links implementation of soil health management systems and yield benefits. There is great potential to coordinate across a broad set of partners with shared interest in soil health to develop rapidly a comprehensive and informative dataset to facilitate transformational producer and agency decision making.

Past and current data collection: CEAP data collection and modeling studies on which NRCS and the Agricultural Research Service (ARS) collaborate have quantified some of the positive effects of specific conservation practices on soil health status, yield, input needs, and resilience to severe weather. Additionally NRCS has started a focused review of the body of scientific literature (including CEAP studies) that has assessed the impacts of soil health promoting practices on yield. A summary of the preliminary review concluded that yields and/or yield stability were increased by soil health promoting practices in 76% of reviewed papers. Studies identifying no or negative impacts on yields were specifically only where the soil health promoting practices had been recently implemented or were not yet properly adapted to the climate, soil, and cropping system.

Future data collection efforts and opportunities: NRCS is currently launching a more targeted project to truly integrate and advance the Science of Soil Health by leveraging decades of research with decades of grassroots innovations by producers who have been developing effective soil health management systems (SHMS). SHMSs are systems of multiple NRCS conservation practices that focus on maintaining and enhancing soil health by addressing all four of the soil health planning principles: minimize disturbance, maximize soil cover, maximize biodiversity, and maximize presence of living roots. A SHMS is cropping system specific and creates a synergistic effect as practices are adapted to each other to leverage benefits of each.

11. Can you discuss efforts to support beginning farmers through the conservation programs you oversee? Can you share recommendations for improving access to conservation programs for beginning farmers, including veterans?

Response: The 2014 farm bill provided NRCS with several authorities to better support beginning farmers and veteran farmers and ranchers. NRCS is able to target at least 5% of EQIP funding and CSP acreage solely to beginning farmers, and within this funding pool, prioritize veteran farmers and ranchers (former members of the military who have been honorably discharged). NRCS is also able under EQIP to provide increased payment rates and advanced payments to assist these producers in purchasing supplies or hiring the labor needed to implement conservation practices. In addition, NRCS continues to improve outreach efforts to reach more beginning and veteran farmers and ranchers.

These authorities have helped NRCS support beginning and veteran farmers and ranchers in the financial assistance programs. However, these special considerations for beginning farmers and ranchers and veteran farmers and ranchers do not extend to other NRCS programs, including the Agricultural Management Assistance Program or the Agricultural Conservation Easement Program. Additionally, under the current statutory definition of veteran farmer and rancher must also meet the definition of a beginning farmer or rancher in order to qualify for these additional program benefits, yet veterans which meet this definition already qualify for these benefits simply because they are beginning farmer or ranchers. Therefore, other than prioritization within the beginning farmer or rancher or socially disadvantaged farmer or rancher funding pools, a veteran does not receive any special consideration simply based on their status as a veteran.

12. Please provide a summary of how the programs you oversee are helping organic producers or helping producers transition to organic production, including any relevant data about how many organic producers are accessing these tools.

Response: The Organic Initiative is a nationwide special initiative that provides assistance to organic producers, producers in the process of transitioning to organic production, and those organic producers who are exempt from certification. A critical benefit of the Organic Initiative is sustaining the natural physical, biological, and chemical properties of the soil, which is vital to organic production. Technical and financial assistance are available through the Environmental Quality Incentives Program (EQIP), the Agricultural Management Assistance (AMA) program, and the Conservation Stewardship Program (CSP).

Additionally, a producer may request services through a Technical Service Provider (TSP) who is an individual or business that have technical expertise in conservation planning and design for a variety of conservation activities. Producers are eligible to be reimbursed for the costs of obtaining technical services from TSPs certified by the Natural Resources Conservation Service (NRCS). Each certified TSP is listed on the NRCS TSP online registry, TechReg.

Producers work with TSPs to develop a Conservation Activity Plan (CAP) for transitioning to organic. Through this effort producers identify conservation practices needed to address a specific natural resource need. This "Conservation Plan Supporting Organic Transition" documents decisions by a producer who agrees to implement a system of conservation practices to transition from a conventional farming or ranching system to an organic production system.

Table 1. Financial Assistance for Organic, In-transition to Organic, and Exempt from Organic Certification Participants

Fiscal Year	Obligation (\$)	Contracts (No.)	Acres Treated
FY2014	\$4.9M	388	20,187
FY2015	\$5.0 M	339	21,100
FY2016	\$5.4M	375	26,700

Additionally, NRCS provides training webinars for organic producers or those interested in transitioning to organics through the NRCS Science and Technology training library [webinar portal](#). Currently, 47 organic-related webinars are available, from an overview of the organic certification process, to specific resource topics such as biodiversity, soil health, and water quality, to a direct market model for community-supported agriculture. New webinars are posted regularly on a variety of topics.

Senator Steve Daines

1. As you know, state conservationists play a critical role in assisting farmers and ranchers participate in conservation programs and improve the efficiency operations while ensuring their land can continue to be productive for generations to come. What can be done to provide state conservationists and state staff additional flexibility to approve local, site-specific variations in deed requirements?

Response: There are multiple avenues for NRCS State Conservationists to work with eligible entities to incorporate local, site-specific variations in the deed language. First, the standard minimum deed terms themselves contain multiple options intended to be tailored to the entity preferences and specific site conditions. Second, in every deed, the eligible entity uses their own deed terms and conditions specific to their own requirements or site-specific conditions. The eligible entity deed terms are in addition to any NRCS provided minimum deed terms.

Third, NRCS provides non-certified eligible entities the option of developing an entity-specific deed template, wherein NRCS works with the entity to develop an agreed-upon template that addresses the needs of both parties in a specifically tailored set of deed terms. Once an entity-specific template is approved, the review of the individual deeds can occur at the State level for each easement transaction on which the approved template language is used.

Fourth, with the publication of the ACEP Final Rule on October 18, 2016, NRCS included additional options for a State Conservationist to develop, in consultation with their State Technical Committee, additional minimum deed terms that address State-specific issues. The procedures for developing these State-specific deed terms was outlined in the preamble of the ACEP final rule and, since that time, has also been incorporated into agency policy and training provided to the States and outreach conducted with potential eligible entity participants.

Fifth, entities have the option to submit a request to become a certified eligible entity. These certification requests are submitted to, and reviewed, by the State Conservationist of the State in which the entity primarily operates. They are then submitted to the Regional Conservationist for final approval. Once an eligible entity becomes certified, they use their own deed language. NRCS requires only that the deed language developed by the entities addresses the ACEP regulatory deed requirements (7 CFR § 1468.25(d)) and include the required United States Right of Enforcement language.

Senator Patrick Leahy

1. In your testimony you mentioned that the NRCS was over 65 percent of the way through the creation of a national Easement Support Services (ESS) Branch that will perform real estate acquisition functions and the associated administrative tasks for the Agricultural Conservation Easement Program (ACEP) that is administered by NRCS. I hope that the proposed changes will allow for more of the NRCS staff and appraisal reviewers to spend additional time making ALE easements a top priority and also allow states and producers the necessary flexibility in easement and deed terms.
 - a. How will this new ESS branch address lengthy delays that our constituents have raised with us in the ACEP-Agricultural Lands Easement (ALE) and the unpredictability of decision-making at the NRCS that imposes further hardships on producers and partner groups?
 - b. Will this new ESS Branch move any appraisal services in-house that the NRCS had previously been contracting out to low bid providers, which some partner groups on the ground in several states have pointed to as the cause for lengthy appraisal delays that continue to be a huge problem for farmers?

Response: The full implementation of the Easement Support Services (ESS) model will allow NRCS State and field office staff to spend more time working directly with landowners and cooperating with entities on agricultural conservation easements. ESS allows entities to continue to use their own terms and conditions for agricultural land easements whether that is in the entities' approved template, in a novel deed drafted by a certified entity without any review by NRCS, or an entity-drafted deed with an attachment containing the NRCS minimum terms and conditions as required by the authorizing statute.

The ESS Branch will improve the delivery of NRCS easement programs by centralizing the real estate acquisition functions and related administrative tasks. These improvements will include:

- Providing landowners with consistent, professional easement acquisition services that will improve the accuracy and timeliness of easement closings;
- Allowing NRCS State offices to increase the amount of time spent with landowners and producers on ACEP outreach and project selection, identifying local resource concerns, implementing conservation practices, and monitoring the long term Federal investment that is our easement portfolio (currently over 22,000 easements); and
- Reducing NRCS' legal and financial exposure by consolidating the specific high-risk tasks that have challenged the agency's accountability and the Office of Inspector General audit outcomes.

Your question correctly identifies how crucial it is for NRCS to have in-house appraisal expertise. NRCS currently has a National Appraiser who helps NRCS to ensure that landowners are receiving the appropriate value for their real property interests, and to interface efficiently with private sector appraisers contracted to conduct appraisals and technical reviews. While ESS will increase NRCS' in-house realty expertise and that will in turn increase the over-all efficiency and predictability of easement closings, it does not currently include an increase in-house appraisal services.

2. I am quite concerned that the NRCS appears to be ignoring the authorization for ACEP-ALE that allows an eligible entity to use its own terms and conditions for agricultural land easements. Section 1265B(b)(4) of the Food Security Act of 1985 clearly states that:

(C) MINIMUM TERMS AND CONDITIONS.—An eligible entity shall be authorized to use its own terms and conditions for agricultural land easements so long as the Secretary determines such terms and conditions—

- (i) are consistent with the purposes of the program;*
- (ii) permit effective enforcement of the conservation purposes of such easements;*
- (iii) include a right of enforcement for the Secretary, that may be used only if the terms of the easement are not enforced by the holder of the easement;*
- (iv) subject the land in which an interest is purchased to an agricultural land easement plan that—*
 - (I) describes the activities which promote the long-term viability of the land to meet the purposes for which the easement was acquired;*
 - (II) requires the management of grasslands according to a grasslands management plan; and*
 - (III) includes a conservation plan, where appropriate, and requires, at the option of the Secretary, the conversion of highly erodible cropland to less intensive uses;*
- and*
- (v) include a limit on the impervious surfaces to be allowed that is consistent with the agricultural activities to be conducted.*

Yet, for easement templates the NRCS appears to be on a perpetual drive for standardization and "one size fits all" management that has created numerous problems for states, conservation partners, and farmers some of whom I have been told have even lost their eligibility for a federal tax

deduction for their donation of a part of the value of the easement because the NRCS template did not qualify under the Internal Revenue Service regulations.

While I recognize the need for accountability and some degree of consistency, the additional minimum terms imposed by NRCS do not reflect or allow for the diversity and landscape-based nuances of agriculture that we see around the country, nor do they appear to recognize that Congress intended for this program to offer flexibility to eligible entities to use their own terms and conditions for agricultural land easements. The NRCS Policy Manual goes far beyond the statutory list in establishing minimum deed terms and it does not allow noncertified eligible entities to modify the required minimum deed terms. I am concerned that this will have a negative impact on the program's ability to protect the agricultural use and future viability, and related conservation values, of eligible land.

Will the NRCS and this new ESS branch, as intended by Congress and in statute, allow eligible entities, whether certified or not, to use easement terms that vary from the NRCS template minimum deed terms? And will the NRCS empower the State Conservationists to certify that such deed terms comply with the statute and regulations?

Response: Eligible entities can currently use their own terms and conditions for agricultural land easements. The majority of the deed language is provided by the eligible entity's own language, wherein the entity can tailor language to regional and site-specific issues. NRCS does provide the standard set of minimum deed terms that the eligible entity can append to or incorporate into their own deed terms. This NRCS standard set of minimum deed terms is intended to ensure the statutory program requirements are met on each easement, the investment of Federal funds is appropriate, to expedite the deed review process, to address perceived 'delays' in the process, to provide transparency in the deed terms, to ensure the equitable treatment of all participants receiving Federal funds under this program, and to ensure the agricultural uses are adequately protected.

There are multiple mechanisms already in place to allow eligible entities to address regional and site-specific needs. These mechanisms include establishing individual entity-specific deed templates, establishing State-specific minimum deed-terms, or authorizing entities to develop their own full set of deed terms through the entity certification process. If an entity elects to use the pre-prepared standard minimum deed terms, less review is required by NRCS and thus the process is faster. If the entity elects to use individually-negotiated deed terms that vary by each individual project, then additional NRCS review time is required to ensure that the terms of the deed meet ACEP's statutory purposes.

Individual NRCS State offices do not have sufficient realty expertise to review and approve individual conservation easement deeds to ensure those deeds comply with program requirements. NRCS has increased its in-house realty and easement acquisition capacity with the development of a national strategy and Congressional approval of the new national Easement Support Services (ESS) branch. The ESS branch provides a dedicated team of qualified staff to provide direct assistance to the States and eligible entities in the acquisition of conservation easements.

3. Some of the best farmers in the country are helping USDA to evaluate the effectiveness of conservation practices with edge-of-field monitoring. Unfortunately, the monitoring costs count

against each farm's payment cap under the Farm Bill. This can severely limit the conservation practices a farm can complete on the ground and is a serious problem in Vermont, in the Mississippi basin, the Great Lakes, and the Chesapeake Bay. Without a fix in the 2018 Farm Bill this could be a big disincentive for our best farmers who would otherwise be able to help USDA to evaluate the effectiveness of conservation practices that aim to reduce nutrient loss that can threaten the health of streams, rivers, and lakes.

What suggestions or ideas does the NRCS have solving this problem with the EQIP payment cap and how it applies to farms working with NRCS on edge-of-field water quality monitoring? If you don't have any ideas on paper now that the NRCS can share with the Committee can I get your commitment to work with me and this Committee to find a solution?

Response: Under EQIP, NRCS only has authority to make financial assistance payments under EQIP to producers for the implementation of conservation activities that further the purposes of the program. NRCS has funded edge-of-field monitoring under EQIP as a conservation activity that furthers the purpose of the program because monitoring informs the planning process, and the monitoring activity, when conducted by the producer, furthers the evaluation of the effectiveness of the EQIP plan of operations.

However, as mentioned, the use of EQIP for implementation of edge-of-field monitoring activity has had some unintended consequences for participants, since as a financial assistance practice, it counts against the producer's EQIP payment limitation of \$450,000. NRCS has heard from producers of their wish to participate in edge-of-field monitoring to show others the positive results that can be achieved from conservation, but who have not participated for the specific reason of the payment cap limitation.

NRCS has identified several alternative options, some of which would require additional authority or resources, including: 1) exempting payments for edge-of-field monitoring and related activities from a producer's payment cap; 2) using technical assistance conservation activity implementation; or 3) using EQIP FA for costs associated with installation of the equipment and EQIP TA for costs associated with the actual monitoring actions. Of these options, NRCS believes that exempting edge-of-field monitoring from the payment cap would best meet the needs of participants.

4. For 30 years, lands in the Conservation Reserve Program have contributed tremendously to soil and water protection and wildlife and pollinator habitat. These lands represent a substantial investment of federal funds to protect highly erodible and other sensitive lands that can provide resource benefits such as wildlife habitat, soil erosion, and water sequestration, even once they have left CRP, as long as they are not converted back to cropland. For farmers that are looking to transition their retiring CRP land to grazing lands, typically water and fencing are the two biggest limitations for using CRP lands for grazing by any livestock species. The NRCS has had an EQIP Grazing Lands Special Project and has supported farmers whose land is retiring from CRP to transition to grazing.

- a. Rather than continually reenrolling these same lands in CRP, how can the next Farm Bill further encourage farmers to transition their lands out of CRP to working pastureland and grazing lands that will enhance livestock production and maximize environmental benefits?

Response: Currently the Farm Service Agency (FSA) offers the Transition Incentives Program (TIP) to encourage beginning, socially disadvantaged, and veteran farmers to work with CRP landowners on a

transition plan to returning CRP lands to production. TIP offers technical assistance from NRCS conservation planners and TSPs. This program, along with NRCS programs such as the Agricultural Conservation Easement Program (ACEP), the Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP), and the Regional Conservation Partnership Program (RCPP) offer conservation planning and financial assistance to install conservation practices to support grazing operations. More specifically, ACEP currently prioritizes the enrollment of expiring CRP lands into a conservation easement to ensure more long-term protection, and with minor adjustments to eligibility, could enroll more CRP lands. Additionally, local employees, conservation districts, and other agencies and organizations work with FSA to provide outreach to landowners with expiring CRP land. The landowners are encouraged to work with a conservation planner to write a new conservation plan for the expiring CRP land. All of the conservation alternatives are discussed with the landowner and they are encouraged to keep healthy stands of vegetation in permanent cover. As part of this planning process, support for using standardized laboratory soil health assessments to document baseline soil health status, along with financial assistance for maintenance practices, would facilitate quantitative evaluation of ability to maintain these acres at a high level of soil functioning. Furthermore payments for sharing of soil health assessment, management, and yield data to contribute to a national dataset would facilitate rapid improvements in practice recommendations.

Through LPCI, NRCS has made proactive conservation of this species and landscape since 2010 by providing assistance to help agricultural producers restore and protect habitat for prairie-chickens while also improving the long-term sustainability of associated agricultural operations. Addressing loss of grasslands due to cultivation is a primary threat targeted through LPCI, with special priority placed on applications where CRP grasslands will be retained. NRCS is preventing cultivation of expiring CRP grasslands by assisting producers with incorporating expired CRP acres into their grazing systems, including the installation of associated infrastructure of fences and watering systems. NRCS is also helping offset the loss of CRP grasslands to cultivation by working to seed marginal croplands back to herbaceous vegetation.

- b. Are there ways that the next Farm Bill can further support the NRCS' efforts to help farmers with retiring CRP acreage to address water and fencing needs that are typically the two biggest limitations for using CRP lands for grazing?

Response: Currently the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) offer producers several practices and enhancements to applicants who are transitioning out of CRP and transferring the land back into working lands. Practices such as prescribed grazing, watering facilities, fencing, and supporting practices are highly-used and available through NRCS programs, and are available to producers with land coming out of CRP. Additionally, NRCS can protect grasslands from conversion through the Agricultural Conservation Easement Program (ACEP) and expiring CRP lands are already priority for ACEP enrollment. State Conservationists work with local working groups and State Technical Committees to identify and establish conservation program priorities and can focus program resources when needed to address the resource concerns and practice needs of producers using former CRP lands for grazing.

Senator Michael Bennet

1. In the 2014 Farm Bill, we provided that Regional Conservation Partnership Projects (RCPs) in critical conservation areas, such as the Colorado River Basin could undertake infrastructure improvements through PL-566 authorities (called "Watershed Act" authority) to promote water conservation and improve water quality. This type of work, in places like the lower Gunnison River, improves agricultural productivity while increasing resilience to drought across the Colorado River Basin.
- a. How many RCPs are now using this authority, provided for projects in critical conservation areas, to improve off-farm water infrastructure?

Response: There are 16 projects utilizing the PL-566 authorities representing 6 of the 8 CCA- specific boundaries. These projects using PL-566 authorities are across the country in 12 lead states as identified below. Six of these projects have measures that will improve off-farm water infrastructure, including the Upper Columbia Irrigation Enhancement Project, the Lower Gunnison River Basin Project, the Bayou-Meto-Lower Arkansas River Project, the Colorado River Headwaters Project, the LCRWCA Project, and the Uintah County Water Efficiency Project.

