SEEKING COMMON GROUND FOR CONSERVATION

An agricultural conservation policy project of the Soil and Water Conservation Society

Realizing the Promise of the Farm Security and Rural Investment Act of 2002

How implementation of the conservation provisions measures up

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The Soil and Water Conservation Society (SWCS) is a nonprofit scientific and educational organization that serves as an advocate for conservation professionals and for science-based conservation policy. SWCS seeks to advance the science and art of soil, water, and related natural resource conservation to achieve sustainability. Members practice and promote an ethic that recognizes the interdependence of people and their environment.

SWCS has about 10,000 members around the world. They include researchers, administrators, planners, policymakers, teachers, students, farmers, and ranchers. Nearly every academic discipline and many different conservation institutions are represented within the membership.

Member benefits include the widely respected Journal of Soil and Water Conservation; representation in policy circles; opportunities for leadership and networking; and discounts on books and conference registrations.

SWCS chapters throughout the United States, Canada, and Caribbean Basin conduct a variety of activities at local, state, and provincial levels and on university campuses. These 75 chapters represent the grassroots element of the organization. Each chapter elects its own officers, organizes conservation forums, and formulates local recommendations on land and water conservation issues.

Soil and Water Conservation Society
945 Southwest Ankeny Road ▮ Ankeny, Iowa 50021-9764
Telephone: 515-289-2331 ▮ Fax: 515-289-1227
www.swcs.org

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Executive summary

Prior to the outset of congressional debate on the 2002 farm bill, the Soil and Water Conservation Society (SWCS) developed a series of recommendations for the reform of conservation policy and programs based on ideas from five regional workshops. Those recommendations appeared in a report titled "Seeking Common Ground for Conservation, A Farm Bill Proposal: Responding to the Grassroots," published in June 2001.

Following final enactment of the Farm Security and Rural Investment Act of 2002 (FSRI)—signed into law on May 13, 2002—SWCS issued another report analyzing how well the conservation provisions of FSRI measured up to the recommendations in the "seeking common ground" report. That "measure-up" report concluded that, despite its shortcomings, FSRI "creates the greatest opportunity for conservation on private land since 1985." The report went on to state that the additional conservation investment and authorities provided by FSRI could, if well-directed, make historic progress in managing environmental quality and ensuring the commercial viability of American agriculture.

Through this new report, SWCS hopes to contribute to the effort to realize the full promise of the conservation provisions of FSRI.

Much has been accomplished to realize that potential since May 13, 2002. Most of the funding for conservation programs—through fiscal year 2004—has been realized. Programs funded from the Commodity Credit Corporation (CCC) have received more than $2.5 billion, about 94 percent of the funding FSRI provided. About half the new acres authorized for the Wetlands Reserve Program (WRP) have been made available for enrollment, and sign-ups in three critical components of the Conservation Reserve Program (CRP)—the continuous CRP sign-up (CCRP), Conservation Reserve Enhancement Program (CREP), and Farmable Wetlands Program (FWP)—have been promising. The conservation technical services infrastructure—the foundation of conservation and environmental management on working land—has been strengthened. About $678 million in CCC funds have been provided for technical assistance, and the technical service provider (TSP) program is a clear, if small, step toward the 21st century infrastructure needed to realize the full promise of FSRI.

Rules for at least 10 programs and provisions have been promulgated, program guidance produced, training completed, and outreach to producers and partners undertaken. Most of the basic conservation components of FSRI have been put in place in the two years since the law's enactment, and conservation activity on the ground has accelerated.

Despite substantial progress since May 13, 2002, much more needs to be done to realize the full promise of FSRI. Four opportunities, in particular, deserve the attention of policymakers and program administrators in the coming months.

Fully fund conservation programs

The administration should request and Congress should provide full funding for all U.S. Department of Agriculture (USDA) conservation programs. The promise FSRI made to taxpayers, producers, and the environment can only be kept if the conservation funding promised by FSRI is fully realized. The president's fiscal year 2005 budget request, unfortunately, does not keep that promise. Congress should fully fund all USDA conservation programs in fiscal year 2005 and succeeding fiscal years over the life of FSRI. The greatest opportunities to realize the promise of FSRI include: (1) strategic increases in the Conservation Technical Assistance program, (2) a swift, thoughtful ramp-up of CSP to the nationwide entitlement program it was intended to be, (3) full funding for EQIP and WHIP, (4) establishment of a 5-million-acre holdback under the CRP cap for CCRP, CREP, and FWP, followed by a determined effort to accelerate program participation, and (5) enrolling enough acres in WRP each year to achieve the authorized acreage goal by the end of fiscal year 2007.

Build a conservation technical services infrastructure

Building a conservation technical services infrastructure is the single greatest opportunity to realize the full potential of FSRI. Congress should amend the CCC charter act to exempt technical assistance from the Section-11 spending cap and end the confusion created by conflicting interpretations of congressional intent regarding use of CCC funds for technical assistance. The unsatisfactory solutions to date are short-changing taxpayers, producers, and the environment. Savings from projected outlays in commodity subsidies because of improving prices should be used to offset any increased spending the Congressional Budget Office may attribute to exempting technical assistance from the Section-11 cap.

More important, USDA should produce a coordinated investment plan to construct a technical services infrastructure for the 21st century. The increase in funding from CCC for technical assistance, coupled with the TSP initiative, creates an unprecedented opportunity to build the technical services infrastructure essential to meeting the demands of conservation and environmental management on working land. CCC funds should be coupled with strategic increases in discretionary spending for research, education, and the conservation technical assistance program. Those resources should be allocated to federal, state, and local governmental agencies; nongovernmental organizations; and the private sector based on a realistic assessment of the potential for each sector to contribute to an infrastructure tailored to meet the site-specific needs of local communities.

Reform conservation programs to enhance environmental management

For five decades, USDA's conservation programs have focused on conserving the soil, water, and biological resources that support the productivity of U.S. agriculture. Now, conservationists have another challenge—managing agriculture's impact on the environment. The approaches used to implement conservation programs must be reformed to meet the environmental management challenge.

Much more program funding should be directed to place-based projects that strive to enhance specific environmental objectives important to local communities and simultaneously advance state and national objectives. Clean water, clear air, and abundant fish and wildlife populations will only be achieved when a critical number of producers within a particular geographic area implement and maintain the key conservation practices and systems that will,

in the aggregate, produce the environmental benefits taxpayers are seeking.

NRCS should allocate $400 million in EQIP funds in fiscal year 2005—about one-third of the FSRI $1.2 billion funding level—to place-based initiatives driven by watershed or other place-based strategies to achieve specific targets for enhancing soil, water, air and/or fish and wildlife habitat.

The balance of EQIP funds—about $800 million or two-thirds of the FSRI funding level—should be a down payment on a base conservation effort available everywhere and to every producer. Meanwhile, CSP should be ramped up as swiftly and thoughtfully as possible to become the primary base conservation effort in the United States. That base effort should be designed to ensure the sustainability of the resource base; solve acute, but isolated problems; encourage widespread adoption of essential practices; and reward commitment to stewardship. Above and beyond the base effort, the nation needs a focused effort that directs additional resources to place-based projects that secure the critical mass of participation in key locations required to produce tangible improvements in environmental quality. As CSP ramps up, additional EQIP funding should be allocated to place-based projects. That leaves CRP, WRP, and other land retirement programs to protect and restore sensitive landscapes and critical habitats. The result will be a balanced portfolio of conservation programs better suited to meeting the range of conservation and environmental management challenges agriculture faces.

Ramp up CSP thoughtfully and quickly

Participants in the "seeking common ground" workshops wanted to create a new option in farm policy that would base taxpayer support on conservation and environmental management rather than on commodity production—a policy that would be available to all producers of all kinds of crops and livestock, including those producers who were already investing in conservation and producing environmental benefits. CSP is an opportunity to make what participants referred to as "a new vision for agriculture" real.

CSP should be ramped up as quickly as possible and in a way that emphasizes the unique contributions CSP brings to the conservation portfolio—rewarding good actors, encouraging conservation systems rather than single-practice solutions, and emphasizing management-intensive rather than structural solutions—while also managing budget exposure. The strategy used to ramp up CSP should depart substantially from the approach outlined in USDA's proposed rule.

USDA should issue a supplemental rule that (1) provides the secretary with the flexibility and authority to set criteria, standards, and priorities for annual sign-ups in order to match participation with available technical and financial resources, (2) gives first priority for participation to producers currently meeting the minimum eligibility requirements for Tier III and who are willing to do more to enhance the environmental benefits produced on their operations, and (3) emphasizes payments tied to installation and maintenance of management-intensive annual practices and the level of environmental performance achieved by the participant. Additional components and avenues for participation should be added in succeeding years on the basis of available funds, technical resources, and what is learned about potential workload, participation, and environmental performance.

Recommendations

1. *The administration should request and Congress should provide full funding for all USDA conservation programs.*

2. *If congressional action on appropriation measures is delayed, the administration should use its authority to apportion CCC funds for conservation technical and financial assistance at the beginning of each fiscal year to facilitate a more effective delivery of that assistance to farmers and ranchers.*

3. *Congress should amend the Commodity Credit Corporation charter act to exempt technical assistance from the Section-11 spending cap.*

4. *USDA should produce a coordinated investment plan to construct a technical services infrastructure for the 21st century.*

5. *USDA must increase funding for place-based projects to achieve a critical mass of conservation action that will result in tangible environmental improvements.*

6. *USDA should implement its financial assistance programs in a way that creates a balanced conservation portfolio of programs.*

7. *NRCS should take full advantage of the Partnerships and Cooperation provision of the Farm Security and Rural Investment Act of 2002.*

8. *USDA should create a unified planning, contracting, and sign-up process for all conservation financial assistance programs.*

9. *USDA and NRCS should work to improve conservation intelligence as a basis for establishing clear, achievable conservation goals for the nation's working land.*

10. *NRCS should quickly and thoughtfully ramp-up CSP in a way that emphasizes the program's unique feature and integrates CSP into the conservation program portfolio as the primary source of financial assistance for a base conservation effort.*

11. *NRCS should take full advantage of the Conservation Innovation Grants Program in the Farm Security and Rural Investment Act of 2002.*

Introduction

Prior to the outset of congressional debate on the 2002 farm bill, the Soil and Water Conservation Society (SWCS) conducted five regional workshops—Northeast, Southeast, Corn Belt, Great Plains, and West—to elicit ideas for the reform of conservation policy and programs in the reauthorized bill. Workshop participants included representatives from the agricultural, water resources, and fish and wildlife communities.

Those participants identified two basic goals for the new farm bill: (1) strengthen existing conservation programs in ways that enhance the environmental performance of those programs and the commercial viability of farms and ranches and (2) construct a new option in farm policy that supports all farmers and ranchers as environmental stewards rather than subsidizing only those producers growing a handful of favored crops.

SWCS subsequently developed a series of recommendations aimed at achieving the goals of workshop participants. Those recommendations appeared in a report titled "Seeking Common Ground for Conservation, A Farm Bill Proposal: Responding to the Grassroots," published in June 2001.

Following enactment of the Farm Security and Rural Investment Act of 2002 (FSRI) on May 13, 2002, SWCS issued a report comparing how the conservation provisions of that new farm law measured up to the recommendations in the earlier "seeking common ground" report. That report, "How Conservation Measures Up in the Farm Security and Rural Investment Act of 2002," concluded that, despite it shortcomings, FSRI "creates the greatest opportunity for conservation on private land since 1985. The $17.1 billion additional investment in conservation is an 80 percent increase over current investment. As important, 82 percent of the additional investment is in programs designed to enhance the management of working land. The law also mandates Commodity Credit Corporation (CCC) funding for technical assistance for all CCC-funded conservation programs. This additional investment in financial and technical assistance, coupled with the emphasis on working land, means conservation programs could reach hundreds of millions of acres annually instead of the tens of millions of acres a year those programs currently reach."

The SWCS report went on to state that the additional conservation investment and authorities provided by FSRI could, if well-directed, make historic progress in managing environmental quality and ensuring the commercial viability of American agriculture. The report recognized that conservation of soil, water, and other natural resources to protect agricultural productivity was no longer the primary focus of U.S. Department of Agriculture (USDA) conservation programs. Today, those programs have assumed an environmental management focus—the production of environmental goods and services for the benefit of farmers, ranchers, and the broader American public.

Through this new report, SWCS hopes to contribute to the effort to realize the full promise of the conservation provisions of FSRI. This report is divided into four main sections that parallel the recommendations SWCS made in its original 2001 report: (1) conservation funding, (2) conservation technical services infrastructure, (3) conservation program reform, and (4) new vision for agriculture. In each section we first compare how actions by Congress and/or the administration to implement those conservation provisions measure up to recommendations in our earlier report. A "step ahead" indicates that implementation of conservation measures in FSRI makes progress toward achieving a recommendation in the SWCS report. A "step back" suggests that implementation efforts are taking policy or programs in a direction other than what was recommended. No action on a particular policy or program in the law represents a "missed opportunity." We then recommend steps that should be taken to ensure that implementation of the conservation provisions in FSRI pays off in a significant way for taxpayers, agricultural producers, and the environment.

Conservation funding

Participants in the "seeking common ground" workshops universally agreed that increased funding was the only way to address multiple and legitimate conservation priorities while avoiding destructive competition for inadequate conservation funds among regions, priorities, and producers. In their view, the lack of funding for existing conservation assistance programs, both technical and financial, was among the most significant barriers to progress in conservation and environmental management.

As a result, SWCS recommended that funding for USDA's agricultural conservation programs be doubled to $5 billion annually, with most of the new money going to technical services and financial assistance on "working land"—that land remaining in agricultural production. Specifically, SWCS recommended that funding be doubled for technical services, tripled for financial assistance on working land, and increased 30 percent for land retirement and restoration.

In addition, SWCS recommended funding of at least $3 billion annually for a new stewardship-based farm and ranch program. This "new vision" program would be an option to traditional forms of support based on the production of a handful of agricultural commodities. The new option would instead reward producers of all agricultural products for using their land, labor, and capital to enhance the environment.

Steps ahead, steps back, missed opportunities

FSRI mandated an increase in conservation funding of nearly 80 percent—a major step forward. But how FSRI established funding levels varies among conservation programs—a fact that complicates comparisons of authorized and realized funding levels. In some cases, FSRI mandated an annual spending level from CCC for a conservation program. In other cases, the law authorized funding not to exceed a set level, with the actual spending level determined by the appropriations committees in Congress each year. In still other cases, FSRI authorized enrollment of a certain number of acres into a program rather than mandating or authorizing a set funding level for the program. And in the case of the new Conservation Security Program (CSP), FSRI created an entitlement program with no limits placed on annual funding or acres that could be enrolled.

Table 1 compares funding levels provided by FSRI to the funding levels actually realized in fiscal years 2002, 2003, and 2004 for those programs financed with CCC funds or subject to annual appropriations.

Conservation programs funded through CCC have actually received about 94 percent of the total funding made available by FSRI through fiscal year 2004—a clear step ahead. In percentage terms, the Small Watershed Rehabilitation Program has fared the worst since enactment of FSRI. The administration has not requested CCC funds for this program, and Congress has not provided CCC funds for the program. Instead, funding for the program has come through annual appropriations and at a level well below what FSRI provided for. The Environmental Quality Incentives Program (EQIP) clearly has fared the best, receiving almost 99 percent of the funding FSRI made available through fiscal year 2004.

Conservation programs subject to annual appropriations have taken a step back since enactment of FSRI. Appropriators have provided only about 23 percent of the funding authorized by FSRI. Neither the Great Lakes Basin Program nor the Grassroots Source Water Protection Program has received any funding. The Small Watershed Rehabilitation Program has been funded at roughly 70 percent of its authorized level.

The Conservation of Private Grazing Land Program, first authorized in the 1996 farm law as a stand-alone program, was

Table 1: FSRI-authorized funding levels compared to the actual funding realized over the three fiscal years (2002, 2003, 2004) following enactment.