Application FY	RCP ID	Project Name	CCA Name	Lead State	Program
2017	1538	Black Rascal Creek Project	California Bay Delta	CA	PL-566
2014	388	The Lower Gunnison River Basin Project	Colorado River Basin	CO	PL-566
2017	1550	Colorado River Headwaters Project	Colorado River Basin	CO	PL-566
2017	1600	LCRWCA - RCPP	Colorado River Basin	AZ	PL-566
2017	1658	Uintah County Water Efficiency Project	Colorado River Basin	UT	PL-566
2014	513	Upper Columbia Irrigation Enhancement Project	Columbia River Basin	WA	PL-566
2016	1429	Lower Columbia Watershed Partnership Project	Columbia River Basin	OR	PL-566
2017	1603	Low Grand River Watershed Habitat Restoration / Farmland Conservation Project	Great Lakes Region	MI	PL-566
2014	549	Bayou Meto-Lower Arkansas Regional Conservation Partnership Project	Mississippi River Basin	AR	PL-566
2016	1337	West Fork White River Watershed Initiative	Mississippi River Basin	AR	PL-566
2017	1561	Departee Creek Flood Prevention Plan	Mississippi River Basin	AR	PL-566
2014	469	Little Otter Creek Watershed Project	Prairie Grasslands Region	MO	PL-566
2014	669	Red River Basin of the North Flood Prevention Plan	Prairie Grasslands Region	ND	PL-566

2017	1566	Elm Creek (1250) Watershed RCPP	Prairie Grasslands Region	TX	PL-566
2017	1599	LCRA Regional Conservation Partnership Program	Prairie Grasslands Region	TX	PL-566
2017	1661	Wahoo Creek Water Quality Sites 26 & 27	Prairie Grasslands Region	NE	PL-566

- b. Will you work with us to streamline and improve the process for off-farm conservation funding in the future?

Response: Yes, NRCS will work with the Committee to streamline and improve the process for off-farm funding in the future. NRCS intent is to maintain the priority of implementing RCPP projects that utilize PL 83-566 authorities. NRCS provided training and outreach to potential project partners to improve participation of projects that seek RCPP assistance utilizing PL 83-566 authorities. If a proposed project already has an NRCS-approved PL 83-566 plan, the applicant states the name of the plan and date completed in their RCPP application. By NEPA policy, plans older than 5 years are required to be updated to evaluate current conditions, and therefore the need for a new or updated watershed plan should be accounted for in the applicant's proposal and budget. Applicants are strongly encouraged to thoroughly review the specific requirements of the program before they begin the application process. NRCS will continue training and outreach that will support the process for funding RCPP projects that seek to implement measures that address off-farm conservation.

2. As you know, the Consolidated Appropriations Act for FY17 provided \$150 million in new funding for off-farm conservation through the Watershed Act.
- a. How do you plan to allocate the 2017 Watershed Act funding? What criteria will NRCS apply when receiving such requests?

Response: This appropriation for the Watershed and Flood Prevention Operations (WFPO), P.L. 83-566, was provided recognizing the critical challenges facing rural water resource management and protection and supports needed investments in watershed operations. NRCS has identified more than \$1.0 billion in watershed projects that are on the current backlog list. In selecting projects for funding, NRCS will balance the needs of addressing the project backlog, remediation of existing structures, and new projects. NRCS State Conservationist are encouraged to work with Project Sponsors to gather any additional new project needs. States submitted any remedial needs and supporting documentation by July 24, 2017. For new and backlog projects, States have until August 28, 2017, to submit a project proposal for funding. NRCS will rank and fund the proposals in order of priority to provide funding to the projects that can commence promptly and address the intentions of the appropriations.

- b. How could Congress improve conservation authorities in the next Farm Bill to address off-farm water infrastructure needs in the Colorado River Basin?

Response: In the FY 2015 appropriations process, Congress directed the Agency to establish a long-term, multi-year plan to guide needed investments in watershed surveys and planning and watershed operations as authorized under the Watershed Protection and Flood Prevention Act, P.L. 83–566. NRCS has completed and delivered this plan to Congress. Through this process, NRCS identified 220 projects, addressing a variety of purposes from flood prevention and watershed protection to agricultural water management and municipal and industrial water supply. The total cost of these projects was estimated at nearly \$1.4 billion from FY 2016 through FY 2020. The FY 2017 appropriations was \$150 million for WFPO. Additionally, RCPP authorizes NRCS to use watershed authorities in critical conservation areas. NRCS can use these existing authorities to emphasize watershed-scale planning and land treatment efforts that will help communities plan and implement measures that address regional watershed priorities, including water infrastructure needs in the Colorado River Basin.

3. Collaborative conservation through state and local partnerships is important across the West. It was particularly important in avoiding an endangered species listing for the Greater Sage Grouse, and we worked to ensure that voluntary conservation efforts, that the farm bill supported, were considered in the determination. This model of landowner and stakeholder engagement, and state and local collaboration, with funding directed to threatened habitat and important landscapes, provides a strong return on our conservation investments.
 - a. Will collaborative conservation programs, such as Working Lands for Wildlife, continue to be a priority for NRCS under the new administration?

Response: Yes. The highly collaborative and partnership-based approach to conservation is a cornerstone of the effective NRCS model for delivering voluntary assistance. Consistent landowner and stakeholder engagement maintains the trust and credibility required to develop beneficial win-win solutions that not only address priority conservation needs but also support vital rural communities and hardworking farmers, ranchers, and private forest landowners. This has been true since the inception of the Agency and should remain the case as NRCS moves into the future.

- b. How could Congress target spending through voluntary conservation programs to better protect important wildlife habitat for high priority species?

Response: The conservation model exemplified by Working Lands for Wildlife (WLFW) has delivered concrete outcomes for both targeted wildlife species and the working landscapes they depend upon. By partnering with thousands of producers to support voluntary conservation actions on more than 7 million acres, WLFW has not only helped proactively to conserve many imperiled species, but has also reduced the risk of increased regulation for producers across the country. This has certainly been the case for both the greater and bi-state sage grouse where proactive conservation actions were given 'credit' for helping proactively conserve the species negating the need to list the species under the Endangered Species Act (ESA). Other WLFW efforts targeting Montana's fluvial arctic grayling, the Louisiana black bear, the New England cottontail, and the successful restoration of the Oregon Chub have also reduced the risk of increased ESA regulation while proactively conserving threatened species.

4. The Agricultural Conservation Easement Program (ACEP) continues to be in high demand across Colorado. Agricultural easements in Colorado improve wildlife habitat and protect water resources, while also sustaining productive agricultural lands. We continue to hear about how ACEP and other voluntary conservation programs within NRCS could be tailored to support new and beginning farmers.
 - a. Is NRCS able to meet demand for ACEP in FY17? What is the expected demand for ACEP in FY18 and how will the 50% cut to funding for ACEP in FY18 affect enrollment?
 - b. What can Congress do to ensure that the next generation of farmers, ranchers, and landowners have access to voluntary conservation programs, such as Agricultural Land Easements?

Response: NRCS will continue to provide assistance and evaluate applications to ACEP in FY 2018, but as in FY 2017 the number of applications will significantly outweigh the available funding. ACEP-ALE has only been able to fund 14 percent of the applicants in past years and the decrease in available ACEP funding in FY 2018 will likely decrease that to only 7 percent of the interested applicants.

Through its conservation programs, including Conservation Technical Assistance, NRCS customers can support the long-term preservation of lands in agricultural use, develop healthy viable agricultural communities, protect the natural resources needed to maintain the agricultural lifestyle, and use voluntary private lands conservation as a means to decrease the need for government regulation.

Senator Kirsten Gillibrand

New and Beginning Farmers

1. The NRCS High Tunnel System Initiative has proven very popular in New York since it helps farmers extend their growing season and become more profitable. In FY 2015, 86 percent of high tunnel contracts went to historically underserved farmers, including 62 percent to beginning farmers.
 - a) Does the NRCS give special consideration to an EQIP application based on beginning farmer status?

Response: Under the farm bill, NRCS targets at least 5 percent of EQIP funding and 5 percent of CSP acres for beginning farmers and ranchers. NRCS accomplishes this by requiring all states to establish a funding pool under each program in which only beginning farmers and ranchers can compete. Please note, this does not limit the opportunities for beginning farmers and ranchers to compete for other funding pools targeting other priorities. As such, the NRCS typically exceeds the 5 percent minimum each fiscal year.

- b) Would it be reasonable to give beginning farmers a boost when ranking their applications given that practices they adopt when starting out are likely to yield long-term conservation benefits?

Response: As mentioned above, rather than providing additional ranking points, NRCS sets aside at least 5 percent of the EQIP funds and 5 percent of the CSP acres in separate program funding pools in which only beginning farmers and ranchers compete. This ensures that beginning farmers and ranchers are able to compete and receive program funding. Additionally, NRCS already prioritizes applications which include use of conservation practices that provide long-term conservation benefits.

With respect to the adoption of high tunnel systems by beginning farmers and ranchers, high tunnels have very valuable benefits for productivity and from a standpoint of energy use per product consumed. However, it can be challenging to manage these systems for natural resource conservation in-location. Therefore, beginning farmers and ranchers also benefit from receiving additional technical assistance and soil health baseline assessments to ensure they have the knowledge and skills to maintain high functioning soils for long-term high tunnel productivity.

2. The Agricultural Conservation Easement Program, paired with state funding, has helped to conserve thousands of acres of New York farmland from development. We have a number of outstanding organizations that work with landowners to create easements that keep land in production.

Does NRCS specifically target funding towards working agricultural land through easements with affordability provisions, such as the Option to Purchase at Agricultural Value (OPAV), which may make it easier for beginning farmers to purchase land?

Response: NRCS at the national level does not provide priority for funding easements that have affordability deed provisions, but provides flexibility at the State level for tailoring the delivery of the conservation easement programs by allowing local ranking criteria to be developed in consultation with the State Technical Committee. The ACEP-ALE policy provides for half of the ranking evaluation criteria to consist of State developed criteria in order to allow local priorities to be targeted. The ACEP ranking criteria can be adjusted and changed each fiscal year in order to ensure current needs and most at-risk landscapes are prioritized and take into consideration resources such as OPAV and other mechanisms to facilitate the purchase of agricultural lands by new and beginning farmers.

3. By 2030, more than 1.7 million acres of New York farmland will transition to the next generation. I am concerned that without the right programs in place, many of these acres will be consolidated into ever-larger farms that become permanently inaccessible to beginning farmers. This could have a significant negative affect on the health and strength of our rural communities.

How are your Services working together to ensure that all conservation programs are coordinated and work well for beginning farmers?

Response: In FY 2016, NRCS committed \$5,072,000 in outreach partnership agreements with community based organizations (CBO's) to assist NRCS in providing on the ground outreach assistance to all categories of historically underserved groups, including new and beginning farmers and ranchers. These projects assess and connect historically underserved groups across the United States with NRCS conservation programs.

Additionally, NRCS is taking affirmative steps to remove barriers for groups with low participation in NRCS conservation programs. NRCS is working with 10 community-based organizations to identify program participation barriers for historically underserved farmers and ranchers in over 25 states, including input from over 300 Federally-recognized Tribal Nations. To date, four organizations have provided written findings and recommendations for NRCS to consider in working with historically underserved groups and in developing future program policies.

Oversight

4. The NRCS, FSA, and RMA have joint responsibility for carrying out the Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions of the Farm Bill. During a standard compliance review, NRCS evaluates whether adequate conservation treatments are in place for the protection of HEL. Between 2003 and 2015, ten states reported zero compliance violations and 14 additional states reported ten or fewer violations. That's nearly half of the country reporting ten or fewer violations over more than a decade. That seems unlikely, particularly where there is a significant amount of highly erodible land or wetlands.

- a) How would you explain these numbers and are there gaps in compliance enforcement that we need to be addressed going forward?

Response: Below is a table showing compliance violations as reported by NRCS from the national compliance status review database for 2012 to 2016. Note that that these are preliminary technical findings which are subject to change through the appeal process. In lieu of finding a producer in violation, variances can be granted for a variety of reasons, including minimal effect, personal hardship, and severe weather, pest, or disease. When a variance is granted, the tract is reviewed the next year to ensure that any deficiencies have been addressed.

Year	# Violations	% Violations	States Reporting Violations	Variances Granted
2012	743	3.0	30	1081
2013	680	2.9	34	1352
2014	606	2.7	38	1121
2015*	358	3.3	29	487
2016	487	2.2	37	783
Average	629	2.7	35	1084

* 2015 is considered an outlier due to reduced sample size and was not included in the calculation of averages.

The conservation compliance provisions have been in place for over 30 years. This, along with the producer need for USDA benefits that are subject to conservation compliance, encourages high rates of compliance. In addition, changes in agricultural technology and high energy prices have increased the adoption of no-tillage and reduced-tillage conservation practices for annually-tilled crops. Many acres of HEL where water erosion is prevalent meet the conservation compliance requirements with no-till and almost all HEL acres where wind erosion is prevalent are adequately protected when no-till practices are used. Finally, there are a few states where there are not many agricultural commodities (produced by annual tilling of the soil) being produced on HEL and where there is not a high pressure on

wetlands to be converted to agricultural production. Therefore, it is not remarkable that there may be high compliance rates in these states.

b) What types of solutions are there for these gaps?

Response: There may be differences between FSA data which has been distributed and the NRCS data which is presented here. NRCS and FSA can pursue better violation reporting coordination that includes all violations (including those violations that are minor and technical in nature and those for which good faith relief was granted).

Compliance gaps may also be addressed through a different type of solution. In particular, NRCS has been promoting educational materials and demonstrations related to improving soil health through its Soil Health campaign. This campaign has inspired producers across the nation to take action to improve the quality of their soils. They recognize the on-farm benefits such as increased productivity, economic stability and profits, and resilience to weather extremes. Currently HEL is managed simply to minimize erosion and the approach focuses on maintaining eligibility for USDA program benefits. However, great opportunity exists to encourage regeneration of soil health on HEL lands. Through the inclusion of conversation about soil health concepts and simple in-field assessments in HEL protocols, more producers may be inspired to see opportunity in better soil health management which goes above and beyond requirements for HEL. Compliance gaps would be inherently addressed as more producers' shift to managing their operation for healthy soils.

Pollinators

5. The 2008 Farm Bill made pollinator health a priority in all USDA conservation programs. The 2014 Farm Bill maintained those provisions and added an emphasis on expanding and improving honeybee habitat. After more than a decade of conservation work, our wild pollinators and honeybees continue to struggle.

A survey of New York beekeepers showed that this past winter, nearly 48 percent of our honeybee hives failed. The problems of pesticides, mites, disease, and limited forage were compounded by a terrible drought during the summer.

a) Can you describe which NRCS programs have been most effective in improving pollinator habitat and health?

Response: NRCS has increased pollinator habitat and health by offering farmers, ranchers, and private forest landowners financial and technical assistance programs opportunities, through the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and the Regional Conservation Partnership Program (RCPP). Beginning in FY 2014, NRCS's targeted \$4 million EQIP funds annually to assist farmers, ranchers and private forest landowners in Michigan, Minnesota, North Dakota, South Dakota and Wisconsin make pollinator-friendly conservation improvements to their land through the Honeybee and Monarch Butterfly Habitat. These conservation improvements have included planting cover crops, wildflowers, or native grasses, and improving management of grazing lands.

Over the last two years, NRCS and landowners have boosted available food for honey bees on nearly 35,000 acres in five States, and in FY 2015, NRCS obligated over \$2 million and expanded the focused effort into Montana. In FY 2016, NRCS provided nearly \$6 million in funding to support this effort

through partnership efforts, including through RCPP. In FY 2017, NRCS offered more flexibility through CSP to existing enhancements that targets pollinator habitat. These conservation improvements and enhancements not only benefit the bees, they also strengthen agricultural operations, support other beneficial insects and wildlife, and improve other natural resources.

- b) What additional steps can you take to ensure that more farmers adopt conservation practices that support pollinator health?

Response: NRCS offers more than three dozen conservation practices and enhancements that can provide benefits to pollinators. Appropriate cover crops and better rangeland and pasture management reduce erosion, increase soil health, inhibit the expansion of invasive species, and provide food and habitat for insects and wildlife. In FY 2017 and FY 2018, NRCS is projecting to provide over \$7 million in funding to support, sustain, and enhance the honeybee population across America.

- c) What more should the Committee do to help NRCS and the other Services assist farmers who depend on pollinators?

Response: The Committee can continue to support pollinators in the 2018 USDA Farm Bill by providing conservation programs and tools that encourage producers and landowners to address pollinator habitat.

Senator Robert P. Casey, Jr

1. Mr. Bramblett, in examining the effectiveness of the NRCS conservation programs, how does the agency measure success? To what extent do environmental outcomes, such as pounds of phosphorus, nitrogen or sediment reduced from a given project, factor into the agency's assessment?

Response:

For Working Lands for Wildlife target species, NRCS measures success with data-driven outcome measurements and sets goals based on identified threats to the species. For example, through the WLFW Golden-winged Warbler partnership, NRCS funded an evaluation of the species use of newly established WLFW forestry projects, and also the nesting success of golden-winged warbler. This work found increased warbler use each successive year following project completion as well as good nest success rates. For the lesser prairie chicken, NRCS has developed a strategy specifically addressing five identified threats to the species, such as invasive conifers or degraded rangeland health. With this sort of strategy developed for WLFW species, NRCS has can better understand and communicate how to effectively target program resources.

Through the Conservation Effects Assessment Project (CEAP), NRCS models reductions in phosphorus, nitrogen, and sediment losses due to conservation practices on cropland. Using the National Resources Inventory statistical sampling frame, these impacts are modeled for specific points, and incorporate data

on soils, weather, crop rotations, management practices, and all conservation practices currently in place. However, to provide statistically valid estimates (and to ensure farmer confidentiality is protected), these estimates are aggregated and reported at regional and national scales. Field level estimates are then simulated in a process-based watershed model, Soil and Water Assessment Tool, to produce estimated instream reductions of sediment and nutrients from the cultivated cropland conservation within a watershed. For example, CEAP has estimated that conservation practices applied between the 2003-2006 national survey and the 2011 regional survey reduced the cumulative instream loads delivered to the Chesapeake Bay by 8 percent for sediment, 6 percent for nitrogen, and 5 percent for phosphorus. These percentage reductions equate to annual reductions of 15.1 million tons of sediment and 48.6 million pounds and 7.1 million pounds of nitrogen and phosphorous, respectively.

USDA recently completed data collection for the second national CEAP cropland survey, which will allow us to estimate the impacts of conservation implemented between 2003-2006 and 2015-2016. Data and modeling results that can help guide conservation program investments and practice implementation are expected to be available in FY 2019.

2. Mr. Bramblett, in setting priorities, to what extent does the agency look to or take into account EPA TMDLs or state-level regulatory requirements? I understand that statute as well as the EQIP manual state that projects that help producers meet or avoid regulatory requirements are to be prioritized. Can you please elaborate on how this actually plays out at the state and local level? To what extent do projects that avoid or meet regulatory requirements receive priority ranking?

Response: The NRCS ranking process is divided into three ranking categories: National, State, and local. This allows NRCS to evaluate applications and target funding towards those applications that will provide the greatest conservation benefits. To help determine what ranking criteria to use, the NRCS collects information from local work group meetings and State Technical Committee advisory meetings. Currently, the national ranking questions do provide points for applications that address impaired water bodies, including TMDL, 303(d), and other State-designated water bodies. In addition to the national ranking question, the state or local ranking questions may provide additional ranking consideration for impaired water bodies as needed.

In particular, NRCS State offices use their State Technical Committee public meetings to solicit input from Federal and state agencies and from farm and environmental organizations on how to help more effectively producers address resource concerns associated with regulatory requirements. State water quality agencies participate in these meetings, and provide NRCS with scientific water quality data that NRCS uses to help target its own technical and financial assistance programs and services.