Program	FSRI Funding Level (Million $)	Actual Funding Level (Million $)	FSRI versus Actual Funding Level	
			Difference (Million $)	Percent FSRI Funding Realized
CCC Funded				
Environmental Quality Incentives Program	$2,100	$2,070	-$30	99
Wildlife Habitat Incentives Program	$105	$87	-$18	83
Farm and Ranch Land Protection Program	$275	$262	-$13	95
Ground and Surface Water Conservation	$130	$126	-$4	97
Agricultural Management Assistance	$50	$44	-$6	88
Small Watershed Rehabilitation	$95	$0	-$95	0
Subtotal	**$2,755**	**$2,589**	**-$166**	**94**
Subject to Annual Appropriations				
Conservation of Private Grazing Land	$180	$0	-$180	0
Great Lakes Basin Program	$15	$0	-$15	0
Small Watershed Rehabilitation	$100	$70	-$30	70
Grassroots Source Water Protection	$15	$0	-$15	0
Subtotal	**$310**	**$70**	**-$240**	**23**
Total	**$3,065**	**$2,659**	**-$406**	**87**

Table 2: Acres enrolled or made available for enrollment in CRP, WRP, and GRP following enactment of FSRI.

	Acres Enrolled or Made Available for Enrollment			
Program	**Fiscal Year 2002**	**Fiscal Year 2003**	**Fiscal Year 2004**	**Total**
Conservation Reserve		1,995,000		1,995,000
Continuous CRP Sign-up	230,000	275,000	31,000*	536,000
CREP	164,000	112,000	13,000*	289,000
Farmable Wetlands	45,000	25,000	5,000*	75,000
Wetlands Reserve	250,000	246,833	189,000**	685,833
Grassland Reserve	0	240,965	250,000**	490,965
Total	**689,000**	**2,894,798**	**488,000**	**4,071,798**

*Enrollment through February 2004 ** Acres made available for enrollment by the 2004 omnibus appropriations law.

reauthorized and given additional funding in FSRI. USDA has never promulgated a rule and regulations for the program, however. Funding has been provided for a similar effort—the Grazing Lands Conservation Initiative—through an annual line-item earmark in the Natural Resources Conservation Service (NRCS) Conservation Operations account. About $68.1 million has been provided through the earmarks since fiscal year 2002—38 percent of what FSRI authorized for a stand-alone program.

Table 2 shows what has happened to conservation programs authorized by FSRI to enroll specified numbers of acres rather than to expend certain amounts of money.

Through fiscal year 2004, about half the acres authorized for enrollment in the Wetlands Reserve Program (WRP) have been enrolled or made available for enrollment via the annual appropriations process—a step ahead if the remaining acres authorized are enrolled in the next three fiscal years. The number of acres made available for enrollment, however, has declined each year since 2002, which raises a serious question about the likelihood that the full promise of WRP will be realized.

FSRI authorized enrollment of 2 million acres in a new Grassland Reserve Program (GRP), but also capped total funding for the program at $254 million. In fiscal year 2003, nearly 241,000 acres were enrolled—a step ahead—and another 250,000 acres are expected to be enrolled in the current fiscal year. The administration anticipates hitting the $254 million funding ceiling for the program in fiscal year 2005, however, well before the authorized enrollment limit of 2 million acres is reached.

FSRI increased the acreage cap on the Conservation Reserve Program (CRP) from 36.4 million acres to 39.2 million acres—an increase of 2.8 million acres. A general CRP sign-up was held in fiscal year 2003, the first in several years. USDA enrolled fewer than 2 million acres in that sign-up, a circumstance that allows USDA the continuing opportunity to establish a significant acreage holdback—SWCS recommended 5 million acres and improved financial incentives to meet that goal—for three popular components of CRP, the continuous CRP sign-up (CCRP), Conservation Reserve Enhancement Program (CREP), and Farmable Wetlands Program (FWP). Each of those CRP subsets is aimed at the establishment of conservation buffers and permanent vegetative cover on highly environmentally sensitive portions of the agricultural landscape. Establishment of such an acreage holdback would be an important step ahead for this largest of USDA's conservation financial assistance programs. As of February 29, 2004, 34.6 million acres were enrolled in CRP, 4.6 million acres less than the total authorized by FSRI.

FSRI authorized the new Conservation Security Program (CSP) as an entitlement program—an important step forward that puts this program on the same footing as commodity-based subsidy programs. The program's entitlement status, however, also makes comparison of mandated versus actual funding levels difficult. Because of its entitlement status, the law does not establish a particular funding level or acreage enrollment for CSP. Instead, the cost of CSP could be large or small, depending upon the number of producers who decide to participate and what level of payments they qualify for. When allocating funds among programs and titles in FSRI, therefore, Congress relied on Congressional Budget Office (CBO) estimates of CSP's cost. CBO's initial estimate of the program's cost was quite low—$2 billion over 10 years and only $369 million over the 6-year life of FSRI. Since enactment of FSRI, however, actions by the administration and Congress have resulted in new cost estimates for CSP by both CBO and the Office of Management and Budget (OMB) and efforts by Congress to cap annual funding for CSP despite its entitlement status. The most recent action by Congress in the 2004 omnibus appropriations law capped CSP funding in fiscal year 2004 at $41.4 million, but acknowledged the program's entitlement status by removing the funding cap across succeeding fiscal years—clearly a step ahead.

Overall, funding for conservation programs since enactment of FSRI has been a step ahead, despite some disappointments and missed opportunities. The president's budget request for fiscal year 2005 is a step back, however. Table 3 compares the funding levels requested in the president's budget for fiscal year 2005 to the funding levels authorized in FSRI. Only three programs—the Farm and Ranch Land Protection Program (FRPP), the Ground and Surface Water Conservation Program, and the Agricultural Management Assistance Program—are proposed to receive the full funding authorized by FSRI. The president's request for all other conservation programs is well below authorized levels. His request for EQIP, for example, is $200 million or 17 percent below the FSRI-authorized level. Proposed funding for the Wildlife Habitat

Incentives Program (WHIP) is 30 percent below its authorized level. Other programs take more severe cuts.

The president's budget anticipates enrolling 200,000 acres in WRP during fiscal year 2005.

Although funding levels realized though fiscal year 2004 have been a step ahead, the delays in congressional action in making funds available have been a step back. Congress did not complete action on appropriations measures until November 2001 for fiscal year 2002, February 2003 for fiscal year 2003, and January 2004 for fiscal year 2004. This left NRCS and other agencies with far less than a year to allocate and obligate major increases in funding for conservation programs, particularly in fiscal years 2003 and 2004. Those short implementation timeframes have undoubtedly impaired the performance of some programs. Implementing agencies at local, state, and federal levels have been forced to give priority to signing up participants and getting the money out. This rush to obligate funds also has erected barriers to the program reforms discussed later that would lead to better environmental performance and greater payoffs to taxpayers, producers, and the environment.

Recommendations

1. *The administration should request and Congress should provide full funding for all USDA conservation programs.*

The promise FSRI made to taxpayers, producers, and the environment can only be kept if the conservation funding promised by FSRI is fully realized. The president's fiscal year 2005 budget request, unfortunately, does not keep that promise. Congress should fully fund all USDA conservation programs in fiscal year 2005 and succeeding fiscal years over the life of FSRI. The greatest opportunities to realize the promise of FSRI include:

- A swift, thoughtful ramp-up of CSP to the nationwide entitlement program it was intended to be.
- Full funding for EQIP and WHIP.
- Establishment by USDA of a 5-million-acre holdback under the CRP cap for CCRP, CREP, and FWP, followed by a determined effort to accelerate program participation.
- Annual acreage enrollments in WRP sufficient to ensure that the authorized acreage goal for the program is reached by the end of fiscal year 2007.

2. *If congressional action on appropriation measures is delayed, the administration should use its authority to apportion CCC funds for conservation technical and financial assistance at the beginning of each fiscal year to facilitate a more effective delivery of that assistance to farmers and ranchers.*

Delays in making CCC conservation program funding available to agencies are undermining the performance of those programs. The rush to obligate funds erects barriers to implementing the program reforms that would enhance the performance of programs and produce a better payoff to taxpayers, producers, and the environment. OMB should apportion at least some of the CCC funding mandated by FSRI at the beginning of a fiscal year if Congress has not completed action on appropriation bills. Such action would lower one of the barriers impeding much needed reform of conservation programs.