Pennsylvania NRCS has been very involved in targeting where its financial resources provide the most environmental gain and thus help the Commonwealth address its TMDL goals. In 2009, Pennsylvania NRCS designated geographic priority areas in the Chesapeake Bay with supporting state ranking questions to target conservation practices where they are most needed. In FY 2015, a subcommittee of the State Technical Committee, including the Pennsylvania Department of Environmental Protection (PA DEP), the Pennsylvania Fish and Boat Commission (PFBC), the Pennsylvania Game Commission, and several non-profit entities, revisited the priority area designations under the Environmental Quality Incentives Program. With the help of this subcommittee NRCS compiled statewide data including Clean

Water Act 303(d) listed streams, USGS Sparrow data identifying streams with high nutrient and sediment loads, PFBC data identifying streams with decreasing Eastern brook trout populations, and PA DEP source water protection maps. This data was merged to create new statewide priority areas for conservation assistance, again with corresponding statewide ranking questions.

NRCS uses recommendations from Local Working Groups to help develop the local EQIP ranking questions. Local questions provide additional consideration for impaired water bodies as needed. Many local working groups have created screening tools to prioritize the ranking of applications that occur within a certain distance to a stream body.

3. Mr. Bramblett, farmland in Pennsylvania is under considerable pressure from urban and suburban development. Farmland preservation has been a vital program for Pennsylvania. In fact, as Governor of Pennsylvania, my father signed into law the Pennsylvania State Farmland Preservation Program. However, I have heard from several farmland and conservation groups in Pennsylvania that it has been very difficult to use the Agricultural Conservation Easement Program (ACEP) in Pennsylvania. The process for application approval at NRCS headquarters has been quite long.

Pennsylvania had been very successful in preserving farmland despite strong development pressures from urban and suburban areas. However, Pennsylvania's ability to preserve farmland is greatly decreasing because of delays in the process and difficulty getting Federal support.

We're losing farmland fast in Pennsylvania. We need USDA's assistance in streamlining the application process so farmland owners do not give up or do not bother to apply.

- a. Is streamlining the application process a priority for NRCS?
- b. How can NRCS provide additional flexibility for landowners who may want to make adjustments to their land, such as additional structures or land uses, to adapt to a changing farm economy?

Response: NRCS is always willing to consider improvements to its application process. The current ACEP application process attempts to streamline and capture in one place much of the information that needs to be provided by eligible entities and landowners interested in participating in the program. The purchase of a conservation easement is a complex real estate transaction, and before NRCS expends limited taxpayer funds on completing that process it needs to ensure that an applicant or proposal will be eligible for the program.

Additionally, NRCS works to complete as much due diligence and evaluation as early as possible to determine that offered parcels meet program requirements, address program priorities, and ultimately will result in a successful easement transaction. During these initial title and environmental reviews, NRCS may identify issues such as potential contamination, existing liens, mortgages, judgements, rights-of-way, or other issues affecting the ability to place an easement on an individual property. By identifying these issues early in the process, NRCS, the eligible entity, and affected landowners can develop a strategy about how best to resolve these issues and facilitate the easement acquisition process.

NRCS provides flexibility to landowners who may want to make adjustments to their land, such as additional structures or land uses, to adapt to a changing farm economy. In particular, NRCS allows for additional agricultural structures to be built on the easement area with approval by the eligible entity, provided that such additional structures do not cause the landowner to exceed the impervious surface limitation identified in their deed. NRCS also accommodates land use changes desired by a landowner through modifications of the agricultural land easement plan for the property, provided the land will remain in agricultural use and in compliance with the terms of the easement. NRCS recognizes changes will occur over the lifetime of an easement which is why NRCS ensures that easement deed terms are clear, enforceable, and adaptable to meet both current and future agricultural needs.

4. Mr. Bramblett, plain Sect farmers (Amish and Mennonite) are often reluctant to participate in government programs. Can you discuss some ways to engage non-traditional farmers who may not want to receive a cash payment, but would benefit from participation in voluntary conservation programs?

Response: There is some enrollment in NRCS financial assistance programs from Plain Sect communities where group leaders have determined that individual members can decide whether to participate or not. There may be peer pressure but it's ultimately an individual choice. With the rising cost to install practices and systems such as waste storage and barnyard improvement, there is a sentiment that if the government is mandating the clean-up of environmental problems, there may be some allowance to participate in government programs.

Most non-traditional and Plain Sect farmers place a high value on conservation and maintaining their land because family engagement in farming is a big part of their culture and tradition. Many of these Plain Sect farmers accept NRCS conservation technical assistance to help them evaluate natural resource problems and opportunities for their farms, develop conservation plans, and implement practices. They are very open to learning about conservation practices and receiving educational information on how to implement them. For example, NRCS provides technical assistance for agronomic practices such as prescribed grazing systems, and engineering assistance for practices such as manure storage and barnyard improvements.

Because this assistance is voluntary, and because NRCS keeps information about individual farms private and confidential, farmers who are concerned about what they need to do to comply with environmental regulations, such as for the Chesapeake Bay, are willing to work with NRCS to identify problems and plan solutions. And, slowly, these farmers have become more willing to participate in USDA and NRCS financial assistance programs for needed practices that they cannot afford to implement on their own.

NRCS periodically meets with leaders of the Amish community to better provide assistance to them. In Pennsylvania NRCS has for several years worked with the Lancaster County (PA) Conservation District to work with plain sect farmers. NRCS provides technical assistance dollars to finance the conservation district employees and also non-profit entities like the Chesapeake Bay Foundation, Pheasants Forever, Capital Resource Conservation and Development Council, and Grazing Lands Initiative Coalition, who have made it a point to conduct outreach to Amish and Mennonite Communities.

Senator Chris Van Hollen

1. Some RCPP partners in Maryland have said that RCPP funding is not always awarded to the projects within the Chesapeake Bay watershed region where there is the most need. How can the Congress help NRCS improve its current selection criteria to more explicitly encourage projects that lead to resolving multi-state environmental problems where agriculture is a major contributor?

Response: RCPP is a voluntary, competitive program. The demand for, and interest in, RCPP has exceeded the available funding since the program's first year. NRCS continues to outreach to partners and state and local governments in the Chesapeake Bay watershed about opportunities available to develop RCPP proposals for funding within the National, CCA and state funding pools. Our six State Conservationists work and coordinate closely with all Chesapeake Bay partners to develop annual proposals.

There are 20 RCPP projects from FY 2014-2017 with planned activities in the Chesapeake Bay Watershed. These include eight Critical Conservation Area projects that cover all six Bay states, one National project that covers four states, and eleven State projects. The Federal share of these projects is over \$51 million, leveraged by partner contributions at an estimated \$80 million.

2. Does NRCS target conservation programs managed by the agency to specific high pollution areas?

Response: Yes. NRCS programs are managed to assist producers in complying with local, State, and national regulatory requirements concerning soil, water, and air quality. National priorities are established in regulation and policy to help NRCS target program resources to reduce nonpoint source pollution including nutrients, sediment, pesticides, and excess salinity consistent with total daily maximum loads (TMDLs) in impaired watersheds.

State resource assessments are used to target financial and technical assistance offered by NRCS at the State level. Each NRCS state office is directed to allocate general program funds within a state using prescribed procedures that document local and regional baseline conditions, priority environmental concerns, and statutory requirements. The impact of different funding scenarios on agency performance is analyzed to optimize environmental outcomes for landscape and programmatic initiatives in the context of available agency assets. The assessments examine local circumstances, including levels of pollution that may require targeted or accelerated funding, and consider environmental outcomes and metrics, partner engagement, and the time frame for actions as a basis for concentrating assistance.

In addition to general program allocations, national and State initiatives are established to increase implementation of conservation practices to address agriculture management that may contribute to the impairment of priority regions or watersheds such as the Chesapeake Bay. NRCS considers: (1) the extent and significance of environmental concerns and the opportunity for environmental improvement; (2) state assessments of priority environmental concerns, conservation targets, and assistance needed to address identified environmental concerns; (3) opportunities to help farmers and ranchers comply with environmental laws; (4) the amount of agricultural land in different land use categories; and (5) other relevant information to meet the purposes of the programs.

Recent analysis conducted by NRCS's Geographic Information Systems Lab shows that NRCS is effectively targeting conservation practices to reduce pollutants coming off of cropland. In the Chesapeake Bay, NRCS estimates that 35% of the cropland soils have high inherent vulnerability to sediment and nutrient runoff, and that after taking tile drainage into account, 30% have high vulnerability to nutrient leaching. NRCS examined where the conservation practices that are designed to avoid, control, or trap (ACT) nutrients are actually being adopted. Since most cropland fields contain areas and soils that need some level of conservation treatment, NRCS would not expect to only be treating the most vulnerable soils. However, given the targeting mechanisms discussed above, NRCS would expect to find a greater share of ACT practices being applied on the most vulnerable fields. Our analysis found that over 53% of acres treated with runoff ACT practices between FY 2005-2015 were in the highest inherent vulnerability category, and 52% of acres treated with leaching ACT practices were in the highest vulnerability category. This analysis confirms that conservation programs are targeting water quality, rather than committing random acts of conservation.

3. There is a clear understanding among states in the Chesapeake Bay Watershed, and confirmed by EPA assessments of progress, that agricultural runoff from Pennsylvania is a major challenge to improving water quality in the Bay. Does NRCS take this analysis from EPA into account when determining the areas the agency will support with financial resources and technical assistance?

Response: In FY 2016, the Commonwealth of Pennsylvania, USDA (NRCS, Rural Development, and the United States Forest Service), and the Environmental Protection Agency (EPA) developed a joint strategy to enhance nutrient reductions by helping farmers implement targeted agricultural conservation practices in priority watersheds located in south-central Pennsylvania.

In addition to the annual State and Federal investments, Pennsylvania, USDA, and EPA identified supplemental resources to accelerate progress to address the nutrient reduction gap in Pennsylvania's Chesapeake Bay Watershed Implementation Plan in 2016 and 2017. This short-term strategy will accelerate nutrient reductions in Pennsylvania, and serve as a stepping stone to the Commonwealth's longer-term plan for meeting its 2025 goals. These additional joint investments that total \$28.8 million, are designed to reduce nutrient loadings to local waters and the Chesapeake Bay by:

- **implementing more agricultural conservation practices** that reduce nutrients on farms in south-central Pennsylvania;
- **providing technical assistance** to help farmers implement agricultural conservation practices that are effective at reducing nutrients; and
- **leveraging** innovative private sector partnerships, private capital, and markets to magnify the benefits of these investments.

4. Some stakeholders believe RCPP could be improved by including clearer outcome goals to ensure that every dollar is spent effectively. What outcomes does NRCS see as the most important to achieve from RCPP initiatives?

Response: RCPP enables the NRCS, partners, local producers and private landowners to invest in innovative, voluntary conservation solutions that benefit natural resources, agriculture and the economy. NRCS has identified in its Announcements for Program Funding (APFs) four pillars by which

projects are evaluated, which are: *innovation* with science-based objectives and solutions; *solutions* that utilize NRCS conservation practices in new ways; a wide variety of diverse *partnerships*; and *financial and in-kind support* from external resources. Program outcomes important to NRCS go hand-in-hand with these four pillars, and include yielding sound and lasting solutions to conservation issues through strategic partnerships and generate near-term results that are environmentally, economically, and socially measurable.

Attachment One
Farm Bill Program Dollars Donated and Allocated for Selected
RCPP Proposals By Fiscal Year
6/22/17

2014/2015			CCA (35%)		National (40%)		State (25%)	
Program	Donated Amount (7% of Funds Available)	Final Selection Awarded amount	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected
EQIP	\$126,368,822	\$282,746,515	\$44,229,088	\$77,355,966	\$50,547,529	\$110,905,645	\$31,592,206	\$94,484,904
CSP	\$9,753,660	\$7,348,275	\$3,413,781	\$1,000,240	\$3,901,464	\$5,772,941	\$2,438,415	\$575,094
CSP Acres								
HFRP	\$0	\$17,919,137	\$0	\$14,290,287	\$0	\$3,628,850	\$0	\$0
ACEP	\$53,219,530	\$34,666,254	\$18,626,836	\$10,785,474	\$21,287,812	\$14,004,168	\$13,304,883	\$9,876,612
PL-566	\$0	\$21,288,983	\$0	\$21,288,983	\$0	\$0	\$0	\$0

*CSP For 2014/2015 year was not completed in Acres, it was done in dollars.

2016			CCA (35%)		National (40%)		State (25%)	
Program	Donated Amount (7% of Funds)	Final Selection Awarded amount	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected
EQIP	\$93,030,000	\$126,655,396	\$32,560,500	\$33,284,782	\$37,212,000	\$50,351,041	\$23,257,500	\$43,019,573
CSP	\$11,743,200	\$10,891,782	\$4,110,120	\$2,701,782	\$4,697,280	\$5,040,000	\$2,935,800	\$3,150,000
CSP Acres	700,000	605,099	245,000	150,099	280,000	280,000	175,000	175,000
HFRP	\$0	\$13,908,800	\$0	\$5,000,000	\$0	\$8,908,800	\$0	\$0
ACEP	\$29,358,000	\$54,960,396	\$10,275,300	\$26,100,400	\$11,743,200	\$21,520,496	\$7,339,500	\$7,339,500

Attachment One
Farm Bill Program Dollars Donated and Allocated for Selected
RCPP Proposals By Fiscal Year
6/22/17

PL-566	\$0	\$6,300,000	\$0	\$6,300,000	\$0	\$0	\$0	\$0
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2017		CCA (35%)			National (40%)		State (25%)	
Final Selection	Donated Amount (7% of Funds)	Final Selection Awarded amount	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected	Proportion of Donated Dollars for Program	Full Proposal Selected
EQIP	94,290,000	\$110,708,786	\$33,001,500	\$21,250,142	\$37,716,000	\$46,036,079	\$23,572,500	\$43,422,565
CSP	\$9,384,480	\$7,997,651	\$3,284,568	\$2,190,000	\$3,753,792	\$3,273,000	\$2,346,120	\$2,534,651
CSP Acres	560,000	444,184	196,000	121,666	224,000	197,387	140,000	125,131
HFRP	\$0	\$17,995,317	\$0	\$8,000,000	\$0	\$8,615,000	\$0	\$1,380,317
ACEP	\$32,585,000	\$52,945,037	\$11,404,750	\$592,000	\$13,034,000	\$33,333,925	\$8,146,250	\$19,019,112
PL-566	\$0	\$43,508,261	\$0	\$43,508,261	\$0	\$0	\$0	\$0

Notes:

1. CSP- The dollars vary, as CSP is an acre-based program that utilizes all the allocated acres and may exceed the dollar allocation. In FY 2014/2015, CSP dollars were spent and used in other programs.
2. Each year the three donor programs-EQIP, ACEP, and CSP donated 7% of the funds to RCPP. Typically, the donor program is spent and any additional funds come from RCPP funding dollars. There are some cases, where donor programs have been used for other programs.
3. Each of the Funding Pools has a percentage based on RCPP Statute (CCA 35%, National 40% and State 25%) and proportions were maintained by the Programs 7% donation.
4. According to the RCPP Statute, \$100 million dollars are annually allocated as RCPP Dollars. RCPP Dollars are in conjunction with Donor Program dollars to implement the programs requested by partnership agreements. HFRP and PL-566 do not donate to RCPP, but are funded using RCPP Dollars.
 - a. FY 2014/2015 Funding \$ 183,114,000

Attachment One
Farm Bill Program Dollars Donated and Allocated for Selected
RCPP Proposals By Fiscal Year
6/22/17

- b. FY 2016 RCPP Funding \$ 93,200,000
- c. FY 2017 RCPP Funding \$ 93,100,000

Senate Committee on Agriculture, Nutrition, & Forestry

Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill

June 29, 2017

Questions for the Record

Mr. Paul D. Dees

Chairman Pat Roberts

1. Mr. Dees, can you elaborate further how the working lands approach can be incorporated into the Agricultural Conservation Easement Program (ACEP)? With regard to the delivery of ACEP funding for agriculture land easements (ALE) and wetland reserve easements (WRE), do you believe that NRCS should administer and deliver funding based upon demand or should there be a minimum amount of funding devoted to each type of easement?

ANSWER: The Wetlands Reserve Easement (WRE) of the Agricultural Conservation Easement Program (ACEP) is generally considered to be a land retirement program as cropland is taken out of production. The cropland is restored to its historical land cover, which is bottomland hardwood forests and semi-permanent wetlands in the Mid-South.

Up to 30% of the acres in these easements can be restored to semi-permanent wetlands and must be actively managed annually to prevent encroachment of non-desirable wetlands species, including invasive, and provide the designed wetland functions to ensure native wetland plants and habitats are provided for migratory birds. Such active management includes disking, mowing, and water manipulation within the wetland. While allowances are currently provided to landowners to conducted adequate maintenance and management activities, there is not enough incentive for many landowners to perform these tasks as they can be costly and logistically difficult for absentee landowners. When these lands are managed properly, they could be considered working lands now. However, monitoring data shows that a vast majority of these wetland areas are NOT being managed adequately, and therefore cannot be considered working lands.

Unlike the wetland areas, there are very few provisions to allow landowners to adequately manage young bottomland hardwood forests established on these easements. Young forests on WRE lands will fall short in achieving their intended purpose if they are not actively managed as most other young forestlands, including forestlands in the Conservation Reserve Program (CRP) are currently managed. Forest inventories, thinning, and other forestry management practices must be more aggressively encouraged on WRE lands to convert these "protected

forests” into “working forests.” The results will yield a higher return for wildlife, the landowner and local economies that will benefit from new forestry industry jobs.

As for ACEP program funding, we are most familiar with WRE. Importance and utilization of agriculture and wetland easements vary throughout the country. Much of the variability is driven by commodity prices. Discretion for use of ACEP funding towards easement types should remain flexible and be based historical allocations to states.

2. Mr. Dees, I imagine there are ongoing challenges facing producers in the Delta region of the country with regard to pests and diseases. Crop protection tools like pesticides and insecticides are certainly valuable in dealing with these types of threats. Are there any challenges surrounding the use of these effective tools facing farmers, including administrative challenges related to FIFRA at agencies like EPA?

ANSWER: Under FIFRA, EPA registers (permits) pesticides after a thorough evaluation and review of extensive scientific data set as required by Congress. Initial permitting takes years and approximately 250 scientific studies. All pesticides are re-registered every 15 years on rolling cycle. This translates to EPA conducting comprehensive reviews of thousands of environmental and human health studies on more than 700 active ingredients (AIs) used in more than 17,000 formulated products registered under FIFRA. As part of this permitting process, EPA is required to ensure their actions will not jeopardize the continued existence of any species with listed status through consultations with the Services under the ESA.

The current process for ESA consultations is occurring through the Interim Approach under the new framework by National Academy of Science (NAS). EPA and the Services are tasked with extraordinary workloads given scientific, procedural and scope issues for the number of FIFRA registrations and registration reviews and considering more than 1400 animal and 900 plant listed species.

According to CropLife America, EPA has committed to completing registration review for 1,166 pesticide active ingredients in the next 6 years, which includes an ESA review of each AI. It will take EPA and the Services over 2 years to complete an ESA review on just 3 AIs. The Services would require at least \$474 million and hundreds of new staff to complete their ESA evaluations associated with registration review for currently listed species (over 1,600) using the Interim Approaches consultation process. Also, the Services have committed to

making listing decisions for over 700 additional species by the end of 2016, adding to the already heavy resource burden on EPA and the Services.