Table 3: The president's budget request for fiscal year 2005 compared to funding levels authorized by the Farm Security and Rural Investment Act of 2002 (FSRI).

Program	FSRI Funding Level (Million $)	Requested Funding Level (Million $)	FSRI versus Requested Funding Level	
			Difference (Million $)	Percent FSRI Funding Realized
CCC Funded				
Environmental Quality Incentives Program	$1,200	$1,000	-$200	83
Wildlife Habitat Incentives Program	$85	$60	-$25	71
Farm and Ranch Land Protection Program	$125	$125	$0	100
Ground and Surface Water Conservation	$60	$60	$0	100
Agricultural Management Assistance	$20	$20	$0	100
Small Watershed Rehabilitation	$55	$0	-$55	0
Subtotal	**$1,545**	**$1,265**	**-$280**	**82**
Subject to Annual Appropriations		$0		
Conservation of Private Grazing Land	$60	$0	-$60	0
Great Lakes Basin Program	$5	$10	-$5	0
Small Watershed Rehabilitation	$55	$0	-$45	20
Grassroots Source Water Protection	$5	$0	-$5	0
Subtotal	**$125**	**$10**	**-$115**	**0**
Total	**$1,670**	**$1,275**	**-$395**	**76**

CCRP: Making a good program even better

In its "seeking common ground" report, SWCS recommended a number of policy and program reforms to bring about greater fairness and flexibility in USDA conservation programs. Specific mention was made about CRP being the largest of USDA's conservation programs, about how concentrated participation was in CRP—nearly half of all CRP acres and a third of all CRP rental payments go to producers in five Great Plains states—and about the potential for using the CCRP and CREP components of CRP to increase the program's flexibility and make the program available to more producers in more states.

CCRP, implemented in 1996, and CREP, implemented in 1997, enable producers to enroll highly environmentally sensitive cropland and certain marginal pastureland as conservation buffers on a continuous basis. As a subset of CCRP, CREP uses federal funds to leverage conservation investments by state governments and other institutions to address conservation needs at state and local levels.

In its "seeking common ground" report, SWCS offered two recommendations to make the CRP a better program:

- Expand the number of producers and acreage of agricultural land benefiting from CRP by permitting enrollment of environmentally sensitive acres of rangeland, pasture, or other land without a cropping history, at appropriate rental rates, and modify or eliminate all cropping history requirements for all practices eligible for the CCRP and all practices and habitat types specified in comprehensive state conservation plans.
- Mandate at least a 5-million-acre goal for conservation buffers within the CRP, and encourage participation through higher financial incentives and greater flexibility in practice requirements.

In its subsequent "measure-up" report, SWCS noted that the 2002 farm law took two important steps ahead with respect to those recommendations. First, the law relaxed the tree-planting requirement in riparian buffers on marginal pastureland, allowing for use of vegetation appropriate for riparian areas in a particular locale. Second, the law allowed the remaining portion of a small field to be enrolled if more than 50 percent of the field can be enrolled as a buffer and the remaining portion of the field becomes infeasible to farm as a result.

The 2002 farm law also made the Farmable Wetlands Pilot Program a national program, and that program is now considered an additional subset of the CRP. Under the FWP, producers may protect or restore small wetlands on cropland.

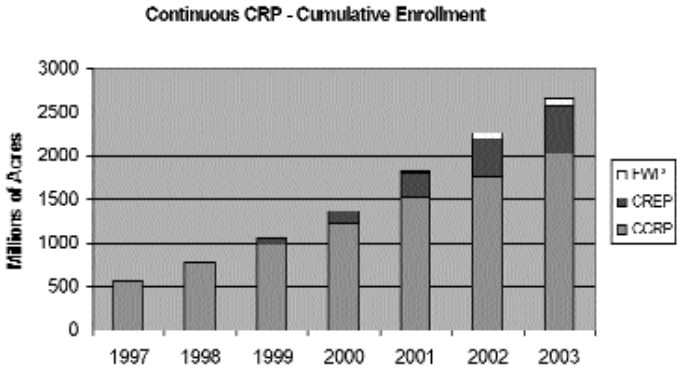
The interim rule for CRP, issued by USDA in response to the 2002 farm law on May 8, 2003, took two additional steps ahead:

- Certain orchard lands, vineyards, berry fields, and hay land were made eligible for the CCRP.
- Cropping history requirements were redefined to accommodate planted alfalfa, multiyear grasses and legumes, and summer fallow in rotation with agricultural commodities as conserving uses.

In spite of these important steps forward, there remain two important missed opportunities in the 2002 farm law and interim rule with regard to the CCRP:

- USDA has not extended eligibility for buffers under the CCRP to all cropland, regardless of cropping history, and all grazing land.
- USDA has not established any specific acreage holdback under the 39.2-million-acre CRP cap for buffers under the CCRP, including CREP and FWP.

Since its implementation in late 1996, producers have used the CCRP to install more than 2.76 million acres of buffers nationwide, in part because of promotional efforts by USDA's National Conservation Buffer Initiative. That initiative has a goal of helping producers install up to 2 million miles of conservation buffers—7.2 million acres—for such conservation purposes as soil erosion control, water quality improvement, water conservation, fish and wildlife habitat enhancement, flood control, protection of drinking water supplies, and conservation of biodiversity. As of February 29, 2004, producers had



installed 5.55 million acres of buffers—1.54 million miles—under all USDA conservation programs—77 percent of the USDA goal.

Despite this progress, many opportunities remain to make a good program even better. Some opportunities were identified in a report based on an SWCS-sponsored workshop, "Realizing the Promise of Conservation Buffer Technology," held in June 2001. Other opportunities appeared in the "seeking common ground" report and SWCS's comment on USDA's interim rule (www.swcs.org). Among the most frequently mentioned program refinements are the following:

- Permitting periodic haying or grazing of buffers, under an approved conservation plan, to maintain buffers in a proper functioning condition over time. The 2002 farm law removed the prohibition on haying and grazing of CRP acres, but USDA, in its interim rule, maintains that prohibition on buffer acres enrolled in the CCRP.
- Applying the same set of financial incentives to all buffer practices eligible for the CCRP, which would make the program less confusing to producers and program administrators alike.
- Paying an incentive to producers who work as a group to install buffers along streams or elsewhere on the landscape.
- Adjusting CRP rental rates periodically to make sure they remain competitive with cash rents and related economic factors.

Producers have only begun to realize the potential of conservation buffers to address a wide range of conservation needs. For example, there exists in the United States nearly 3.5 million miles of perennial and seasonal streams and drainage ditches. If one assumes that only a small fraction of those miles are in need of conservation treatment with buffers, the potential far exceeds what acres of streamside buffers have been installed to date. Moreover, watershed-level research in some parts of the country suggests that much higher proportions of stream miles may be in need of treatment, emphasizing once again the importance of trying to make the CCRP work even better for producers and the environment.

Conservation technical services infrastructure

Weakness in the nation's technical services infrastructure was named in SWCS's "seeking common ground" report as the single greatest impediment to addressing the nation's conservation and environmental management needs. Capacity to deliver high quality technical advice, consistently and within a reasonable amount of time, was raised in all five regional workshops as a serious limitation to achieving conservation and environmental quality. According to participants, technical assistance must be recognized as the most important conservation program in and of itself, not merely a cost of delivering conservation financial assistance to agricultural producers.

The SWCS report called on Congress to reaffirm the central role of technical services in the conservation enterprise and recommended the secretary of agriculture prepare a detailed plan of action, with budget, to ensure that all farmers and ranchers have access to timely, effective technical assistance from the public and/or private sectors. To achieve those goals, SWCS considered it necessary to double funding for technical assistance programs over fiscal year 2000 levels. Beyond this, three basic solutions were recommended:

- Increase NRCS technical staff at all levels.
- Provide grants to state and local governments, private commercial firms, and nonprofit organizations to develop technical capacity.
- Facilitate the use of third-party vendors in the delivery of conservation programs, including conservation planning services, at the farm and ranch levels.