Many important pesticide registration actions have been subject to duplicative review of environmental risk leading to severe delays in registrations without any added benefit to threatened or endangered species and major delays in access to innovation for America's agricultural producers. Additionally, pervasive lawsuits have bogged down the government, for example, nearly every new pesticide active ingredients has resulted in lawsuits against government agencies. The additional review and legal wrangling relating to respective obligations under ESA and FIFRA place added burdens on tightened government resources. The ESA consultation process should not include a duplicative ecological risk assessment conducted by different government bodies if the action agency, in this case EPA, makes a determination on best available science.

3. What regulatory challenges, or what regulatory uncertainty, do you and other farmers in the Delta region face from agencies like EPA and the U.S. Fish and Wildlife Agency?

ANSWER: The full implementation of WOTUS would have limited conservation efforts and had catastrophic effects on production agriculture. Fortunately, we understand that the formal process to rescind and repeal WOTUS has begun. We are grateful for the steps that have been taken to this point to rescind and repeal WOTUS and are hopeful that a final repeal is eminent.

The debate over what the full implementation of WOTUS could have been brought to focus many other uncertainties created by the Clean Water Act. One of these includes the protection of exemptions granted to certain agricultural practices including the maintenance of drainage ditches for flood protection in Section 404. This and all other agriculture exemptions must be protected.

As for the U. S. Fish and Wildlife Service, their banning of genetically modified seeds, neonicotinoid-treated seed and other Ag production tools on National Wildlife Refuges has caused significant problems and created unjustifiable concerns by the public. These same tools are allowed on the rest of the nearly 1 billion acres of farmland in the US. Without these tools, cooperative farming on National Wildlife Refuges can no longer provide the food resources once provided as 25% of these croplands are left for wildlife. Furthermore, Refuge staff cannot use these products to grow food exclusively for wildlife. These products have been thoroughly tested, deemed safe, and registered by EPA and approved by the USDA. The directive to ban these products on National Wildlife Refuges by the former Director of the Service should be rescinded immediately.

Ranking Member Debbie Stabenow

1. The Farm Bill authorizes conservation programs that focus on both “working lands” conservation and on “land retirement.” In your opinion, which type of USDA conservation programs, working lands or land retirement, provide taxpayers with the biggest bang for their buck? That is, which of these types of conservation programs get the most environmental benefit for the cost?

ANSWER: Most conservation advocates would say that we must maintain all programs as they all serve a purpose. Delta Wildlife agrees with this statement. However, we are confident that working lands conservation programs provide a greater return on the federal investment, in terms of both environmental and economic benefits. We must continue to advance conservation on working lands to ensure food security in the United States through sustainable practices. Land retirement conservation provides many environmental benefits, but it does not produce the food and raw materials needed to support growing demands on them due to population growth. Nor does land retirement support local jobs and economies to the same extent working lands conservation programs do.

2. Do you or producers you work with through your organization use cover crops? If yes, can you talk about any issues you have had with your crop insurance eligibility related to your use of cover crops and whether you think that the crop insurance eligibility rules are making it more difficult to implement cover crops?

ANSWER: Thank you for asking about cover crops. Our sister organization, Delta F.A.R.M., promotes sustainable agriculture practices and believes that improving soil health is one of the most important things we should be doing in row crop agriculture. Wholesale adoption of cover crops as an annual practice would improve soil health dramatically. We also believe that cover crops could be used creatively to improve Ag landscape biodiversity and provide additional wildlife habitat for many different species, including pollinators. Currently, Delta F.A.R.M. is working with 48 producers in our region who are planting cover crops. To my knowledge, none have had any issue with crop insurance eligibility due to their use of cover crops. However, if there are any provisions that would limit crop insurance eligibility due cover crops use, we would hope those provisions could be adequately amended or exemptions provided that would not restrict or discourage the adoption of cover crops.

Senator Patrick Leahy

1. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family's farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

ANSWER: Access to land is a big barrier for beginning farms. However, I believe access to capital is the biggest challenge beginning farmers face. Young and beginning farmers rarely have any assets to offer to secure adequate loans for land payments or rent, seed, equipment, crop protection tools, fertilizer, labor and all other aspects of farming.

- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?

ANSWER: I consider myself first to be a businessman and capitalist, second, a landowner, and third, a farmer. If the highest and best use of any parcel of land is something other than agriculture, the businessman in me would concede that that land may not need to be farmed. However, agricultural easements do provide an opportunity for some, in certain situations, to access land to farm they could not otherwise afford to farm. Therefore, we do support agricultural easements and the protection of all conservation tools currently offered in Title II.

2. I have heard from a number of Vermont farmers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.

- a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?

ANSWER: EQIP Payment Limits can be a limiting factor for conservation. Some EQIP contracts can be quite costly and can push a producer to meet their payment limit in one year. These large contracts also provide for large, long-term conservation benefits. However, many producers choose not to implement any additional conservation measures that require large capital outlays until their payment limits have been reset. For these reasons and others, increasing the payment limit would be beneficial to further advance conservation on those lands operated by producers who are committed to doing more. And the benefits that accrue benefit far more than just the producer and landowner. I also agree that EQIP payment limits should be set on a regular, but multiple year cycle.

- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?

ANSWER: Wavers to set higher payment limits should be allowed, under very specific conditions. One such condition may be for pooling agreements where multiple landowners benefit from an EQIP contract, but the construction takes place on one landowner, who receive the full burden of the payment limit. Another scenario could be to address very specific resource concerns in multiple states.

Senate Committee on Agriculture, Nutrition, & Forestry

Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill

June 29, 2017

Questions for the Record

Ms. Barb Downey

Chairman Pat Roberts

1. What regulatory challenges, or what regulatory uncertainty, do you and other livestock producers face from agencies like EPA and the U.S. Fish and Wildlife Agency?

At the risk of sounding dramatic, the possibility of regulation of smoke from controlled burns of native range could mean the end of the tallgrass prairie. The conditions needed to conduct a safe burn of large acreages are so specific, they occur maybe only one or two days per year. Usually, those conditions are right for many on the same day. Thus, the preservation of the exceedance event allowance is essential for ranchers to safely use prescribed burning. It is universally accepted that fire is essential to the tallgrass prairie ecosystem.

In regards to regulatory uncertainty in general, regulations from any agency tend to come with very specific rules. When you're dealing with complex & fluid natural systems (like grazing rangelands), conditions are so different year-to-year, what might be right one year, is totally wrong the next. Thus, those that live intimately with the ecosystem day to day, like us ranchers, can easily be prevented by regulations from doing what's right & necessary to preserve the ranch and the ecosystem.

2. While you might not have been directly impacted, how have livestock producers in Kansas utilized programs like the Conservation Reserve Program, the Emergency Conservation Program, and other emergency disaster programs during events like the recent wildfires in Kansas? With regard to the Conservation Reserve Program, what additional flexibilities or working lands aspects would benefit livestock producers in Kansas and across the country?

Allowing grazing of CRP land after the wildfires had a multitude of important benefits. First off, it made feed immediately available for cattle. While hay started rolling in very quickly, hungry cows can't wait a week for the hay truck to arrive. Secondly, it allowed ranchers to move cattle off of burned range so that the grasses could rest & recover, which they did beautifully. Finally, the action of cattle on CRP has benefits to the grass and wildlife. As ranchers, we see CRP ground that is bunchy. Hoof action helps break clumps and create a turf (just like the bison did), thus making an erosion resistant prairie. Also, wildlife depends on a complete ecosystem, of which large grazing animals are an important part. They bring nutrients, insects, healthy soils, trampling of heavy cover, escape paths, and much more. It is a SYSTEM. Every time we remove a part of the system (like grazing), we do harm.

While emergency access to CRP is hugely important, if action to release the acres can't be taken immediately, much of the benefit is lost. Timing is everything.

Ranking Member Debbie Stabenow

1. The Farm Bill authorizes conservation programs that focus on both “working lands” conservation and on “land retirement.” In your opinion, which type of USDA conservation programs, working lands or land retirement, provide taxpayers with the biggest bang for their buck? That is, which of these types of conservation programs get the most environmental benefit for the cost?

Working landscapes benefit everybody, including the taxpayer. Ecosystems like the tallgrass prairie are just that – systems. When you remove one element, you affect all the others. Large grazing animals (formerly bison, now cattle) are part of the ecosystem. In addition, when lands are retired, then land resources are not available for the families that live in the area. When that happens, we lose the most important resource – a community of people who know and love the land better than anyone because they’ve lived with it their whole lives. Good for the ecosystem, good for communities, good for the economy, thus good for all Americans.

Senator Patrick Leahy

1. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family’s farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

I am the 3rd generation cattle rancher to whom you refer, hoping to bring my 2 daughters into the operation. Land access is a huge barrier to new farmers, and existing farmers such as myself. The sale price of rangeland in my area is 3-4x the economic value of the land. When land comes up for sale, those in ranching often can not compete with those seeking the land for development, ranchettes, hunting retreats, etc. I will face the issue personally as I have 3 siblings who have no interest in ranching. They have little incentive to hold on to a very valuable asset, and I can't afford to buy them out.

- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?

Possibly. Personally, for our operation to consider a conservation easement, it would have to have significant monetary value. The "competition" (developers and non-ag interests) has deep pockets. Whatever the program, the "voluntary" part would be absolutely essential.

- 2. I have heard from a number of Vermont farmers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.

- a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?

I have not used EQIP extensively, but when I have, I have not run up against any limitations. In general however, the type of conservation projects EQIP addresses (we've built ponds and terraces) can be expensive. Also, those of us doing conservation work tend to do a good amount of it.

- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?

Yes, if the Chief is getting input from the "boots on the ground," meaning the county or regional level NRCS. Whenever you have local control and input, you build in the flexibility that broad rule & regulation writing stifle. And when that happens, we often miss unique and valuable opportunities that let farmers and ranchers innovate within their unique situation and environment.

Senate Committee on Agriculture, Nutrition, & Forestry
Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill
June 29, 2017
Questions for the Record
Mr. Steve Horning

Chairman Pat Roberts

1. Mr. Horning, you mentioned at the hearing that you would support increasing the total acreage enrollment cap for the Conservation Reserve Program to 40 million acres. Any proposed increase to CRP acreage cap will inevitably have a significant cost attached to it. Do you have any recommendations for a proposed offset to pay for the cost associated with an acreage increase to 40 million acres, or any acreage increase to CRP?

Ranking Member Debbie Stabenow

1. Do you or producers you work with through your organization use cover crops? If yes, can you talk about any issues you have had with your crop insurance eligibility related to your use of cover crops and whether you think that the crop insurance eligibility rules are making it more difficult to implement cover crops?

Senator Patrick Leahy

1. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

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- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

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June 29, 2017
Answers for the Record
Mr. Steven T. Horning

Chairman Pat Roberts

Question Chairman Roberts: I believe that we need to reallocate cost share and mid-management payments to producers so that we can take the reduction in these payments to increase the CRP acres to 40 million. By that I mean the following:

Horning mid-management #1, instead of paying the cost share of \$48.00 an acre for a prescribed burn, and \$12.50 per acre to mow, bail and destroy the CRP grass, give the producer the option to do a prescribed burn with no cost share reimbursement, or mow, bail and keep the CRP grass with a reduction of \$25.00 per acre on their CRP acres.

Also the FSA representative is required to observe the mow, bail and destroy of CRP grass. I don't know how much that cost is, but we could take those cost savings in addition to the changes in the above paragraph and it could be added on to increase the CRP acre cap.

So instead of paying \$48.00 and \$12.50 per acre we would receive a \$25.00 per acre reduction on all mid-management contracts.

Horning mid-management #2, similar to above, instead of doing mid-management every five years, I would propose that we would hay 1/3 of the CRP grasses each year. The producer would pay \$25.00 per acre of the CRP payment by reducing his annual payment. So of the 24 million acres, I estimate we would have 20 million acres to manage annually if we take the trees and other practices that do not require a mid-management practice out. Dividing that by 1/3 would give us approximately 6 million acres to manage each year in that the producer could do prescribe burn at their own cost, or take a reduction of \$25.00 per acre in their CRP payments. Six million times \$25.00 per acre would bring 150 million dollars to apply to new CRP acres plus the savings of not paying the \$48.00 per acre or the \$12.50 per acre for mid-management, and also not requiring FSA personal to observe the destruction of the CRP grass.

The other thing that we could do would be to reduce the incentives for continuous CRP. Since we have plenty of demand for CRP, we could lessen the incentives for continuous CRP and still have the necessary demand for CRP acres. As you know with continuous CRP you receive a 20% bonus payment per acre, no bidding and you qualify for the SIP and PIP payments. I propose we cut the SIP and PIP payments in half or drop them completely and take those funds to increase our CRP acres.

I need Secretary Jones to calculate the amount of saving that I have proposed in the above scenario. Also, she could have the value of the CRP grass determined by region. I have paid

\$25.00 in my region and that could be determined by a formula that she approves. For example, the lesser of 25% of CRP payment or \$25.00 per acre.

When a land owner decides to offer land in the general or continuous CRP application, mid-management is not a high consideration. They check the CRP annual payment rate, so we are still going to get plenty of applications and save mid-management and incentives that are not necessary to still get the necessary applications for CRP.

So in summary Chairman Roberts, if you get me the 40 million dollar cap, I believe I can get the funding by modifying the cost share reimbursement and the mid-management practice. Therefore no additional federal funds would be needed to fund the 40 million dollar cap.

Ranking member Debbie Stabenow

Question Stabenow: I am not sure where the dividing line is, but if the producers in the south have a double crop they can insure both crops. If a producer in the mid west including South Dakota and Michigan can plant a cover crop, such as rye or winter wheat for example and if they decide they want to hay it off and plant soybeans behind it. They can't insure both crops, they can only insure one crop. This does not appear to be fair and this does make it more difficult for a producer to put a cover crop knowing that they will only be able to insure the cover crop or the crop behind it. I would like you to check to insure that I understand this crop insurance correctly and consider a change.

Senator Leahy

Question Leahy:

- 1a) Regarding beginning farmers. The biggest hurdle for beginning farmers is the machinery. The second most important factor is acquiring land. The biggest obstacle is the large farm operations outbidding the beginning farmer for these acres. I have not seen where CRP rental rates have not been high enough to compete for the rental rates.
- 1b) This would help.
- 2a) The new farm bill should increase the CRP payment limitation or eliminate it altogether. The 1985 farm bill established a \$50,000 payment limitation that has not been changed since. It should be indexed or dropped. In South Dakota the 1985 annual payment averaged \$50.00 per acre in my area. Now that average payment is \$150.00 per acre. Therefore, we can only have 1/3 of the acres to reach the \$50,000 payment limitation. This applies equally to EQLP payments.
- 2b) I do not have enough expertise to answer this

Senate Committee on Agriculture, Nutrition, & Forestry

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June 29, 2017

Questions for the Record

Ms. Misty Jones

Chairman Pat Roberts

1. You mention in your testimony the new component of grassland enrollment within the Conservation Reserve Program. How has the demand for grassland applicants compared with the 2 million acreage cap for grassland enrollment?

Robust demand for CRP Grassland acres has been demonstrated thus far. Since grasslands signup was opened, we have received over 1.9 million acres in offers. From the three CRP Grasslands ranking periods USDA conducted, approximately 922,000 of offered acres were accepted, a 48.52 percent rate. Only the most competitive offers were selected for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors, and (6) pollinator habitat. Offers not selected in a ranking period are rolled over into the next ranking period.

Cumulative CRP Grassland Acceptable Offers/Acreage

State	Total Acceptable	
	Offers	Acres
ALABAMA	100	5,486.16
ARIZONA	-	-
ARKANSAS	34	2,282.36
CALIFORNIA	8	1,749.20
COLORADO	244	77,336.56
CONNECTICUT	3	82.36
FLORIDA	14	661.50
GEORGIA	39	1,719.63
HAWAII	-	-
IDAHO	10	17,846.72
ILLINOIS	48	1,883.33
INDIANA	27	1,306.97
IOWA	201	10,954.31
KANSAS	168	19,222.17
KENTUCKY	130	5,614.92
LOUISIANA	26	2,904.38
MAINE	1	6.52

MARYLAND	36	2,545.79
MASSACHUSETTS	3	56.49
MICHIGAN	106	8,395.85
MINNESOTA	109	4,581.99
MISSISSIPPI	30	1,571.56
MISSOURI	88	4,939.56
MONTANA	364	62,990.98
NEBRASKA	1,449	250,002.27
NEW JERSEY	2	34.76
NEW MEXICO	225	93,963.29
NEW YORK	109	4,586.56
NORTH CAROLINA	83	2,579.93
NORTH DAKOTA	218	37,877.10
OHIO	180	7,062.10
OKLAHOMA	183	29,954.21
OREGON	58	24,252.95
PENNSYLVANIA	58	2,471.68
SOUTH CAROLINA	6	128.69
SOUTH DAKOTA	782	147,704.79
TENNESSEE	63	4,840.90
TEXAS	205	40,589.32
UTAH	13	1,022.06

2. Has demand far exceeded 2 million acres?

To date, producers have offered approximately 1.9 million acres for CRP Grasslands enrollment, and offers continue to be received on an ongoing basis. It is likely that the demand will exceed 2 million acres.

To further encourage diversity geographically and participation by all types of livestock operations, the most recent ranking period included for the first time a CRP grasslands practice specifically targeted for small-scale livestock grazing operations.

Ranking Member Debbie Stabenow

1. Budget: In the FY18 budget proposal, the President proposed some changes to the Conservation Reserve Program (CRP) that are estimated to save about \$1.9 billion. However, while the proposed changes were included in the list of legislative priorities, most of them could actually be done administratively. Does USDA plan to implement these changes in FY18?

The Secretary will be working to manage within the President's Budget but also acknowledges that Congress also has an important role. We are happy to make ourselves available for any technical assistance in preparation for any policy changes you are considering.

2. CRP: How does USDA plan to target the approximately 2.5 million acres that are expiring in CRP later this year? Are there efforts to move these acres into either a working lands conservation program or to permanently protect the sensitive land through the Agricultural Conservation Easement Program? If not, can you provide recommendations to Congress on how to improve transition of expiring CRP acres into either working lands programs or permanent protection?

Currently, the Administration is actively considering options. We are happy to make ourselves available for technical assistance in preparation for any policy changes you are considering.

3. CRP: Please provide the most recent data on how any acres of prime farmland are currently enrolled in CRP, broken down by state?

*The table below provides the most recent data on acres of CRP classified as prime farmland.

**NRCS defines Prime Farmland as: "Land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and is also available for these uses. It has the soil quality, growing season, and moisture supply needed to produce economically sustained high yields of crops when treated and managed according to acceptable farming methods, including water management." NRCS estimates there were 316 m.a. prime farmland in the U.S. in 2012.

State	CRP Acres Excluding Marginal Pastureland Soils (May 2017)	Prorated Acres Classified as "All Areas are Prime Farmland" (May 2017)

ALABAMA	219,898	123,282
ALASKA	16,957	0
ARKANSAS	212,741	101,055
CALIFORNIA	73,880	0
COLORADO	1,758,040	0
CONNECTICUT	58	29
DELAWARE	4,089	1,110
FLORIDA	30,047	17,704
GEORGIA	236,520	163,548
HAWAII	16	0
IDAHO	554,645	1,916
ILLINOIS	888,641	237,675
INDIANA	230,134	54,013
IOWA	1,738,213	371,434
KANSAS	2,052,771	714,793
KENTUCKY	241,168	93,749
LOUISIANA	284,791	234,797
MAINE	7,761	1,775
MARYLAND	55,158	17,578
MASSACHUSETTS	10	0
MICHIGAN	128,963	22,981
MINNESOTA	1,099,376	230,311
MISSISSIPPI	664,281	285,518
MISSOURI	949,885	96,590
MONTANA	1,347,439	11,564
NEBRASKA	771,143	98,190
NEVADA	146	0
NEW HAMPSHIRE	5	0
NEW JERSEY	1,948	1,128
NEW MEXICO	430,940	4,774
NEW YORK	23,476	4,877
NORTH CAROLINA	64,522	28,851
NORTH DAKOTA	1,511,814	406,192
OHIO	254,936	77,257
OKLAHOMA	682,564	365,893
OREGON	441,459	466
PENNSYLVANIA	148,979	30,205
PUERTO RICO	836	15
SOUTH CAROLINA	77,171	38,366
SOUTH DAKOTA	926,147	162,276
TENNESSEE	134,589	59,910
TEXAS	2,868,097	1,133,366
UTAH	164,061	0
VERMONT	444	209
VIRGINIA	27,597	15,048

WASHINGTON	1,184,245	24,516
WEST VIRGINIA	916	503
WISCONSIN	221,713	51,863
WYOMING	183,153	0
TOTALS:	22,916,382	5,285,324

4. Transition Incentives Program: Please provide a breakdown of TIP funding since the 2014 Farm Bill was enacted. Does the agency have any recommendations for improving this program in the next Farm Bill?

Currently, the Administration is actively considering options. We are happy to make ourselves available for technical assistance in preparation for any policy changes you are considering.

The following table reflects acres approved under the \$33 million appropriated for TIP in the 2014 Farm Bill.

State	Number of Contracts	Total TIP Acres	Total Rental Payment
Colorado	52	12,243	\$ 916,808
Idaho	5	462	\$ 52,925
Illinois	13	594	\$ 86,705
Iowa	39	2,384	\$ 545,903
Kansas	69	9,749	\$ 792,984
Kentucky	18	680	\$ 107,193
Michigan	10	398	\$ 56,559
Minnesota	193	26,857	\$ 2,920,617
Missouri	27	1,979	\$ 273,684
Montana	142	35,055	\$ 2,761,935
Nebraska	88	6,104	\$ 982,577
New York	2	182	\$ 16,929
North Dakota	115	15,731	\$ 1,272,750
Ohio	20	488	\$ 71,215
Oklahoma	5	618	\$ 55,014
Oregon	20	7,392	\$ 35,368
Pennsylvania	6	231	\$ 47,325
South Dakota	8	826	\$ 98,239
Tennessee	1	43	\$ 6,916
Texas	16	4,240	\$ 314,317
Virginia	4	186	\$ 18,105
Washington	109	31,961	\$ 3,906,910
Wisconsin	5	378	\$ 49,910
Grand Total	967	158,781	\$ 15,390,888

5. We all know that farming is inherently risky. Many conservation practices can help farmers reduce risk on their operations by improving soil health, reducing fertilizer and water use, and reducing impacts of severe weather like drought. Increasingly there is an interest in understanding more specifically how conservation practices can improve the long-term resiliency of farms and how that may impact the crop insurance program. Can you please discuss if there is data that you currently collect linking conservation practices to crop yields? If not, can you provide recommendations for how you could collect this data going forward?

Some relevant yield data have been collected for years by NRCS and a more strategic nationwide effort is currently being launched to leverage NRCS, other federal agency, and partner resources to collect a nation-wide dataset that effectively links implementation of soil health management systems and yield benefits. There is great potential to coordinate across a broad set of partners with shared interest in soil health to develop rapidly a comprehensive and informative dataset to facilitate transformational producer and agency decision making.

Past and current data collection: Conservation Effects Assessment Project (CEAP) data collection and modeling studies on which NRCS and the Agricultural Research Service (ARS) collaborate have quantified some of the positive effects of specific conservation practices on soil health status, yield, input needs, and resilience to severe weather. Additionally, NRCS has started a focused review of the body of scientific literature (including CEAP studies) that has assessed the impacts of soil health-promoting practices on yield. A summary of the preliminary review concluded that yields and/or yield stability were increased by soil health-promoting practices in 76% of reviewed papers. Studies identifying no or negative impacts on yields were found only where the soil health-promoting practices had been recently implemented or were not yet properly adapted to the climate, soil, and cropping system.

Future data collection efforts and opportunities: NRCS is currently launching a more targeted project to truly integrate and advance the Science of Soil Health by leveraging decades of research with decades of grassroots innovations by producers who have been developing effective soil health management systems (SHMS). SHMSs are systems of multiple NRCS conservation practices that focus on maintaining and enhancing soil health by addressing all four of the soil health planning principles: minimize disturbance, maximize soil cover, maximize biodiversity, and maximize presence of living roots. A SHMS is cropping system specific and creates a synergistic effect as practices are adapted to each other to leverage benefits of each.

The new Science of Soil Health project will measure, and compile in a database linked to the NRCS soil survey, a set of standardized soil health indicators based on a review of the scientific literature with involvement of experts in the scientific community at large and

with management and outcome data, including yield. Sites assessed will span the range of management systems to establish potential ranges by soil grouping, with an emphasis on establishing the upper soil health potential by including successful SHMSs. Data will be contributed to the databases from the scientific literature, as well as from on-going projects and activities related to soil health by NRCS, other Federal agencies, partners that are able to contribute data, and citizen scientists willing to share their on-farm results.

NRCS will partner with USDA agencies and public and private partners for both data collection and analysis, and integrate results into conservation planning that designs and evaluates soil health management systems based on soil health status information and knowledge of regionally appropriate successful soil health management systems. There is potential for collaboration across a number of agencies in this effort, including but not limited to Agricultural Research Service (ARS), National Institute of Food and Agriculture (NIFA), Economic Research Service (ERS), Farm Service Agency (FSA), and Risk Management Agency (RMA), as well as potential for collaboration across the range of public and private partners with interest in soil health.

6. Can you discuss efforts to support beginning farmers through the conservation programs you oversee? Can you share recommendations for improving access to conservation programs for beginning farmers, including veterans?

A number of provisions within CRP support beginning farmers. CRP provisions currently waive the 25 percent reduction of the annual CRP rental payment for managed harvesting and routine grazing of CRP if the acres are utilized by a beginning farmer and rancher.

A provision within CRP Grasslands administration also offers participants who identify as a Beginning, Veteran and Underserved farmer and rancher the award of exclusive additional points in the offer ranking process, which increases their offer scores and likelihood of acceptance.

Additionally, CRP Transition Incentives Program incentives are based on a retiring CRP contract participant's transition of their land to a Veteran, Beginning or Socially Disadvantaged farmer and rancher for the purpose of sustainable grazing or crop production.

We are happy to make ourselves available for technical assistance in preparation for any policy changes you are considering.

7. Please provide a summary of how the programs you oversee are helping organic producers or helping producers transition to organic production, including any relevant data about how many organic producers are accessing these tools.

The CRP provides a broad set of practices that can be used by organic producers to provide a buffer to protect their land and maintain their organic certification. Conservation practices such as grass filter (CP21), upland bird habitat buffers (CP33), pollinator habitat (CP42), shelter belts (CP16A) and field windbreaks (CP5A) provide buffers for organic lands while generating broad conservation benefits for landowners and their neighbors. Since 2016, more than 7,100 acres have been enrolled by organic producers.

Additionally, under the Transition Incentive Program (TIP), for CRP contracts that expire(d) on or after September 30, 2014, producers can begin the certification process under the Organic Foods Production Act of 1990. Producers may also start preparing their land for certified organic food production in the last year of the CRP contract under TIP.

Senator Joni Ernst

1. As you committed to in the hearing, can you please provide us with the specific data you have on beginning farmers and ranchers being outbid for farmland by the CRP program?

We understand that there have been concerns in Iowa, and we certainly work to establish the most accurate rates possible. To help with such situations, FSA put a cap of \$300 per acre on new continuous signup acreage in December 2016, and also limited pollinator enrollment to 100 acres per farm. As background, CRP annual payment rates are offer-specific and are based on soil rental rates (SRRs) set by FSA. The goal is to set the payment rate so that its equals the minimum amount a landowner is "willing to accept" to enroll in the program. We are currently updating the SRRs, which will be effective on October 1, 2017.

USDA is more than willing to work with your staff to identify areas or producers within Iowa to evaluate acreage availability and its relationship to CRP enrollment and competition. USDA currently does not have data related to beginning farmers and ranchers being outbid for farmland by CRP.

Senator Patrick Leahy

1. For 30 years, lands in the Conservation Reserve Program have contributed to soil and water protection and wildlife and pollinator habitat, while also playing a significant role in mitigating climate change. These lands represent a substantial investment of federal funds to protect highly erodible and other sensitive lands that can provide resource

benefits such as wildlife habitat, soil erosion, and water sequestration, even once they have left CRP, as long as they are not converted back to cropland.

Rather than continually reenrolling the same lands into CRP, how can the next Farm Bill encourage farmers to transition their lands out of CRP to working pastureland and grazing lands while still maintaining these important conservation benefits that taxpayers have supported?

CRP participants are provided information concerning transition opportunities to other available programs, such as TIP, ACEP, or state or private easement programs when their contracts are approaching the end date. Further, participants planning to convert expiring contract acres to agriculture use are encouraged to do so while also considering taking advantage of USDA's working lands programs that include CRP Grasslands, Conservation Stewardship Program, or the Environmental Quality Incentives Program.

In addition, it is important to recognize that a substantial portion of CRP vegetative covers remain intact beyond contract expiration. The environmental benefits from these lands continue and are obtained at no additional cost to the taxpayer. An analysis of USDA/NRCS National Resource Inventory data for 3 periods between 1997 and 2012 shows that 38 – 55 percent of land that was in CRP and then left the program remained in grass, rangeland, or forest cover at the end of the 5 year period. This is consistent with a recent internal FSA analysis that shows that three years after leaving the program 46 percent of CRP acres remained in grass. Two previous analyses of forest covers for CRP's predecessor, the Soil Bank, showed that in Georgia after 18 years, 83.1 percent of Soil Bank tree plantings were still in trees, and nationally after 33 years, 80 percent of Soil Bank tree plantings were still in forests.

2. How many CRP acres are currently planted to trees? And what, if any, impact do you think it would have if the 2018 Farm Bill terminated any base acres on farmland enrolled in CRP that is planted to trees?

There are currently 2.5 million acres planted to trees in CRP. The expiring CRP acreage planted to trees is considered DCP cropland by FSA, which makes the land eligible to maintain base acres as long as the land is continually used in agriculture-related activity. If the law changes and says that land in CRP trees can no longer support base acres, those acres will be lost from the farm forever and never can be recovered. This would result in potential lost income to the landowner when the CRP contract expires, is voluntarily terminated, or is the subject of an early out by the Secretary, and the base acres no longer exist.

*The table below shows CRP acres currently enrolled in tree practices.

TREE ACRES IN CRP, MAY 2017

STATE	ALL	TREES
ALABAMA		160,000
ALASKA		50
ARKANSAS		178,742
CALIFORNIA		754
COLORADO		4,666
CONNECTICUT		1
DELAWARE		2,552
FLORIDA		18,940
GEORGIA		210,769
HAWAII		1,168
IDAHO		8,847
ILLINOIS		171,520
INDIANA		37,294
IOWA		176,073
KANSAS		5,509
KENTUCKY		25,842
LOUISIANA		229,969
MAINE		180
MARYLAND		14,762
MICHIGAN		19,589
MINNESOTA		236,832
MISSISSIPPI		489,868
MISSOURI		53,768
MONTANA		2,747
NEBRASKA		33,086
NEW HAMPSHIRE		5
NEW JERSEY		374
NEW MEXICO		3,317
NEW YORK		10,864
NORTH CAROLINA		47,552
NORTH DAKOTA		8,428
OHIO		24,489
OKLAHOMA		2,038
OREGON		36,952
PENNSYLVANIA		24,665
PUERTO RICO		353
RHODE ISLAND		28
SOUTH CAROLINA		48,682
SOUTH DAKOTA		39,095
TENNESSEE		34,758
TEXAS		25,155
UTAH		60
VERMONT		2,465
VIRGINIA		28,268
WASHINGTON		24,961
WEST VIRGINIA		5,502
WISCONSIN		44,703
WYOMING		3,830

=====
2,500,069

3. Over the last ten years how many acres of CRP lands planted to trees has the FSA extended contracts on?

Less than 1 million acres of the 2.5 million acres currently enrolled were re-enrolled acres in the last 10 years.

4. If the 2018 Farm Bill were to modify the CRP to focus more on buffers and tree “filter strips” adjacent to surface water or wetlands that reduce sediment and chemicals in agricultural runoff, and other targeted enrollments, rather than on removing whole fields from production, do you think there would be a reduction in the federal costs because much less land would be involved?

Based on the information provided, we are unable to provide a firm estimate of cost. The answer is difficult to determine because the scope of the proposed focused modified CRP is not specified. The Federal cost is a function of both the cost of the conservation per acre, the amount of land enrolled, and the soils in the region of the country where the land is located. A review of the most recent general sign-up CRP and Continuous CRP sign-ups indicates that on a per acre basis, Continuous CRP costs more than general sign-up CRP.

Currently, Continuous CRP is a voluntary conservation opportunity for agricultural producers to enroll environmentally sensitive agricultural land and establish long-term, resource-conserving covers, such as grasses or trees. The amount of land enrolled will be determined by how many producers are interested in the practices identified in the modified CRP.

We are happy to make ourselves available for technical assistance in preparation for any policy changes you are considering.

5. The Farm Bill could ensure that land in CRP stays out of production for longer than 10 years if a longer term easement was offered to a farmer, this would offer a better guarantee of long-term protection because easements are an interest in the land itself.

If the next Farm Bill allowed USDA to purchase some 30-year easements through CRP from farmers, could it potentially provide longer-term environmental benefits if farmers were to agree to those long term restrictions on the use of their land?

If landowners are interested in 30-year easements, then potentially longer-term environmental benefits might be obtained. However, it is important to recognize that producers do have the choice of enrolling their land in NRCS easements and in some cases state easements. Also, a substantial portion of CRP covers remain intact beyond the CRP contract’s expiration. The environmental benefits from these lands continue and are obtained at no additional cost to the taxpayer.

We are happy to make ourselves available for technical assistance in preparation for any policy changes you are considering.

Senator Amy Klobuchar

1. In January 2017, the United States Department of Agriculture partnered with the state of Minnesota on an agreement under the Conservation Reserve Enhancement Program (CREP). The agreement will provide for up to 60,000 acres of voluntary, targeted protection and restoration by providing an additional conservation option for producers. I have heard concerns from producers that they will be ineligible for re-enrollment of certain acreage currently enrolled in the Conservation Reserve Program (CRP) if those acres are meeting state regulatory requirements.

How does the Farm Service Agency work with states and local governments to ensure that conservation programs are meeting both federal and state goals, as well as natural resource concerns?

Under CRP, FSA partners with State and local governments in many ways, including formal agreements through CREP and initiatives like the State Acres For Wildlife Enhancement (SAFE) initiatives. CREP is a component of the Conservation Reserve Program (CRP) under which USDA and a State partner together to address high-priority natural resource concerns identified by the State. Federal funds are supplemented with non-federal funds to encourage farmers and ranchers to enroll in the voluntary program. FSA, which administers the CRP and CREP on behalf of the Commodity Credit Corporation, works cooperatively with the State in the development of a comprehensive proposal for each CREP project. The proposal includes measurable goals and objectives for the project, a monitoring plan, and an annual reporting requirement to identify and track performance of the project in meeting the goals and objectives. After the project proposal is developed and appropriate review and consultation is completed, a CREP Agreement is created that provides the terms and conditions of the project, the responsibilities of the State and USDA, and the criteria under which eligible land may be enrolled to meet the goals of the project and address the State identified resource concern.

Senator Michael Bennet

- 1) We held more than two dozen listening sessions across Colorado this spring, and we have consistently heard about the need to conserve working grasslands. Ranchers and other landowners tell us that the grassland CRP program is a unique opportunity to maintain some working land productivity while protecting important wildlife habitat. In

the 2014 Farm Bill, we provided a 2 million acre cap for grasslands, but the USDA has not yet put 2 million acres of grassland into the CRP.

In your view, what are some of the barriers to enrollment in grassland CRP in western states like Colorado?

Robust demand for CRP Grassland acres has been demonstrated thus far. Since grasslands signup was opened, we have received over 1.9 million acres in offers. From the three CRP Grasslands ranking periods USDA conducted, approximately 922,000 of offered acres were accepted. Only the most competitive offers were selected for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors, and (6) pollinator habitat. Offers not selected in a ranking period are rolled over into the next ranking period.

Senator Kirsten Gillibrand

1. New and Beginning Farmers

By 2030, more than 1.7 million acres of New York farmland will transition to the next generation. I am concerned that without the right programs in place, many of these acres will be consolidated into ever-larger farms that become permanently inaccessible to beginning farmers. This could have a significant negative affect on the health and strength of our rural communities.

How are your Services working together to ensure that all conservation programs are coordinated and work well for beginning farmers?

A number of provisions within CRP support beginning farmers. CRP provisions also waive 25% reduction of the annual CRP payment for managed harvesting and routine grazing of CRP if the acres are utilized by a beginning farmer and rancher. A provision within CRP Grasslands administration offers participants who identify as a Beginning, Veteran, and Underserved farmer and rancher are awarded exclusive additional points in the offer ranking process, which increases their offer score.

Additionally, CRP TIP incentives are based on a retiring CRP contract participant's transition of their land to a Veteran, Beginning or Socially Disadvantaged farmer and rancher for the purpose of sustainable grazing or crop production.

2. Pollinators

The 2008 Farm Bill made pollinator health a priority in all USDA conservation programs. The 2014 Farm Bill maintained those provisions and added an emphasis on expanding and improving honeybee habitat. After more than a decade of conservation work, our wild pollinators and honeybees continue to struggle.

A survey of New York beekeepers showed that this past winter, nearly 48 percent of our honeybee hives failed. The problems of pesticides, mites, disease, and limited forage were compounded by a terrible drought during the summer.

What more should the Committee do to help NRCS and the other Services assist farmers who depend on pollinators?

The Committee can continue to support pollinators in the 2018 USDA Farm Bill by providing conservation programs and tools that encourage producers and landowners to address pollinator habitat.

Senator Robert P. Casey, Jr

1. Ms. Jones, the Conservation Reserve Enhancement Program targets high-priority conservation concerns identified by a State, and federal funds are supplemented with non-federal funds to address those concerns. In exchange for removing environmentally sensitive land from production and establishing permanent resource conserving plant species, farmers and ranchers are paid an annual rental rate.

Pennsylvania is one of the leading states enrolled in the Conservation Reserve Enhancement Program. CREP has been particularly helpful in creating riparian buffers in the state. What do you find is the most useful way to engage farmers and increase participation?

A proactive and robust outreach and education effort can be an effective tool to engage and inform farmers of the benefits that conservation can have on their overall farming operation, as well as the operations of their neighbors. Under the CREP, the State partner assistance of employing an active and constructive role in the promotion of the program is vital, especially with regard to outreach and education of agricultural producers. Additionally, we have found that having the farmers themselves engaging in the promotion of the program, and the education of their peers, can be invaluable to increasing awareness and growing the level of voluntary conservation participation.

2. Ms. Jones, plain Sect farmers (Amish and Mennonite) are often reluctant to participate in government programs. Can you discuss some ways to engage non-traditional farmers who may not want to receive a cash payment, but would benefit from participation in voluntary conservation programs?