As identified in the subsequent "measure-up" report, FSRI took critical steps ahead in all of those areas. Although the law stopped short of reaffirming the central importance of technical assistance as a conservation program in its own right, the conference report referred to technical assistance as an "integral part of all conservation programs authorized for mandatory funding."

FSRI mandated that a portion of the CCC funds provided for each CCC-funded conservation program be used to provide technical assistance. It directed the secretary of agriculture to establish a certification program and implementation system that facilitates use of third-party providers of technical assistance from the public and/or private sectors to help implement USDA conservation programs. It also authorized the secretary to enter into cooperative agreements or contracts with non-federal governmental agencies and non-governmental organizations alike to provide technical assistance.

Steps ahead, steps back, missed opportunities

Building an effective technical services infrastructure, based on the additional investment and new authorities provided by FSRI, was identified as the foremost opportunity for implementation of FSRI to produce tangible environmental improvements, according to the SWCS "measure-up" report. Technical services, which include research, education, and technical assistance, are the foundations of conservation. The dramatically increased scale of the Conservation Title in FSRI, both in terms of higher funding and a greater emphasis on working land, creates a huge demand for technical services from this infrastructure.

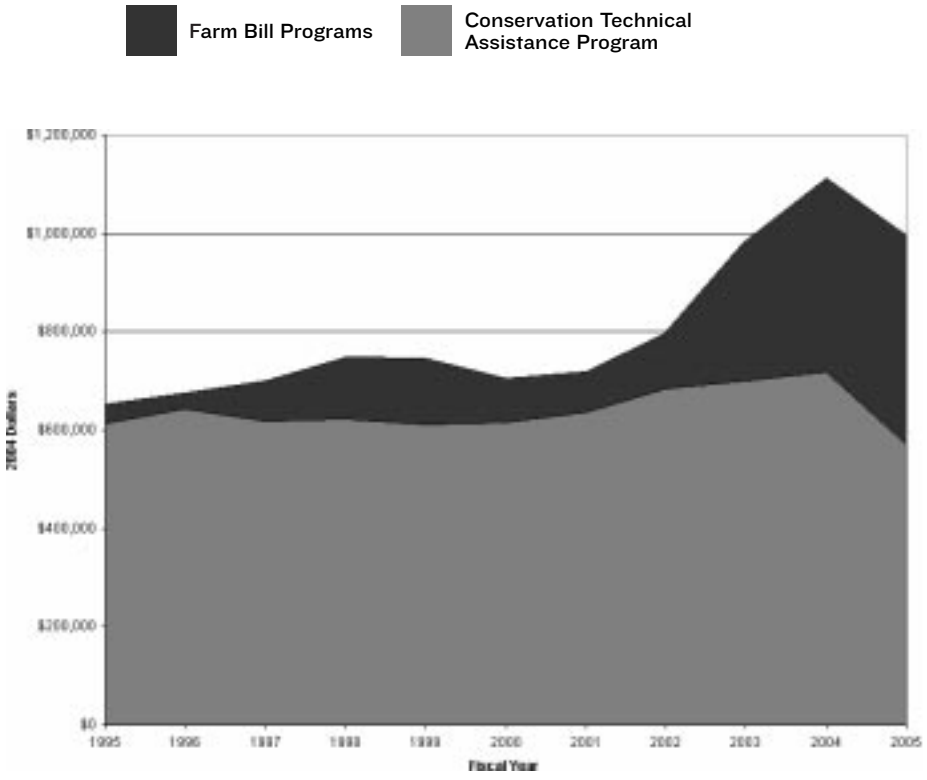
The conservation provisions of FSRI did little to address the research and education components of the technical services infrastructure. As stated above, FSRI did take a step ahead to strengthen the technical assistance component of the infrastructure.

What has happened to funding for technical services?

Funding for the technical assistance component of the technical services infrastructure has increased dramatically since enactment of FSRI (Figure 1)—a clear and important step ahead. In fiscal years 2003 and 2004, about $678 million in CCC funds were made available for technical assistance—almost half again the funds available for technical assistance through NRCS's Conservation Technical Assistance (CTA) program.

The president's budget for fiscal year 2005 reverses this positive trend by proposing to reduce the CTA program by $146 million—a clear and troubling step back. NRCS urgently needs to accelerate its efforts to enhance the scientific and technical foundation for technical assistance in order to meet its conservation and environmental management responsibili-

Figure 1: Trends in technical assistance funding.



ties. Substantial investments are needed in (1) training of NRCS staff, technical service providers (TSPs), and partners; (2) bringing on line a new generation of planning and assessment tools to allow field staff to make scientifically sound environmental management recommendations addressing water quality, soil quality, water conservation, air quality, fish and wildlife habitat, and a host of related issues; (3) building the capacity to plan and implement programs at watershed or other landscape scales; and (4) developing and delivering basic natural resources data in digital formats needed to support effective environmental management. The proposed reduction in CTA funding could hobble the agency's capacity to make these critical investments in the quality and scientific rigor of its technical assistance program.

Are CCC-funded conservation programs "paying their own way" with technical assistance?

Despite the impressive increases in CCC funding for technical assistance, CCC-funded conservation programs are still not paying their way in technical assistance—a step back from provisions included in FSRI. FSRI included provisions mandating the secretary to use a portion of the CCC funds provided for conservation programs to pay for technical assistance to implement those programs—a major step ahead. Implementation of those provisions, however, has been a step back because of differing legal interpretations of action taken during the FSRI conference committee proceedings. The Senate version of FSRI included a provision exempting technical assistance for CCC-funded conservation programs from the so-called "Section-11 cap" that limits the amount of CCC funds that can be used to reimburse agencies for services they provide to implement CCC programs. The Conference Committee deleted this provision and added new language that conflicts with the provisions elsewhere in the bill that mandated use of CCC funds for technical assistance.

Administration attorneys later concluded that the Section-11 cap still applies to technical assistance and that discretionary funding from NRCS's Conservation Operations account must be used to provide technical assistance to implement CCC-funded conservation programs—an interpretation that, absent major increases in funding for the conservation operations account proposed by the administration, would have created a huge shortfall in technical assistance needed to manage the increases in conservation funding provided by FSRI. Congressional attorneys working for the General Accounting Office, however, concluded that passage of FSRI did, in fact, exempt technical assistance from the Section-11 cap and further concluded that NRCS could not legally use funds from its Conservation Operations account to provide technical assistance for CCC-funded programs.

Congress, in the Omnibus Appropriations Act of 2003, mandated that four CCC-funded conservation programs—FRPP, GRP, EQIP, and WHIP—pay their own way on technical assistance. In addition, Congress mandated that CCC funds intended for those four programs be used also to fund technical assistance for four other conservation programs—WRP, CRP, Klamath Basin, and Ground and Surface Water Conservation. This policy on funding of technical assistance for CCC-funded conservation programs remains the same in the Omnibus Appropriations Act of 2004.

The conflicting interpretations of congressional intent and the resulting unsatisfactory and partial solutions applied to date in an attempt to resolve those conflicting interpretations have short-changed taxpayers, producers, and the environment.

What do TSPs bring to the technical services infrastructure today?

FSRI directed the secretary of agriculture to establish a certification program and implement a system that facilitates use of third-party providers of technical assistance—TSPs—in the public and/or private sectors to help implement USDA conservation programs. This was a clear step ahead. The TSP initiative holds great promise, if implemented well, of bringing critically needed technical skills and capabilities to bear to complement those of NRCS employees.