Cultural awareness and education are crucial to solidifying relationships with non-traditional farmers and ranchers. The plain Sect farmers and faith based communities have a vested interest in stewardship, preservation and conservation. FSA works with partners to engage with faith based community populations. Training staff to understand how to effectively reach these audiences is crucial. FSA understands utilizing trusted gathering places and mediums such as the community Fire House and Budget Newspaper are ways to promote programs to Amish and Mennonite communities. A toolkit providing outreach tips to Amish and Mennonite segments was developed to support targeted outreach throughout the USDA network of field staff. In the past the focus has been on collaboratively promoting credit, dairy and organic programs. Many field staff are adept at serving plain Sect farmers and faith based farm communities and have developed innovative outreach and program enrollment practices for these populations. Staff market our programs and loans in ways that are culturally appropriate, for example, explaining programs (such as disaster assistance or cost share programs) as rebates and understand the important role community leadership may play in a producer's ability to participate in a program or loan.

Various agencies, service centers, and local governments have had success throughout the country working with plain Sect farmers to encourage and facilitate the adoption of conservation practices such as no-till, improved nutrient management and fencing livestock out of water sources. These projects are most successful when farmers are approached at the local level and relationships are built over time.

Senator Chris Van Hollen

1. As you know, the Chesapeake Bay is one of our nation's great water bodies, but it suffers from significant pollution from agricultural runoff and drainage. Maryland farmers have made significant progress in reducing their environmental footprint on the Bay. One of the key tools they have used to do this is conservation buffers funded through the Conservation Reserve Program (CRP). Farmers have installed these buffer practices in large part because of the signing incentive payments (SIPs) and practice incentive payments (PIPs) offered through CRP. President Trump's FY-18 budget request proposes to eliminate SIPs and PIPs for practices like buffer strips and filter strips within CRP. Does USDA plan to push this as a farm bill proposal?

The USDA budget proposals to eliminate SIPs and PIPS specifically exempts CREP enrollments. Each of the six states in the Chesapeake Bay watershed have CREP agreements in place targeted to Chesapeake Bay water quality.

Additionally, the Secretary will be working to manage within the President's Budget but also acknowledges that Congress has an important role. We are happy to make

ourselves available for any technical assistance in preparation for any policy changes you are considering.

Senate Committee on Agriculture, Nutrition, & Forestry

Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill

June 29, 2017

Questions for the Record

Mr. Chuck Roady

Chairman Pat Roberts

1. How has Good Neighbor Authority worked in Montana? As you know, Congress expanded that authority to the entire country in the 2014 Farm Bill. Are there any policy adjustments needed and if so, can you elaborate on those recommendations?

Good Neighbor has been very successful in Montana. We've got a signed Master Agreement and have 2 projects so far. Like the rest of the country, limitations on road repair and rehabilitation that were included in the 2014 bill. Per our written testimony, we recommended the following changes to the program:

"Allow the Forest Service to use GNA for projects anywhere on the National Forest System, not just those that meet abstract and poorly defined adjacency requirements; and

Remove restrictions on road repair and rehabilitation. Current practice defines road reconstruction so broadly that even limited road work triggers concern when the Forest Service uses GNA. This leads to poorly designed timber sales and precludes some projects altogether."

Because of a narrow definition of road repairs, the current restrictions on road building lead to the Forest Service dropping many acres from consideration for GNA projects. If a forest needs to replace one failing culvert, for instance, this can be considered "road construction," and the project acres beyond the failing culvert are dropped from the project, or, if it makes the project unviable, the entire project is dropped. Ironically, this approach to road repair leaves watersheds in worse shape; the failing culvert or other resource concern is left unaddressed.

Per our written testimony, we urge the Committee to use the next Farm Bill to adopt a single, clarified Good Neighbor Authority that fixes limitations on projects found in the current authorities, and which does not impose additional, hard to define requirements which would subject future projects to potential litigation. The Good Neighbor Authority is another valuable tool in the tool box to be used by the Forest Service to implement projects in addition to their regular land management programs.

2. Mr. Roady, the Farm Bill provided permanent authority for Stewardship Contracting. How has Stewardship Contracting worked for your company? Are there any improvements or policy changes that Congress should consider to the Stewardship Contracting authority?

My company has been involved in and has implemented a number of Stewardship Contracts, and in frequent past years, Stewardship Contracts have accounted for a substantial portion of timber outputs in our region. FFRC supported permanent extension of Stewardship Contracting Authority,

however we continue to believe there are improvements and clarifications that would make the program more functional.

First, we recommend adding “retention of existing forest products infrastructure” as a co-equal goal with the seven land management goals identified in the current authority. The Forest Service has learned the hard way that once forest products facilities and the logging infrastructure disappear, the costs of future land management operations skyrocket. It is very difficult to attract and retain new capital investment where the Forest Service has – for whatever reason – failed to support the wood using industries that make up our membership. As we’ve seen in Region 3 and elsewhere, loss of mills leads to the loss of logging capacity, which can cause the entire “value chain” (suppliers, equipment dealers, etc.) to vanish.

Second, we recommend clarifying when the Forest Service should use Stewardship Contracts, normal timber sales, or Stewardship Agreements. We also urge the Committee to clarify that the Forest Service and BLM have the authority to award contracts on a “lowest cost, technically acceptable” basis.

We also appreciate the language, found in the 2014 Farm Bill Report, which stated unambiguously that the Committee did “not intend for Stewardship Contracting to replace, diminish, or adversely impact the U.S. Forest Service's timber sales program.” We urge the Committee to keep making this point in your future work. Just as with the Good Neighbor Authority, Stewardship Contracts are another tool in the tool box for the Forest Service to utilize in addition to their regular program.

3. Often times agencies like the Forest Service unfortunately do not use current authorities to the fullest capabilities. The Farm Bill provided authority to the Forest Service to treat landscapes impacted by insect and disease infestations under a categorical exclusion for up to 3,000 acres. However, in practice, only a fraction of allowable acres are treated under this authority. What would you suggest to increase the efficacy of categorical exclusions?

The Forest Service frequently drops acres from consideration for management, whether they are using basic management authorities or the expedited authorities provided in the 2014 Farm Bill. This tendency stems from a belief among many critics of the agency that whenever there is a sensitive species present, the presumptively best way to protect the species is to forgo management of the forest. This has frequently left stands overstocked, susceptible to insect and disease outbreaks, and potentially large and destructive wildfires, and often times to the very detriment of the habitat for the species they desire to protect. While CEQ guidance and FS policy state that the “mere presence” of sensitive resource should not preclude management or the use of expedited authorities, in practice it is obvious that the Forest Service largely avoids areas which include any of a number of sensitive resources in fear of being litigated.

Congress should remind the Forest Service that frequently, management is the best solution to keep forests in the conditions that support sensitive resources, whether that is a watershed in need of thinning or an overstocked stand, which, if it burned in a catastrophic fire, would rob species of needed habitat.

One issue that could be clarified is that the acreage treated in a Farm Bill Cat Ex should be the minimum required to reduce fire danger on a watershed basis. Alternatively, Congress could establish minimum treatment levels within CE's, say 1,000 acres (which would be 1/3rd of the current CE limit). In Montana, 5 of the 9 CE's are conducting mechanical treatments on less than 1,000 acres, with two treating less than 140 acres. This requirement would lead to over 2,900 additional acres being treated under current NEPA.

Senator Patrick Leahy

1. I enjoyed hearing your praise for the Forest Legacy Program during the hearing. I have worked very closely on this program and supporting federal appropriations on it ever since the Forest Legacy program was first created in the 1990 Farm Bill, when I was Chairman of the Senate Agriculture, Nutrition, and Forestry Committee. This program has proven very successful in Vermont where much like our family farms, working forests are critical to my state's economy and its culture.

Do you support maintaining the current authorization for the Forest Legacy program that enables state forestry engagement in priority forest conservation and retention efforts? From your experience with the Forest Legacy Program in Montana are there any improvements that need to be made to it?

FFRC does not have a position on Forest Legacy. However, we fully recognize the program has been a valuable tool in Montana and other states to encourage and keep private timberlands in active forest management.

2. I repeatedly hear from forest groups in Vermont about the pressing need to develop and build markets for new products that utilize low grade wood, especially as we try to recover from the recent loss of 4 million tons of market demand of pulpwood in New England. In your written testimony you mentioned the Community Wood Energy Program as a way to invest in markets for low value wood while also addressing some of the Northeast's heating/fuel issues.

Do you support reauthorizing and expanding the Community Wood Energy Program in the 2018 Farm Bill?

FFRC does not have a position on the Community Wood Energy Program.

3. With respect to invasive forest pests do you feel that USDA has sufficient authorizations and funding resources to combat forest pests, both those coming to the U.S. through trade today and those that have already been introduced in this country?

The Forest Service and other Federal agencies have sufficient authority to quarantine and control non-native, invasive pests. However, on Federal lands, the Forest Service is hamstrung from coping with outbreaks of endemic pests, such as various bark beetle, and conducting timely efforts to reduce the impact of non-native pests, such as the emerald ash borer. As a for instance, efforts to experiment with heavy thinning on ash stands on the Superior and Chippewa National Forests have not been completed in a timely fashion. Once the ash borer reaches these stands, mortality is quickly expected to reach 100 percent. The inability to arrest both native and non-native pests before they can cause stand- or watershed-level mortality stems from the fact that the Forest Service does more complex NEPA, and takes far longer to complete it, than any other Federal agency in government, hence jeopardizing their ability to effectively combat the pests.

4. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family's farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?
- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?

FFRC does not have a position on issues that do not directly impact the management of Federal forests.

5. I have heard from a number of Vermont farmers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more

landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.

- a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?
- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?

FFRC does not have a position on issues that do not directly impact the management of Federal forests.

Senate Committee on Agriculture, Nutrition, & Forestry
 Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill
 June 29, 2017
 Questions for the Record
 Dr. Salem Saloom

Chairman Pat Roberts

1. *Dr. Saloom, you discussed in your testimony how you have engaged with the U.S. Fish and Wildlife Service to secure regulatory assurances under the Endangered Species Act. Is there more that we can do in the Farm Bill to streamline that process and perhaps better link Farm Bill conservation programs to result in more regulatory certainty for producers?*

For me, the process of securing regulatory assurances for my land, so I can effectively manage my land and do voluntary conservation practices that contribute to at-risk species habitat on my land, took at least six to eight months, to complete. Additionally, because I have relationships with the state and federal agencies that needed to be involved, I had an easier time than most landowners negotiating this. Most landowners don't have these types of relationships. If we want more landowners to do voluntary conservation that ultimately helps us reduce the need to list species, this time-frame must be reduced for landowners who want to do voluntary conservation.

The Farm Bill currently, through the Healthy Forests Reserve Program, provides some regulatory assurances for landowners, but the process is still time consuming. Landowners who are clearly implementing conservation practices that NRCS and the US Fish and Wildlife Service or the state wildlife agency determine are known to contribute to at-risk species habitat, should be given a streamlined process for regulatory assurances. The Farm bill's conservation programs, like EQIP and CSP have a readymade mechanism to sign landowners up for these known practices and monitoring progress. I hope the Committee will explore this in their work on the 2018 Farm bill.

2. *What regulatory challenges, or what regulatory uncertainty, do you and other forest land owners face from agencies like EPA and the U.S. Fish and Wildlife Agency?*

First and foremost, landowners need to be able to trust agencies. Over time, I built a relationship with the Forest Service, NRCS, and US Fish and Wildlife Service on the local and regional field level. They visited our property, walked the forests, and had several meetings and discussions with us. Often, because of regulatory actions outside of the local staff control, these agents loose trust of landowners, this in and of itself creates regulatory uncertainty.

Additionally, there are four regulatory concerns impacting family forest owners we need to deal with:

1) **The Endangered Species Act.**

Some decisions on ESA enforcement are being based not on science or the expertise of those making decisions on the ground, but on the whims of senior level administrators. This must end. Additionally, as mentioned above, we strongly urge a more streamlined process for landowners, who are conducting voluntary conservation practices that contribute to at-risk

species habitat, to receive regulatory assurances under ESA. This process is not accessible for the average family forest owner and must be made so, as our research and experience shows us that when family forest owners are given the choice and the support, they want to make for these at-risk fish and wildlife.

2) **EPA's Clean Water Act.**

The Waters of the U.S. rule, if not written properly, could have significant impacts on family woodland owners, limiting their ability to manage their lands. One of the best ways to protect water quality and quantity is by keeping forests on the land, well managed forests filter our water and help regulate water flows and storage as well. Regulations that make it harder for families to keep their land in forest, will be contrary to the goal of protecting water quality. Most family woodland owners, and all owners in the American Tree Farm System® implement best management practices for water quality, which are known to sufficiently protect water quality, thus additional regulations are not necessary.

3) **EPA's Federal Purchasing Guidelines.**

In 2015 EPA issued federal purchasing guidelines that restrict the use of wood from my land as well as the land of thousands of other families certified by the American Tree Farm System, an internationally recognized, third-party audited forest certification system. Instead, in these guidelines, EPA called for the use of wood from only one forest certification system, the Forest Stewardship Council, which is largely foreign-sourced wood. Last fall, the EPA took a step to rectifying this issue, declaring their regulation "Under Review", but it is not yet fully resolved. This is something Ag Committee must help with in next Farm Bill, as the USDA's biobased program, which sets federal purchasing policy too, should be the rule with respect to federal purchasing of wood products.

4) **EPA's Biomass policy.**

Another regulatory issue that continues to create uncertainty for the biomass industry, which includes both the pellet industry as well as the traditional forest products industry that uses biomass for heating and electricity, is the treatment of biomass in renewable energy policy. Currently, it's unclear whether biomass is considered a carbon beneficial energy source, and therefore is creating uncertainty in the market. We ask that EPA, with the direction from Congress provided in the FY 2017 Appropriations bill, recognize the carbon benefits of biomass energy and remove this uncertainty, so markets for our low value wood, like biomass markets, can grow.

Ranking Member Debbie Stabenow

1. *The Farm Bill authorizes conservation programs that focus on both "working lands" conservation and on "land retirement." In your opinion, which type of USDA conservation programs, working lands or land retirement, provide taxpayers with the biggest bang for their buck? That is, which of these types of conservation programs get the most environmental benefit for the cost?*

Both "working lands programs" and "retirement programs" have a role in conserving forest landscapes. However, in my experience, most landowners do not want to place conservation easements on their lands. The working lands programs like EQIP work well for the average landowner and deliver

incredible benefits for the taxpayer. EQIP also successfully leverages a large amount of landowner resources toward established federal conservation goals.

2. *Do you or producers you work with through your organization use cover crops? If yes, can you talk about any issues you have had with your crop insurance eligibility related to your use of cover crops and whether you think that the crop insurance eligibility rules are making it more difficult to implement cover crops?*

We do not use cover crops *per se*. However, as a forest landowner managing for both timber and wildlife, five percent of our woodland holdings are in wildlife openings. We plant not only winter crops, but some cover and agriculture crops as well. Clover is one of those, and is utilized not only to supplement feeding wildlife in late winter and early spring, but also to help restore nitrogen in soils. It is also a supplement for pollinators. We do not maintain crop insurance on these plantings.

Senator Patrick Leahy

1. *I repeatedly hear from forest groups in Vermont about the pressing need to develop and build markets for new products that utilize low grade wood, especially as we try to recover from the recent loss of 4 million tons of market demand of pulpwood in New England. In your written testimony you mentioned the Community Wood Energy Program as a way to invest in markets for low value wood while also addressing some of the Northeast's heating/fuel issues.*

- a. How do you feel that expanding this program could help Tree Farmers like yourself in Alabama and your colleagues in states like Vermont?*

The problem at this time is that natural gas is so inexpensive that biomass for energy is having difficulty finding its place in heating and electricity production. We need more innovative ways to use biomass. The supply is out there and low grade wood that is not being managed or harvested is stagnating our forests, building up fuels for potential catastrophic wildfires (especially in the West) and making our forests less resilient to pests and disease. A program, like an expanded Community Wood Energy Program, that helps grow energy markets, as well as other types of markets, for this low-value wood is essential.

As a personal example, we purchased a 40 acre wood lot adjacent to our Tree Farm about a year and a half ago. It had been unmanaged and had issues with both invasive species and a severely depressed tree stand. This is an ideal site to clear-cut with a chipping operation so that the site can be adequately reforested with the appropriate tree species and turned back into a productive forest. Normally, the byproduct of this clear-cut, wood chips, would be used for fiber or biomass. However, because there is no market for biomass in this area, logging with a chipper is not an option and we are unable to proceed with this plan. This isn't an isolated incident; the collapse of diverse wood markets has repeated itself around the nation—raising the cost and complexity of forest maintenance on private, state, and federal lands. Expanding markets for the use of low value wood would go a long way to ensuring forest owners and managers have the tools necessary to maintain their forests.

b. *How do you propose that the Community Wood Energy Program be modified and expanded in the next Farm Bill?*

The Farm Bill has an opportunity to dramatically increase the utility of the Community Wood Energy Program (CWEP) to rural America. We recommend reauthorizing and revising the Community Wood Energy Program, and providing \$50 million in annual, mandatory funding to:

- o Support capital investments for advanced wood energy and combined heat and power in public AND private facilities;
- o Support other uses of low value, low quality wood with a preference for projects that use forest management byproducts and byproducts of wood products manufacturing; and
- o Prioritize projects in areas that need markets for this low value, low quality wood or have limited access to pipeline natural gas.

Additionally, support for the Timber Innovation Act as part of the next Farm Bill would bolster research to explore and refine the biomass process for fuel/energy markets—increasing performance and maximizing efficiency for the dollars already being spent on biomass. Supporting these innovative programs will go a long way in sustaining America's forests.

2. *With respect to invasive forest pests do you feel that USDA has sufficient authorizations to combat forest pests, both those coming to the U.S. through trade today and those that have already been introduced in this country?*

The best way to prevent forest pests is with well-managed forests, something that many landowners (including the government) are struggling with today. We need to first dispel with the notion that we can approach this problem on an isolated basis. Outbreaks of invasives, both plant and animal, are increasingly frequent and their devastation doesn't end at ownership boundaries. This only further highlights the need for cross-boundary, landscape scale work to combat the threat. Simply coordinating actions with adjacent landowners, and sometimes assisting with the work performed, can make the entire forest landscape more resilient—creating an outsized impact from the limited resources invested. Additionally, providing more funding to programs that help landowners manage their forests can create a buffer-zone of resiliency to keep pests from getting out-of-hand.

Opening up innovative markets for wood is a big step forward toward decreasing costs for landowners' forest-management. That being said, there are a number of invasive pests (such as the emerald ash borer or asian longhorned beetle) that are afflicting certain tree species and require federal intervention to bring under control. While we can manage some for these species, these largely come in overseas and are difficult to control. For these invasives, we suggest two improvements could be made in the next Farm Bill:

- Increasing access to funding for emergency invasive forest pest response before they have a direct impact on trees in North America by amending the Plant Protection Act to clarify the Secretary's authority to use up to \$10 million from existing sources of funds (Commodity Credit

Corporation) to deal with invasive species emergencies, including when the immediate threat to agriculture is “indirect” – i.e., urban trees.

- Prioritizing long-term funding for research to restore forest tree species severely damaged by non-native pests within the USDA National Institute of Food and Agriculture to support research through competitive grants.

Do you feel there are sufficient resources allocated to fighting tree and wood pests by the Forest Service and the Animal Plant Inspection Service?

The USFS has, for years, been hampered in providing many of their services, due to costly wildfires in the West requiring transfers, or “fire borrowing.” This wildfire funding deficit has to be permanently addressed and fixed so that the usual business of the Service can be carried out.

With respect to APHIS, we do believe that APHIS funds for controlling forest invasives is often inadequate, which is why we recommend the above to allow greater access to emergency funds to control these outbreaks.

3. *Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.*

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family's farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

In the forestry sector, access to forest land isn't so much the issue as our ability to pass our land to the next generation. I believe we need appropriate tax laws to mitigate generational transfer loss of both types of lands, as well as losing some of these lands to development. We need innovative ways to help educate the future generations as to the benefits of farming and forestry. The Farm bill's conservation programs, working lands and land retirement both, can help with this challenge. We do support the

beginning farmer, forest owner, outreach programs in USDA that help new owners be successful in their management.

- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?*

As mentioned above, getting access to forest land, in our case, isn't so much an issue as keeping it forested and passing to the next generation but certainly, if these tools are provided to farmers in the next Farm Bill, making the available to forest owners would be welcome.

- 4. I have heard from a number of Vermont formers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.*

- a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?*

In Alabama funding for EQIP is depleted fairly rapidly and those who do not rank among the first to qualify have to look at alternatives. From this standpoint, we need more EQIP funding to be able to reach a wider audience of forest landowners.

So payment limit increases need to be balanced with the need to support forest owners and achieve the conservation impacts like water quality and wildlife habitat improvement needed on the ground.

We do support an increase in payment limits on Conservation Title programs to reflect changing economic conditions in agriculture and forestry that, if not increased, would reduce program participation. We haven't taken a stance on whether this should be an outright increase or change in the timeframe, but are open to both options.

- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?*

As noted above, we support increases in payment limits, although we want to be sure that these increases are balanced with the need to support many forest owners. We would be open to an option that allows a waiver for higher payment limit authority as well.

Senate Committee on Agriculture, Nutrition, & Forestry

Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill

June 29, 2017

Questions for the Record

Mr. Adam Sharp

Chairman Pat Roberts

1. Mr. Sharp, your testimony illustrates agriculture and voluntary conservation at its best. Ohio agriculture and Ohio Farm Bureau are doing great work to proactively address water quality issues. Agriculture, as you well know, is often under attack on several fronts from regulators and environmental groups. How do we better demonstrate the agriculture industry's involvement and contribution to addressing issues like water quality as demonstrated in the RCPP project and the edge of field research you discuss in your testimony? Agriculture has a positive story to tell, and yet, the message is not widely known.

Simply being more purposeful about taking aggressive proactive measures to address our challenges and then share those stories is a great place to start in helping to display what the agricultural industry is doing to tackle issues like water quality. Ohio Farm Bureau's efforts to collaborate with USDA-NRCS along with other partners to create our Demonstration Farms project is a great example. This project is located in the heart of the Western Lake Erie Basin along the Blanchard River focusing on conservation efforts. The farm organizations, The Nature Conservancy, and other partners involved with this endeavor have voluntarily taken on this project as have the three farmers – two row crop and one swine – whose acreage is being used.

These demonstration farms are serving as models for new innovations that reduce and prevent agricultural runoff and those discoveries are being shared with farmers across the watershed and the region, land management agencies, policy makers, the media and the public. By coupling the conservation practices on these farms with the faces of farmers, especially those that are respected in their communities, will help in delivering the positive message of what the agricultural community is doing for water quality. When consumers see that farmers and their families are just like them, and that they are doing the best they can for clean water, then the message means more than just hearing about practices and statistics. We hope this personalization will help demonstrate agriculture's commitment.

Undoubtedly though, as the methods for which individuals consume information continues to evolve, agriculture must continue to evolve as well with new and creative ways to better tell our story.

2. Your testimony covers quite extensively water quality issues facing farmers in Ohio. What other regulatory challenges, or what regulatory uncertainty, do you and other producers face from agencies like EPA and the U.S. Fish and Wildlife Agency?

Ohio's farmers have an interest in a regulatory process that is transparent and fact-based, respects the will of Congress, and observes the separation of powers in the Constitution. Federal regulations have a direct impact on farmers and ranchers, and over the years, the breadth and extent of that regulatory landscape have increased. The American Farm Bureau Federation and Ohio Farm Bureau have taken a stand against regulatory overreach and are working to reform the federal regulatory process and preserve farmers' and ranchers' land-use and water rights.

Rules like Waters of the U.S. (WOTUS) caused great concern amongst our farmers and we are very supportive of the Administration's efforts to rescind that rule. Specifically in the Senate, we are strongly supporting Senator Portman and Senator Heitkamp as they push for regulatory reform through their Regulatory Accountability Act.

Ranking Member Debbie Stabenow

1. The Farm Bill authorizes conservation programs that focus on both "working lands" conservation and on "land retirement." In your opinion, which type of USDA conservation programs, working lands or land retirement, provide taxpayers with the biggest bang for their buck? That is, which of these types of conservation programs get the most environmental benefit for the cost?

As an organization, we support all conservation programs but our members have told us time and time again, that if reductions in programs need to be made, they prefer to protect working lands programs over retirement land programs.

2. Do you or producers you work with through your organization use cover crops? If yes, can you talk about any issues you have had with your crop insurance eligibility related to your use of cover crops and whether you think that the crop insurance eligibility rules are making it more difficult to implement cover crops?

We use cover crops on my farm, and I continue to see more and more interest in planting cover crops. As for the crop insurance issues, we personally have not had any issues, but numerous producers around the country did have a difficult time harmonizing Farm Service Agency (FSA) and Risk Management Agency (RMA) cover crop rules. We believe the joint release of updated termination and reporting guidelines by FSA, RMA and the Natural Resources Conservation Service (NRCS) last December has helped significantly.

Senator Patrick Leahy

1. Your testimony mentioned the important Edge-of-Field Research that the NRCS has been supporting in Ohio that has led to a better understanding about how to prevent nutrients from escaping from fields. The information being collected across the country through this monitoring is invaluable and is being used nationally to identify effective management practices, yet the costs for this monitoring, which does not directly benefit the farmer that is facilitating this research, is counted against a farm's payment limitation for the

Environmental Quality Incentive Program (EQIP).

Do you support addressing this issue in the next Farm Bill to ensure these research projects that farmers are helping to facilitate, do not limit the conservation practices they are able to implement on their own farms with the NRCS's support through EQIP?

Yes, we would support a fix for this in the next Farm Bill. If a farmer is willing to partner with NRCS or other organizations to allow research on their farms through EQIP that is to be used for the broader agricultural community, those EQIP dollars should not be counted against a farmer's limits for other conservation practices. We should not penalize a farmer for trying to be a good partner and steward.

Additionally, some consideration should be given to making sure those farmers who do participate in research projects for the greater good have their individual data and personal information protected.

2. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family's farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

Access to land is certainly an issue for many beginning farmers, but is also a challenge for producers of all ages. In farming, there are many significant capital expenditures and land is near the top in terms of overall expense. For a beginning farmer to get started farming, access to land remains a very high hurdle

- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?

We support efforts to limit a producer's participation in the Conservation Reserve Program to two contracts. This should make additional land available or allow farmers to use ACEP and other programs to permanently retire that land.

3. I have heard from a number of Vermont farmers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.
- a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?

EQIP remains a very important program and we would support an increase in payment limitations for the program. We also would support the opportunity to offer some suggested changes to improve EQIP. Those would include, but are not limited to:

- *Expanding the current NRCS practice of providing 30 percent of conservation practice payments up front, to all farmers;*
 - *Allowing an exemption to the NRCS manual for EQIP money to be used for streambank stabilization practices prior to the adjacent land's expiration in a Conservation Reserve Program (CRP) contract or a Conservation Reserve Enhancement Program (CREP) contract;*
 - *Funding to ensure that landowners are adequately compensated whenever property is used for purposes intended to achieve mandated natural resource goals;*
 - *An exemption from the current three-year payment limit for the same practice under EQIP for practices that benefit wildlife and have a continual cost to the farmer or rancher implementing them.*
- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?

Farm Bureau does not have a position on this issue.

Senator Sherrod Brown

- 1) Ohio Farm Bureau has been a leader in working with its members to support legislative policies and adopt best practices that will benefit water quality and improve soil health for all Ohioans. Can you tell the committee how your members are using USDA programs—including the Conservation Stewardship Program and other tools made available under the Regional Conservation Partnership Program (RCPP) and Great Lakes Restoration Initiative—on the farm? Do you think Ohio would be able to meet its water quality goals without these programs?

Ohio's agriculture and conservation organizations took an active role in supporting the Farm Bill's Regional Conservation Partnership Program (RCPP) and committed resources to this public-private partnership. Farmers have been eager to participate in the voluntary programs funded under the RCPP that allows them to implement on-ground conservation practices for sediment and nutrient management.

We appreciate that Congress, and this committee specifically, saw the importance of these programs. These dollars were used for critical on-farm needs including animal waste systems and storages, lot covers and roofs, controlled drainage structures, cover crops, drainage water management, nutrient management plans, waterways, crop rotations and multi-year cover crops.

In 2015, USDA awarded \$17.5 million to a Regional Conservation Partnership Program (RCPP-Tri State WLEB) in the western Lake Erie watershed. The targeted approach focuses efforts on the 855,000 acres that have been identified as the most critical areas to treat within the larger 7-million-acre watershed within Ohio, Indiana and Michigan. The RCPP project: 1) expands access to public and private technical assistance, 2) supports new and ongoing innovative conservation practices, and 3) provides expertise for modeling and evaluating outcomes to farmers in critical sub-watersheds. The 5-year multi-state project includes more than 40 collaborating public and private sector organizations with representation from Ohio, Michigan, and Indiana, state and local governments, as well as non-profit entities, universities, and private sector businesses committing an additional \$28 million to the project.

The projects funded through RCPP and GLRI have been absolutely critical to our agricultural water quality efforts in Ohio. They provide a combination of on-the-ground solutions that can be used now as well as researching practices that will be the basis of our conservation efforts in the future.

- 2) For a state like Ohio, what would a decreased emphasis on a non-targeted Conservation Reserve Program mean both for acreage enrolled in the conservation program and overall water quality in the Western Lake Erie Basin?

It would be very difficult to speculate on how a change of emphasis on the Conservation Reserve Program (CRP) would impact enrollment and water quality. Overall, as an organization our policy promotes working lands programs over retirement land programs.

While CRP remains an important program, we would support the opportunity to offer some suggested changes to improve the program. Those would include, but are not limited to:

- Requiring USDA to update rental rate data for the Conservation Reserve Program every year rather than every other year.*
- Capping the pollinator rental rate at the lower of \$300 per acre or 90% of the average county cash rent for the type of land that is entered into the pollinator program.*
- Allowing adequate flexibility in establishment practices and mid-contract maintenance for acres enrolled in the CRP to completely control any noxious weeds or problem species that may have been introduced in the pollinator plot.*

In addition, we do not support increasing the cap on the CRP above the current 24 million acre cap nor allowing the same parcel of land to be re-enrolled in the general CRP after the conclusion of two contracts.

- 3) In your testimony, you touched on how successful programs like RCPP have been in reducing runoff and improving the water quality around crop production. As you know, Northwest Ohio has seen an increase in recent years in the number of its Concentrated Animal Feeding Operations (CAFOs). How can the Ohio Farm Bureau and other statewide organizations use RCPP to improve the environmental stewardship of CAFOs? What other USDA conservation resources are helpful in ensuring proper stewardship of CAFOs?

Ohio is considered a model throughout the country for our regulatory program for our Concentrated Animal Feeding Operations (CAFOs). We have strict regulations surrounding the environmental stewardship protocols that must be used on CAFOs, such as a zero-discharge policy, and a list of standards for manure handling, storage, application rates and timing to name a few.

While our CAFOs must work closely with the Ohio Department of Agriculture to meet their regulatory and statutory requirements, the ability for livestock farmers of all sizes to be able to access programs like the Environmental Quality Incentives Program (EQIP) is important. The EQIP program has been used to help disseminate the RCPP dollars and has been a success. Currently, EQIP prioritizes funding being targeted to all livestock producers and we support that current prioritization.

Senate Committee on Agriculture, Nutrition, & Forestry
Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill
June 29, 2017
Questions for the Record
Mr. Tom Tidwell

Chairman Pat Roberts

1. Chief Tidwell, how does the Forest Service utilize the best available science and data in the agency's decision making processes under the Endangered Species Act, the National Environmental Policy Act and the Administrative Procedures Act? Under the Endangered Species Act of 1973, the Forest Service is required to ensure that actions are not likely to jeopardize a threatened or endangered species, or their critical habitat. Please describe the science and data relied upon by the Forest Service, during the consultation process. Also, has the Forest Service been successful in defending final agency actions in lawsuits brought under the ESA?

Answer: These statutes impose fundamental legal requirements on the Forest Service to consider relevant factors, including the relevant scientific information, and explain the basis for its decisions. For example, NEPA requires agencies to ensure the scientific integrity of their discussions and analyses in Environmental Impact Statements, and requires agencies to make explicit references to the scientific and other sources relied upon for conclusions. Scientific information informs decision-making processes. However, this information does not dictate what the decision will be. The information may lead the Agency to a range of possible actions. There also may be competing scientific perspectives and uncertainty in the scientific information. In that case the Forest Service must determine which information is most accurate, reliable, and relevant to the issues being considered. The Forest Service makes these determinations using interdisciplinary agency expertise and professional judgment. Scientific information is one of the factors relevant to decision-making. Other factors include budget, legal authority, local and indigenous knowledge, agency policies, public input, and the experience of land managers.

The Forest Service has been generally successful in defending final agency actions in lawsuits brought under the Endangered Species Act. Over a 22 month period (October 1, 2015 to present) the Forest Service won 74 percent of cases involving Endangered Species Act allegations. Although the Agency was successful in defending this type of litigation, project implementation was delayed and considerable resources in time and dollars were spent defending the projects.

2. Chief Tidwell, what portion of the lawsuits regarding National Environmental Policy Act categorical exclusions at the Agency are on those authorized by the Farm Bill? Also, please describe how the Forest Service assesses whether "extraordinary circumstances" exist when deciding whether to apply a categorical exclusion.

Answer: As of June 2017, the Forest Service has proposed 94 projects using the Farm Bill insect and disease authority; 79 of these have been categorical exclusions. Litigation has been filed against 4 projects using the Farm Bill's categorical exclusion authority.

The Forest Service uses a list of resource conditions to consider in determining whether extraordinary circumstances are present. The mere presence of one of these resource conditions does not preclude use of a categorical exclusion. Instead, extraordinary circumstances are present when there is both a cause-effect relationship between the proposed action and the resource condition; and, if such a relationship exists, the degree of the potential effect of a proposed action on these resource conditions. The list of resource conditions includes factors such as congressionally designated wilderness areas, federally listed threatened or endangered species, and Native American religious or cultural sites. This process is outlined in the Forest Service NEPA regulations at 36 CFR 220.6(b).

3. Chief Tidwell, has the Forest Service been sued under the Administrative Procedures Act (APA)? Can you characterize the type of analysis that is done under the APA by the agency? What are the challenges regarding APA litigation?

Answer: Yes, when an entity sues the Forest Service over its project planning, analysis, and decision-making, it usually brings the lawsuit under the Administrative Procedure Act (APA). Most environmental and forest management statutes do not provide a private right of action for judicial review (the Endangered Species Act and the Clean Water Act are two exceptions). Courts review the Forest Service's compliance with NEPA and other statutes such as the National Forest Management Act in conjunction with the APA's judicial review provision. Under the APA, a court may set aside an agency action only if it is "arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law." While the agency generally does not perform analysis specific to the APA, the analysis the agency completes under NEPA and other related statutes forms the basis of the court's review as the administrative record.

Although most plaintiff claims fall under these more typical environmental laws, plaintiffs may bring lawsuits that seek to compel ministerial agency actions they consider unlawfully withheld or unreasonably delayed. In FY 2015, those claims amounted to approximately 15 percent of all allegations. These claims usually fall into several broad categories including: a failure to take action (e.g., failure to complete a management or operating plan, a bond or environmental review; failure to minimize impacts); an action unlawfully withheld (e.g., refusing to document an easement or refusing to acknowledge the plaintiff's request for a specific agency action – petition for rulemaking); and a failure to respond in a timely manner.

4. The Farm Bill provided authority to the Forest Service to treat landscapes impacted by insect and disease infestations under a categorical exclusion for up to 3,000 acres. However in practice, only a fraction of allowable acres are treated under this authority. What would you suggest to increase the efficacy of categorical exclusions?

Answer: Many factors can contribute to a project authorized using this authority applying to less than 3,000 acres. First, the size of a treatment area will vary according to the specifics of the individual project area and its restoration needs. The collaborative process required by this authority can result in project design modifications. Treatment areas may need to be reduced to comply with forest plan requirements, mitigate adverse effects to sensitive resources (such as a threatened or endangered species or cultural site). Lastly, treatment acres are sometimes reduced due to inoperable areas within a project (such as steep slopes, wetlands, rock outcroppings, or other non-forested areas). Nevertheless, many of the projects proposed using this categorical exclusion authorize upwards of 2,000 acres of treatments.

Ranking Member Debbie Stabenow

1. In this Committee and others I sit on, we are often talking about the need for the Forest Service to increase the pace and scale of national forest restoration. If you had to name the biggest impediment to accomplishing more restoration on our national forests, would that impediment be a lack of resources? Yes or no?

Answer: Yes. The shift in resources to firefighting activities, from about 16% of budget in 1995 to just over half our budget today has had an outsized effect on our capacity and ability to get more restoration work done on the ground. Within the resources Congress has provided, the agency has been able to increase the pace and scale of restoration by 23% since 2011 (as measured by acres treated) by taking a number of actions including expanding collaborative partnerships: implementing key Farm Bill authorities, such as Good Neighbor Authority; expanding use of stewardship contracting; and improving program integration in planning and budgeting.

2. During the last administration, the Forest Service made progress in increasing the amount of timber sold off our national forests year after year. Is that trend continuing?

Answer: Yes. In FY 2016 the Forest Service sold 2.9 billion board feet (bbf) of timber, and we are on track to sell 3.2 bbf in FY 2017. The FY18 Budget includes a plan to sell 3.4 bbf in FY 2018. This trend is indicative of our commitment to increase the pace and scale of forest restoration and contribute to rural economies.

3. Would you be able to sell more timber off our national forests were you not forced to spend such a large portion of your budget suppressing wildfires?

Answer: Yes. With more intense fire activity in recent years, funding the 10-year average has required a greater percentage of agency funds each year—and that trend is continuing. In addition, uncertainty about the scale and timing of fire borrowing disrupts or constrains the pace and scale of projects underway and our ability to plan restoration projects in subsequent years. We would be able to increase our restoration activities, and sell more timber, if we could apply some of the resources currently going into fighting wildfire to this work.

4. I have introduced bipartisan legislation with Senator Crapo to drive more research and development into so-called “mass timber” applications that would create new markets for forest products, particularly wood that is not suitable for sawtimber. Can you talk about the Forest Service’s perspective on the potential of mass timber to drive job creation and serve as an economic incentive to help thin and restore overstocked forest stands?

Answer: Strong markets for mass timber can serve as an economic incentive to help thin and restore overstocked forest stands. By supporting the market for mass timber, we are creating opportunities for new, high tech jobs in rural communities: managing the land, harvesting trees, operating mills, producing mass timber panels, and operating machinery and software to cut the panels. Stronger markets may also incentivize private forest land owners to invest in sustainable forest management and keep their lands forested instead of converting it to other uses.