NRCS responded to this opportunity by promulgating a rule for integrating TSPs into the conservation workforce and developing a certification process for all practices in the Field Office Technical Guide (FOTG). The agency also is coordinating

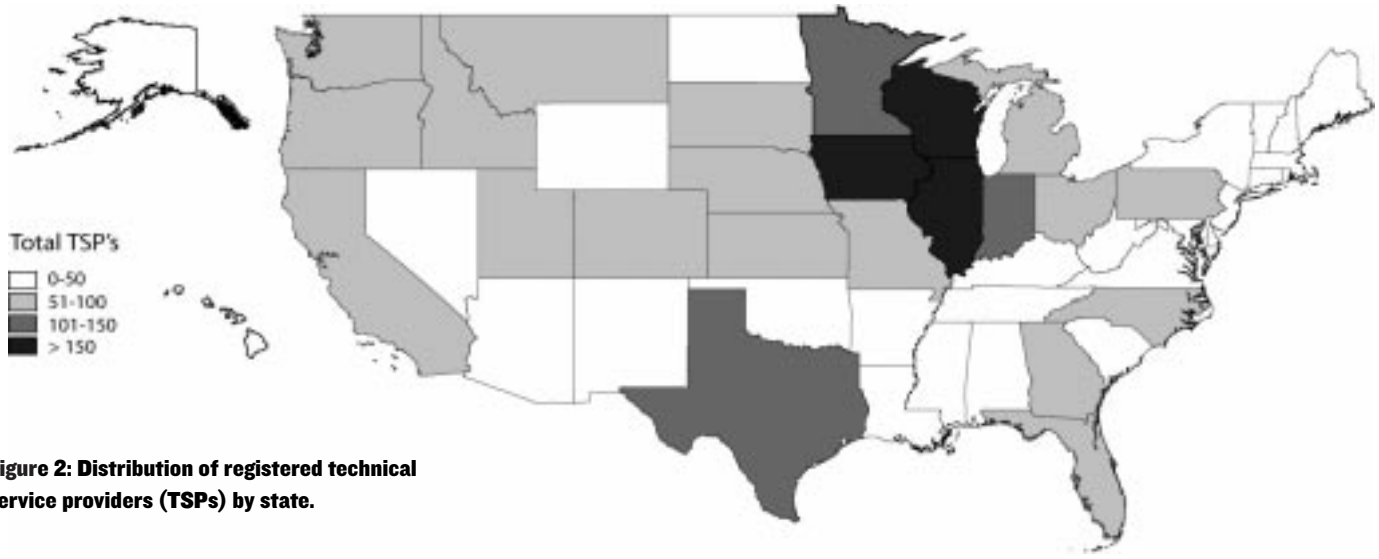


Figure 2: Distribution of registered technical service providers (TSPs) by state.

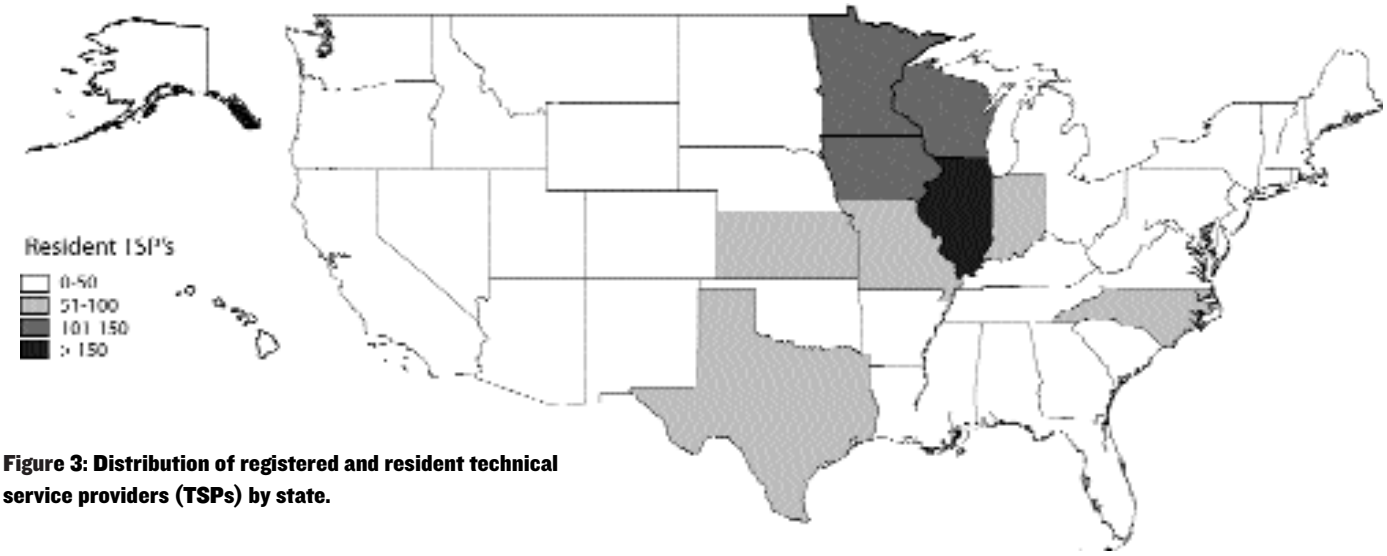


Figure 3: Distribution of registered and resident technical service providers (TSPs) by state.

with a number of educational institutions to provide a fledgling training program for TSPs. As of April 5, 2004, 3,108 individuals, businesses, and agencies had taken advantage of the opportunity created by NRCS's implementation of the program to register as TSPs—a clear step ahead.

SWCS analyzed data provided by NRCS regarding the geographic distribution of TSPs and the number and kind of practices TSPs are currently certified to plan, design, and/or implement to get a better look at what TSPs are contributing to building the technical services infrastructure we recommended.

Figure 2 shows that the geographic distribution of TSPs is quite uneven. Five states—Illinois, Indiana, Iowa, Minnesota, and Wisconsin—accounted for more than one-third of the registered TSPs. But those five states accounted for only 11 percent of EQIP allocations to states in fiscal years 2003 and 2004. EQIP, of course, is by far the largest of USDA's conservation financial assistance programs administered by NRCS. The five states with the highest EQIP allocations in fiscal year 2003—California, Colorado, Kansas, Nebraska, and Texas—accounted for 24 percent of EQIP allocations, but only 13 percent of registered TSPs. A similar ratio exists between EQIP allocations and registered TSPs in those same five states in the current fiscal year.

The geographic distribution of TSPs appears even more concentrated if only TSPs who reside in the same state they are certified to practice in are considered (Figure 3). Just over half of all registered TSPs reside in the state they are certified to practice in. This raises two important questions about the accessibility and viability of their services. First, will producers have an inclination to call TSPs who are not available locally? Second, to what extent are TSPs willing and able to practice in locations a state or several states away from their home base?

Table 4: Distribution of TSPs among conservation skill sets.

Certification Category	Number of Certifications
Land treatment	1,545
Tillage and erosion	949
Conservation buffer	220
Vegetative land stabilization	210
Surface water management	166
Nutrient management	873
Pest management	868
Water management	598
Irrigation and land shaping	571
Wetlands	406
CNMP Planning	372
Forestry and agroforestry	170
Channel and stream bank stabilization	167
Manure & wastewater handling, storage, and use	153
Grazing and forages	148
Certified conservation planner	141
Water well technology	118
Soil stabilization for access roads	112
Reservoir sealing	105
Prescribed burning	71
Wildlife and fisheries	69
Cultural resources compliance studies	35
Contaminate reduction control	31
Total	**6,553**

Table 4 presents information on the skill sets registered TSPs are bringing to the technical services infrastructure. TSPs are certified by NRCS to plan, design, and apply one or more of the 156 practices for which NRCS has adopted a national technical standard. Because most TSPs are certified to assist with more than one practice, the number of certifications (6,553) listed in Table 4 is much larger than the number of registered TSPs (3,108). For ease of analysis, SWCS consolidated individual practice certifications into categories of similar practices.

The skill sets TSPs are bringing to the technical services infrastructure are concentrated in a relatively few areas. About half of the practices TSPs are certified to implement fall into three categories—land treatment, nutrient management, and pest management. Within land treatment, slightly more than 60 percent of the certifications are for tillage and erosion management practices. Nearly all the certifications are in categories applicable to cropland and cropping systems. Certifications applicable to grazing land and other land uses are rare.

Relatively few TSPs are certified to help with more comprehensive levels of conservation planning and application. Only about 8 percent of the total certifications are for comprehensive nutrient management planning (CNMP) and certified conservation planners. Moreover, only about 11 percent of the less than 400 CNMP certifications nationwide are for total CNMP plan development. The remaining CNMP certifications are for practices making up only a portion of a comprehensive nutrient management plan.