The Forest Service is promoting mass timber using a wide range of tools, such as the Wood Innovations grant program and providing training opportunities to thousands of architects and engineers. The Forest Products Laboratory (FPL) also contributes to efforts to stimulate national markets for mass timber.

Senator Steve Daines

1. In the context of the upcoming Farm Bill and authorities we provided in 2014, such as the use and success of categorical exclusions, will you recommend to the new Administration that they support increasing the size and scope of CEs on prioritized landscapes, particularly if the projects are developed through a public, collaborative process and address pressing forest health challenges?

Answer: The Forest Service is interested in exploring the potential effect of additional categorical exclusion authorities to address restoration priorities and forest health.

2. In addition to wildfire funding reform and broader CEs, are there ways to build upon Good Neighbor Authority partnerships, such as legislation I introduced with my friend Senator Klobuchar, to further empower State Foresters to increase the pace and scale of treatment on landscapes across ownership boundaries that are susceptible to wildfire?

Answer: The Good Neighbor Authority allows the Forest Service to enter into cooperative agreements or contracts with States and Puerto Rico to allow them to perform watershed restoration and forest management services on federal and non-federal lands, including those susceptible to wildfire. Agreement templates for both authorities were approved in June 2015. They also allow us to leverage capacity with state and private partners to meet timber targets and Forest Plan goals. As of June 26, 2017, a total of 95 agreements in 29 states have been executed with the Forest Service to perform a variety of restoration services.

The Forest Service continues to look for innovative and efficient ways to engage and partner with state forestry agencies. In previous years, we have successfully provided financial and technical support to these partners through our State and Private Forestry programs.

The FY 2018 President's budget reduces funding for some State and Private Forestry activities to focus resources on maintaining existing national forests and grasslands. This budget will require greater shared stewardship of the land between the Forest Service, other Federal agencies, and state and local communities to achieve our goals.

Senator Patrick Leahy

1. Forests serve as a tremendous ecological and economic resource, and we have a growing need to strengthen markets for low grade and low value wood in New England and throughout the country. We saw in Vermont and across New England that when the pulp and paper market dropped it appeared to kill the entire forest value chain. In different areas of the country this issue takes many names, including small-diameter utilization, greater use of non-select species, or parts yield from low-grade lumber. One area for opportunity is in the growing use of thermal and combined heat and power (CHP) uses of wood energy to create new markets and demand for low grade wood, while also retaining wealth in rural economies through local renewable fuel sources replacing imported fossil fuels.
 - a. How has the Forest Service helped to support the development of wood-fired CHP infrastructure?

Answer: The Forest Service supports the development of wood-fired combined heat and power (CHP) infrastructure through our Wood Innovation Grants. These grants are designed to stimulate and expand wood energy and wood products markets that contribute to the long-term management of the National Forest System and other forest lands. One collaboration funded through these grants are Statewide Wood Energy Teams. These teams work to promote commercially proven wood energy systems, such as CHP, that use woody biomass, and also work to expand markets that convert woody biomass into energy to support wildfire mitigation, forest restoration, and other forest management goals. New England, Maine, New Hampshire, Vermont, and Massachusetts have all established Statewide Wood Energy Teams working to promote and educate the public about wood energy.

- b. Are there areas where the Forest Service could do more research or offer support to grow the use of wood in thermal energy markets and grow the demand for pellets, wood chips, and thermal wood energy appliances?

Answer: Forest Service researchers played a significant role in developing the Northwest Advanced Renewable Alliance wood waste-to-bio jet fuel conversion technology and in the marketing of the program. The Northwest Advanced Renewable Alliance's bio jet fuel was recently demonstrated in an Alaska Airlines flight from Seattle to Washington DC. The Forest Service also provides project management support for the Consortium for Advanced Wood-to-Energy Solutions torrefaction project. The goal of the torrefaction project is to demonstrate the feasibility of using

torrefied wood for co-firing with coal in power plants. Significant opportunities exist for potential increases in thermal wood energy use in specific sectors that use high volumes of propane or fuel oil. Forest Service researchers continue to develop high value fuel products from existing in-house technologies. Forest Service will continue our discussions with the hardwood industry and other sectors of the forest products industry to facilitate market developments for undervalued wood and mill residue.

- c. How could the Forest Service's Wood Innovations Program help to expand wood energy markets?

Answer: The Forest Service Wood Innovations Program can help expand wood energy markets by building on the priority projects identified by the Statewide Wood Energy Teams.

2. With respect to commercializing new forest products using low grade wood, there appear to be many programs to support a business once it has an idea and is up and running, yet the missing link is getting product ideas into the hands of entrepreneurs and then supporting them to build a business around it.
- a. Are there ways that the Wood Innovations Program could focus more on expanding wood products markets? Are there sufficient resources and funding in that program to meet the need for commercializing new forest products using low grade wood?

Answer: The Forest Service funds both traditional forest product businesses and those with new, innovative wood products, such as mass plywood materials. In FY 2017, we awarded over \$8.3 million to fund 38 projects (26 related to wood products markets and 12 related to wood energy) in 19 states, which leveraged almost \$37 million in matching funds from 36 business, university, nonprofit, and tribal partners. As the grant program has expanded, we have been able to make a greater impact helping meet the need for commercializing new forest products using low grade wood.

- b. Has the Forest Service ever worked with the Small Business Administration's Small Business Innovation Research (SBIR) Program to support the need for wood innovation projects?

Answer: Forest Service Research and Development is a financial contributor to the USDA National Institute of Food and Agriculture Small Business Innovation Research Program, which includes development of value-added products from forest resources and development of biofuels and bio products developed from biomass from the forest. Forest Service scientists and professional staffs are often invited as panelists or ad-hoc reviewers in proposal review of the USDA National Institute of Food and Agriculture Small Business Innovation Research Program and Small Business Innovation Research programs in other federal agencies where topics include forest-based materials.

3. The 2014 Farm Bill sought to ease previous restrictions on forest-thinning projects when trees are threatened by insect infestation and disease, in order to increase the speed with which the Forest Service could address natural resource issues. The Farm Bill made changes

to both Categorical Exclusions and streamlined Environmental Analyses to allow the Forest Service to implement forest insect and disease treatments on certain national forest acres.

- a. Can you share with the Committee how many projects have utilized this new authority?

Answer: As of June 2017, the Forest Service has proposed 94 projects using the Farm Bill insect and disease authority; 79 of these have been categorical exclusions.

- b. Do you believe that this new authority has permitted the Forest Service to create and implement restoration projects at a faster rate than it previously could?

Answer: Yes, this authority has allowed the Forest Service to implement projects more quickly than it otherwise could. This is especially the case for projects using the categorical exclusions. On average, projects using Farm Bill Insect and Disease categorical exclusions are completed within 220 days. Without the Farm Bill authority, these projects would comply with NEPA through an environmental assessment. The national average for completion of an environmental assessment is roughly 700 days.

Senator Amy Klobuchar

1. My state has a long history of successfully preserving our natural resources in northern Minnesota while also allowing for responsible mining. I have opposed efforts to weaken the National Environmental Policy Act (NEPA) because I trust that the process in place allows for a stringent environmental review and public input to ensure that all proposed projects are based on detailed scientific evidence with a clear commitment to protect our natural resources for future generations. Late last year the Forest Service denied consent on two mineral leases in the Superior National Forest and proposed withdrawing 234,000-acres from the leasing program for a 20-year period.

What factors went into the U.S. Forest Service's decision? What actions are the Forest Service taking to ensure that decisions on mineral leases are reached in a fair and consistent manner?

Answer: The Forest Service understands the important economic and national security benefits provided by mineral extraction and supports mining as a legitimate activity on National Forest System lands. However, mining is not appropriate on all places within the National Forest System.

On June 3, 2016, the Bureau of Land Management (BLM) requested the Forest Service provide a decision on whether it consents to renewal of two leases held by Twin Metals for lands within the Superior National Forest. On December 14, 2016, the Forest Service submitted a letter to the BLM stating the Forest Service did not consent to the renewal of the leases. The Forest Service believes that the inherent potential risk associated with development of a regionally untested copper-nickel sulfide ore mine within the same

watershed as the Boundary Waters Canoe Area Wilderness was unacceptable. The BLM in turn rejected the renewal application.

In evaluating a specific mineral development proposal, the Forest Service balances the benefits and environmental concerns associated with that proposal with the effect of such development on the protection of the NFS lands in question and the management of the multiple uses of those lands. In the case of Twin Metals, the specific issues the Forest Service considered included the potential environmental consequences of mineral development given the unique attributes of the Boundary Waters Canoe Area Wilderness, the nature and uses of the Boundary Waters Canoe Area Wilderness by the public and tribes, the relative economic benefits of mineral development and wilderness recreation, public opinion, the difficulty of predicting the environmental consequences of copper-nickel sulfide ore mining given its rarity in this region, the uses and need for the copper and nickel deposits thought to underlie the leaseholds, and current laws and policy.

2. The Empowering State Forestry to Improve Forest Health Act, a bill that I have introduced with Senator Daines, would improve coordination across federal and private boundaries to tackle the difficult management and wildfire challenges that many rural forest communities face. The Forest Service has many goals, including reducing wildfire risk, preventing and combatting invasive species outbreaks, and increasing jobs through forest-based economies. What value would taking a “landscape” approach to federal forest management, including incorporating state and private forestlands, have in meeting these goals?

Answer: Implementing a landscape scale approach to federal forest management that includes state and private forests ensures that our Nation’s forestlands will continue to provide important benefits to the American public. There are over 640 million acres of non-Federal forest lands in the United States—more than two-thirds of the Nation’s forests. These important resources generate millions of dollars in forest products revenues and recreation spending; provide well-paying rural and green industry jobs; supply almost 30 percent of the surface drinking water to cities and rural communities; and support imperiled wildlife and fish species. A landscape scale approach transcends jurisdictional boundaries allowing landowners to focus on restoring healthy and resilient by effectively and efficiently addressing wildland fire risks and invasive species outbreaks.

Senator Kirsten Gillibrand

New and Beginning Farmers

- 1) By 2030, more than 1.7 million acres of New York farmland will transition to the next generation. I am concerned that without the right programs in place, many of these acres will be consolidated into ever-larger farms that become permanently inaccessible to beginning farmers. This could have a significant negative affect on the health and strength of our rural communities.

How are your Services working together to ensure that all conservation programs are coordinated and work well for beginning farmers?

Answer: The Forest Stewardship Program, delivered through state forestry agencies, partners with the Natural Resource Conservation Service (EQIP), Farm Service Agency (CRP), Cooperative Extension, and other organizations to provide coordinated outreach, information and technical assistance to private landowners. For example, the Forest Stewardship Program provides funding to the New York Department of Environmental Conservation to build and sustain working relationships with private landowners to promote the long-term management of their forestland. In FY 2016 the Department of Environmental Conservation provided technical assistance and education to 2,995 of New York's private forest landowners. Almost 675,000 forested acres in the state are covered by an active Forest Stewardship Plan. Privately owned forests provide numerous public benefits including timber, clean air and water, and wildlife habitat.

Pollinators

- 2) The 2008 Farm Bill made pollinator health a priority in all USDA conservation programs. The 2014 Farm Bill maintained those provisions and added an emphasis on expanding and improving honeybee habitat. After more than a decade of conservation work, our wild pollinators and honeybees continue to struggle.

A survey of New York beekeepers showed that this past winter, nearly 48 percent of our honeybee hives failed. The problems of pesticides, mites, disease, and limited forage were compounded by a terrible drought during the summer.

What more should the Committee do to help NRCS and the other Services assist farmers who depend on pollinators?

Answer: Environmental stressors such as pesticides, pests, and pathogens change the way pollinators sustain primary productivity. Land management activities within the home range of bees impact the diversity and quantity of flower nectar sources, and hence, bee populations. An ecosystem approach to understanding pollinator population changes is necessary to support pollinator health, the maintenance and restoration of biological diversity and populations, and pollination ecology. The 2015 federal Pollinator Research Action Plan identifies priority research efforts to understand and address pollinator health. The Pollinator Research Action Plan addresses five areas in order to expand our understanding of the complex interacting factors that affect pollinator health, namely (1) setting a baseline, (2) assessing environmental stressors, (3) restoring habitat with effective land management practices, and by developing native plant supplies, (4) understanding and supporting stakeholders, and (5) curating and sharing knowledge. Further, Forest Service research is focused on host plant and pollinator relationships, ecosystem restoration techniques, and habitat management alternatives. This research informs solutions that integrate agricultural and forestland, habitat creation, habitat restoration of roadsides, restoration of fire-damaged areas and riparian areas, native plant propagation, removal of invasive shrubs and invasive insect predators, restoration using prescribed fire, and bee monitoring.

The 2015 National Strategy to Promote the Health of Honey Bees and Other Pollinators identified a goal of restoring or enhancing 7 million acres of land for pollinators over five year timeframe. The Forest Service continues working on improving the quality and quantity of overall acreage for pollinators. Since 2015, the Forest Service has restored or enhanced over 600,000 acres of pollinator habitat. This work supports both honeybees and native pollinators. In support of USDA food security initiatives and Farm Bill programs committed to pollinator health, the FS prioritizes the development of pollinator-friendly native plant material needed for restoration work. The pollinator-friendly native plants are produced in FS nurseries or through contracts with private nurseries. FS also allows managed honey bees to forage on National Forest System lands where compatible with other natural resource management priorities.

Farmers who depend upon pollinators benefit from enhanced technical and financial support through Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP), for the use of woody perennial plants (trees and shrubs) as pollinator habitat. Such plants can be integrated into farm field borders, windbreaks, and other edge-of-field and in-field practices. Forests woody perennials provide pollinator nesting habitat, nectar, and pollen throughout the growing season as well as protection from pesticide exposure. They also help to improve the efficiency of pollination by protecting crops from wind.

Senate Committee on Agriculture, Nutrition, & Forestry

Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill

June 29, 2017

Questions for the Record

Dr. Christopher Topik

Senator Patrick Leahy

1. Your testimony mentioned that the Farm Bill easement programs are important to both conservation and to private landowners who need assistance to make the most of their properties.
 - a. Can you further share with the Committee the importance of supporting forestland protection in the Agriculture Conservation Easement Program – Agricultural Lands Easement (ACEP-ALE)?

Topik: Our scientific assessments and our knowledge of the role of forests in communities strongly suggest to us that it is essential to America to maintain strong forest cover for many reasons such as discussed in my testimony. Private forest land owners are under many stresses so they need help with various tools to make continued working forestland possible. The ACEP-ALE approach is one of the most economically efficient ways of keeping forests as forests, and to help private forest land owners to steward their properties while the rest of us benefit from the various ecosystem services they provide.

- b. Is it your opinion that the NRCS has not followed Congressional intent from the 2014 Farm Bill that clearly laid out that eligible land included “nonindustrial private forest land that contributes to the economic viability of an offered parcel or serves as a buffer to protect such land from development” yet they have set an arbitrary 2/3 forested acreage limitation that has limited forest enrollment?

Topik: The regulatory decision by NRCS to limit nonindustrial private forest land does not appear to be consistent with the 2014 Farm Bill statute.

2. One of the threats that Vermont forestland owners pay close attention to is invasive species. A single infestation of emerald ash borer or Asian long-horn beetle could eliminate all of the value for a forest property almost overnight and could quickly wipe out our forest economy in Vermont. In addition, invasive plants may prevent regeneration of the forest after a logging job. The insects may vary by state and region, but I don’t imagine that the threat is any less.

Are you concerned about the threat of invasive species to TNC owned forest land, as well as other private forest lands in the country?

Topik: Yes. Invasive species – insects, plants, and others – already have a significant impact on forest health, productivity and ecosystem services on private

and public lands, and the threat continues to grow as additional invasives arrive and extend their ranges in response to climate change and other environmental factors. Management of invasives on TNC lands in Vermont is one of our largest and most persistent stewardship challenges.

3. I hear often from Vermont woodland owners worried about dangerous invasive species entering the United States through contaminated wood packaging.

What do you see as the role of the U.S. Forest Service and USDA APHIS or other federal agencies in addressing this threat and stopping these dangerous invasive forest and agricultural pests before they enter the country? Is enough being done to stop these invasive pests from entering the country?

Topic: Federal agencies need to provide strong leadership and action to prevent the arrival of new pests into the country. Once they are here it is often too late – it's likely to be much harder to control or manage an invasion by a new species with no native predators/competitors than it is to head it off before it gets established. The vector for these invasions is international commerce, so the primary responsibility and leadership for addressing this threat rests at the federal level. The Forest Service role is to provide science, inventory and expert guidance and the role of APHIS is to help with enforcement at the borders, along with the DHS agencies.

4. Despite the many benefits of protecting working agricultural lands, the funding for easements under the Agricultural Conservation Easement Program (ACEP) saw a large decrease in the 2014 Farm Bill. But development pressure on farmland is on the rise and the witnesses before us today should count themselves fortunate that they have been able to navigate generational transfers.

The panel you were a part of represented a diverse array of farming and forestry operations, with a third generation cattle producer who farms with her two daughters, one who joined his grandfather and mother in the operation, one now farming with a son, and another who grew up working on his family's farm that he now owns and operates with his brothers. But not every farmer or person looking to get into farming is that lucky to join a family operation. I hear from countless young Vermont farmers who never would have been able to buy their farm or get a start on their own, had it not been for a conservation easement and a dedicated partner like the Vermont Land Trust or the Vermont Housing and Conservation Board. Other than the Agricultural Conservation Easement Program - Agricultural Lands Easement (ACEP-ALE) there is no other Federal program to support the permanent conservation of working farmland in order to help farmers facing generational transfers and beginning farmers just starting out on their own.

- a. Do you think the issue of access to land is one of the biggest barriers to beginning farmers?

Topik: Yes, access to affordable land is a significant barrier for many beginning farmers. Support to various agencies and NGOs that can help train young farmers be more successful is important.

- b. Would you support efforts through our voluntary agriculture land easement program to help farmers get on land they could not otherwise afford, while also protecting that farmland that is threatened by development?

Topik: Yes, the Conservancy supports efforts to use easements to protect farmland, which can result in helping farmers buy land that would not otherwise be affordable.

5. I have heard from a number of Vermont farmers that they would like to see the current payment limitations for the Environmental Quality Incentive Program increased to reflect changing economic conditions in agriculture and forestry that would allow more landowners who contribute to priority conservation objectives to make additional conservation improvements on their operations, especially those with a large water quality benefit. At least one of the members of this panel also mentioned this point in his written testimony.
 - a. Do you support having the next Farm Bill increase the current payment limitations for the Environmental Quality Incentive Program (EQIP) in the next Farm Bill? If so, to what level would you like to see it increased to? Or would you support reducing the time frame under which a farm is held to the current payment limitation for EQIP reduced, so rather than for the life of the bill having that limit apply to only two years or three?

Topik: The Conservancy supports efforts to increase EQIP payment limitations. We support raising the limit to \$1 million per farmer per farm bill. Yet, if the payment limitation is not increased to this level, we would support reducing the duration of the limit to two or three years.”

- b. Lastly, if an increase for all farmers and projects is not possible, are there scenarios under which you think the Secretary or the Chief of the NRCS should be given a waiver authority to set a higher payment limitation for some conservation activities or projects?

Topik: If an increase in the EQIP payment limit is not possible, the Conservancy supports providing the Secretary, and delegating to the Chief of NRCS, with authority to waive EQIP payment limitations for specific projects funded under the Regional Conservation Partnership Program and related programs that are able to enhance the land’s ability to provide clear, quality water, flood absorption/risk reduction, and/or wildlife habitat benefits.