Table 5 shows how funding for TSP services was distributed among various types of TSPs in fiscal year 2003. About a third of that funding reimbursed individuals and firms in the private sector for their technical services. Most of the funding for TSPs went to other types of organizations, largely through cooperative agreements and contracts for services between NRCS and those organizations.

NRCS has allocated about $40 million for reimbursement of TSPs in fiscal year 2004.

The TSP initiative is clearly a step ahead, but only a small step to date toward the technical services infrastructure needed to address effectively the conservation and environmental management challenges that confront agriculture. The geographic distribution of TSPs is uneven and does not correlate particularly well with allocation of conservation program funds. The skill sets represented among TSPs are also highly concentrated in a few practice categories and almost entirely limited to practices applicable to cropland. Where the geographic distribution and skills of TSPs line up with conservation program funding and needs, TSPs should be providing much needed help in getting conservation programs on the ground. But much more work, training, and money will be needed to build the technical services infrastructure needed to ensure the promise of FSRI is fully realized.

Has the department developed a strategic investment plan for technical services?

SWCS concluded that building an effective technical services infrastructure, based on the additional investment and new authorities provided by FSRI, was the foremost opportunity for implementation of FSRI to produce tangible environmental improvements. Accordingly, SWCS urged the department to develop a coordinated investment plan to build a modern technical services infrastructure that includes investments in research and education as well as technical assistance. It recommended that the investment plan place priority on:

- Research and development to produce a new generation of integrated conservation planning tools that enables governmental and nongovernmental field staff to assess quantitatively the effect of conservation systems on multiple environmental outcomes.

- Training and empowering general conservation practitioners—primarily in the public sector—who can provide comprehensive planning services to integrate technical advice from multiple disciplinary specialists, including TSPs, into systems that will improve the overall environmental performance of farms and ranches over time.

- Providing the technical tools, training, and capacity to deliver the management-intensive conservation systems that are essential to meeting the conservation and environmental management challenges agriculture faces.

- Strengthening the scientific and technical support available to governmental and nongovernmental field staff and technical advisors by creating interdisciplinary teams serving field staff in multiple counties.

- Contracting directly with TSPs in the private, public, and nongovernmental organizational sectors to fill critical gaps in technical capacity at local levels.

To date, there is no evidence that the department has developed or is planning to develop such a strategic investment plan—a step back that is particularly troubling because of the unique opportunity created by the increases in funding for technical assistance provided by FSRI and the urgent need to integrate TSPs into the technical services infrastructure.

Table 5: Funds obligated for technical service providers (TSPs), fiscal year 2003.

TSP Type	Funds Obligated
Conservation districts	9,485,280
Private sector	7,831,236
State agencies	5,058,401
Nongovernmental organizations	637,171
Universities	433,047
Resource conservation & development councils	325,300
Indian tribes	127,990
Local governments	1,884
Total	**23,900,309**

Recommendations

3. *Congress should amend the Commodity Credit Corporation charter act to exempt technical assistance from the Section-11 spending cap.*

The confusion created by conflicting interpretations of congressional intent regarding use of CCC funds for technical assistance is short-changing taxpayers, producers, and the environment. The administration and Congress should agree to rectify the problem through a technical correction to FSRI that exempts technical assistance from the Section-11 cap. Savings from projected outlays in commodity subsidies because of improving prices should be used to offset any estimates of increased spending CBO may attribute—unfairly in the opinion of SWCS—to exempting technical assistance from the Section-11 cap.

4. *USDA should produce a coordinated investment plan to construct a technical services infrastructure for the 21st century.*

The increase in funding from CCC for technical assistance, coupled with the TSP initiative, creates an unprecedented opportunity to build the technical services infrastructure essential to meeting the conservation and environmental management needs of agriculture. The administration should take advantage of the opportunity by pursuing a coordinated investment plan to build a modern technical services infrastructure that will deliver for taxpayers and producers. That investment plan should couple CCC funds for technical assistance with strategic increases in discretionary spending for research, education, and the conservation technical assistance program to produce a plan and budget to build a 21st century technical services infrastructure. The budget should strategically allocate resources to federal, state, and local governmental agencies; nongovernmental organizations; and the private sector based on a realistic assessment of the potential for each sector to contribute most effectively to an infrastructure tailored to meet the site-specific needs of local communities.

Conservation program reform

Participants in the "seeking common ground" workshops recommended extensive reform of existing conservation programs to make those programs work better for agricultural producers and the environment. The report based on those workshops contained 15 recommendations to achieve those program reforms (see Appendix A).

The subsequent "measure-up" report showed that congressional policymakers, in reauthorizing the farm bill, took some important steps ahead in response to the recommendations (see Appendix B). At the same time, policymakers missed several real opportunities to bring about some important conservation program reforms.

Steps ahead, steps back, missed opportunities

In revisiting that initial set of recommendations and later report card in an attempt to determine how those recommendations for program reform measure up in USDA's implementation of farm bill conservation programs, SWCS chose to focus on four primary opportunities to enhance the performance of conservation programs: (1) achieving critical mass in key locations, (2) creating a more balanced conservation program portfolio, (3) integrating conservation programs, and (4) improving the priority-setting process.

Achieving critical mass in key locations

Clean water, clear air, and abundant fish and wildlife populations are aggregate phenomena. Tangible improvements in environmental quality will only be achieved when a critical number of producers within a particular geographic area implement and maintain the key conservation practices and systems that will, in the aggregate, produce specific environmental benefits and a better quality of life generally.

In addition, research clearly demonstrates that not all land is created equal when it comes to potential pollution or environmental enhancement. For example, some parts of the agricultural landscape—called "hydrologically sensitive areas"—contribute a disproportionate share of pollutants to waterways and aquifers. Focusing people and money on intensive treatment of hydrologically sensitive areas would improve the effectiveness and reduce the intrusiveness of pollution prevention efforts. The same argument could be made for air quality, water conservation, or wildlife habitat.

In short, achieving environmental quality requires achieving a critical mass of participation. Two primary factors determine whether that critical mass is achieved. First, the environmental outcomes and objectives must be clearly identified and funding must be focused on application and maintenance of key conservation practices and systems—those practices and systems that have the most direct and beneficial effect on the desired environmental outcome. Second, programs must focus effort to cluster implementation of those key practices and systems in key locations—watersheds, habitat complexes, and hydrologically or environmentally sensitive areas.

In other words, what a producer does on his or her farm or ranch may come to naught unless the practices implemented are the most effective and directly related to the desired environmental outcome. But what a producer does to enhance the environment on his or her farm or ranch may also come to naught unless his or her neighbors take similar conservation action. Improving conservation on farms and ranches scattered across the landscape and addressing a plethora of individual concerns will not enhance water quality, air quality, or other elements of environmental quality—even if each one of those farms or ranches is a conservation award winner.

In its "seeking common ground" report, SWCS recommended a number of alternative approaches to implementing conservation programs that would increase the probability of achieving critical mass and producing tangible improvements in environmental quality. Those approaches included (1) implementing programs through place-based initiatives and projects, (2) providing incentives for joint action among neighboring landowners, and (3) making those producers willing to implement key practices or systems in key locations automatically eligible for participation in USDA conservation programs.

EQIP case study

In January 2004, SWCS conducted a detailed review of the extent to which the approaches recommended by SWCS to achieve critical mass—or other effective approaches—were used to implement EQIP in fiscal year 2003. We focused our analysis on EQIP for three reasons. First, the EQIP rule, released in late May 2003, included provisions that could lead to an emphasis on achieving critical mass. Those provisions include consideration of the nature and extent of priority natural resource concerns at state and local levels and the existence of multicounty and/or multistate collaborative efforts to address regional priority natural resource concerns when allocating funds and selecting EQIP applicants. In addition, the rule instructs NRCS to use ranking factors for individual applications that include such factors as the location of the conservation practice, the extent of degradation, and the degree of cooperation by local producers. Second, the primary purpose FSRI established for EQIP—"promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits"—cannot be achieved unless considerable effort and resources are focused on achieving critical mass. Finally, EQIP's flexible structure and large funding increase—$9 billion through 2007—make the program a particularly effective tool for achieving critical mass.

We conducted our analysis by reviewing information on each NRCS state office website, coupled with a representative survey of associated online county or conservation district-level information about EQIP when it was available. We reviewed the methods used by states to allocate funds to local units and select participants from among the pool of applicants as indicators of how much emphasis was given to achieving critical mass. More specifically, we looked for indications that EQIP funding in fiscal year 2003 emphasized the two factors requisite to achieving critical mass: (1) focused funding on key practices and systems and (2) focused effort on joint action in key locations.

Key practices and systems. The first factor leading to critical mass is the degree to which program funding is targeted to practices that most effectively address the environmental and resource conservation objectives identified as priorities. If water quality is an identified priority and runoff or leaching of nutrients from agricultural land is a key contributing factor to water pollution, then program funding should emphasize nutrient management, filter

strips, riparian buffers, controlled drainage, and other practices that directly address the risk that nutrients will be delivered to water bodies. Funding should be targeted to an entirely different set of practices if the objective is to increase in-stream habitat for aquatic wildlife or to improve air quality by reducing particulate emissions. To be effective, priority must be given to conservation practices based on their likely effectiveness in addressing specific conservation or environmental outcomes.

On this count, our review of the EQIP program, based on NRCS state office websites, was encouraging. The survey suggested that many states—though not all—have incorporated such considerations into EQIP implementation. At least 29 states in fiscal year 2003 directed EQIP funds at the state and/or local levels to conservation practices tied to identified conservation and environmental objectives. This was especially evident when EQIP funds were directed at place-based priorities. A common example of this was language allowing extra points for a priority area only when a proposed practice "will positively affect the identified problem," such as application of a water quality practice within a drainage area or adjacent to a 303(d)-listed stream.

Joint action in key locations. Even laudatory efforts to focus program funding on accelerating implementation of key practices and systems that address identified conservation and environmental priorities will not achieve critical mass unless an effort is made to focus implementation of those practices and systems within key locations. SWCS analyzed the information on NRCS state office websites regarding the EQIP program in fiscal year 2003 to discern the degree to which states emphasized efforts to create joint action in key locations. Two main factors were considered when analyzing the information: (1) the methods used to allocate state funds to local units and (2) the criteria used to select participants from among producers making application to participate in the program.

Based on the information available on state websites, we ranked states as high if factors encouraging joint action in key locations were (a) decisive factors in allocating funds to conservation districts or other local units and (b) decisive factors in the criteria used to select participants from among those producers making application to enroll in the program.

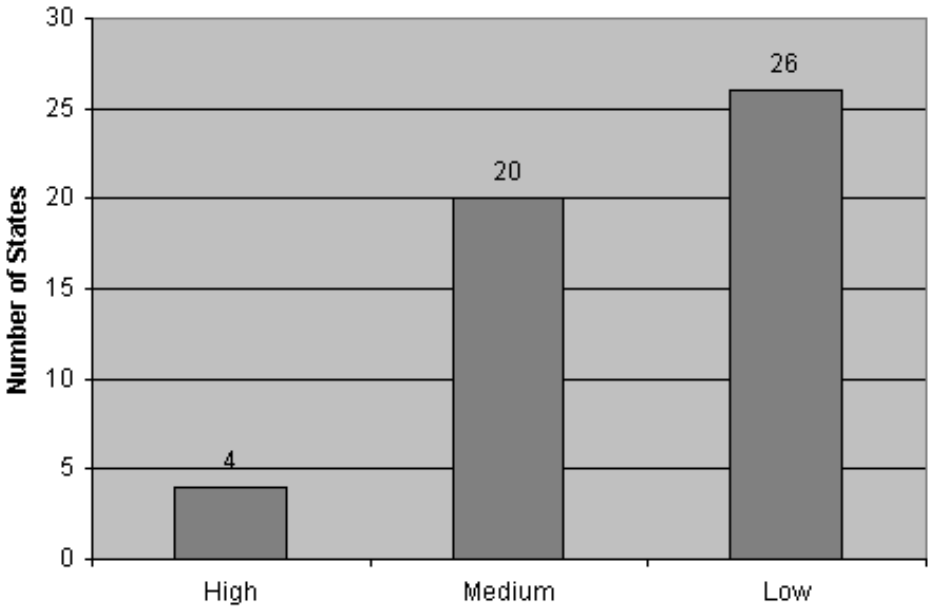
Only four states met the criteria for being ranked high. Those states used the most direct and effective means to achieve joint action in key locations. They allocated EQIP funds directly to specific projects where landowners, communities, and/or agencies were actively working together to enhance the environment or conserve resources, and they identified specific places where applicants could receive bonus points. One state ranked high gave extra ranking points or incentives to landowners who agreed to work together, for example, by jointly extending riparian buffers along a stream course or participating in community watershed projects. States ranked as high were allocated $41 million in EQIP funding in fiscal year 2003, about 7 percent of total program funding.

States were ranked low in terms of emphasis on joint action in key locations if factors encouraging joint action in key locations were (a) absent or insignificant in the allocation of funds to conservation districts and local units and (b) absent or insignificant factors in the criteria used to select participants from among producers applying to enroll in the program.

Twenty-six states ranked low using these criteria. In general, those states allocated EQIP funds to local units using such factors as acres of cropland or number of agricultural operations that are largely unrelated to identified resource concerns or environmental objectives. While those states varied greatly in the methods used to select applicants, they were, by and large, based on the type of practice proposed in the contract and whether that practice was likely to help address a resource concern listed within the state or local area. Factors used to select applicants were obviously not tied to encouraging participation in key locations. States ranked low were allocated about $256 million in EQIP funding in fiscal year 2003, about 44 percent of total funding.

States were ranked as medium if they did not meet the criteria for either the high or low categories. Those states used a variety of methods to allocate funds to local units and select participants. Their processes for ranking applications or offering incentives often gave minor consideration to applications in geographic areas identified as general priorities, such as impaired waterbodies. In some cases, they allowed local areas the option of designating priority areas, but in those cases, a relatively small number of points were awarded for place-based considerations. Most states in this category

Figure 4: Number of states giving high, medium, or low emphasis to joint action in key locations via EQIP funding in fiscal year 2003.



were unlikely to provide any other means of encouraging collective action. States considered medium were allocated the largest share of EQIP funding—about $326 million in fiscal year 2003, or 56 percent of total funding.

Balance the conservation program portfolio

The imperative to focus staff and money to achieve a critical mass of conservation action in key locations makes perfect scientific sense, but it runs afoul of a political sense that prefers distributing taxpayers' dollars to producers as broadly as possible. This tension between scientific and political realities is real and perhaps the most difficult task confronting the administration as it tries to harness the new funding and authorities in the 2002 farm law to address the nation's conservation and environmental management needs on working land. The technically and politically sound solution is a balanced conservation portfolio of programs.

The first component of balance is the emphasis given to conservation financial assistance programs that promote land retirement and those programs emphasizing the conservation management of land remaining in agricultural production. One of the clear messages from participants in the "seeking common ground" workshops was the need for policymakers to redress the perceived imbalance in emphasis. The idea was not to diminish the importance of land retirement programs, like CRP and WRP, but rather to devote a relatively larger share of the new conservation funding called for in the SWCS report to management practices on land remaining in production.

FSRI did just that by investing much of the new conservation spending in such working land programs as EQIP, WHIP, and CSP. Implementation of the conservation provisions of FSRI has also emphasized the opportunity created by increased investment in working land—a clear step ahead.

The second component of balance is constructing a base conservation effort that is available everywhere and to everyone. This base program—coupled with a national campaign—should be designed to ensure the sustainability of the resource base; solve acute, but isolated conservation problems; encourage widespread adoption of essential practices; and reward commit-

Achieving critical mass: A success story

In eastern West Virginia, the headwaters of the Potomac River wind through rugged countryside that is home to antebellum mansions and national parks and forestland. The region is a haven for anglers. It is also home to intensive beef and poultry operations, many located on flood-prone foot slopes adjacent to the river.

In the late 1980s, concerns about water quality and flooding in the watershed increased as the area's poultry industry began growing rapidly. Those concerns were highlighted by a U.S. Geological Survey study indicating a positive correlation between fecal bacteria concentrations in streams and numbers of feedlots and poultry houses per mile.

In response, a USDA Water Quality Initiative was launched in the early 1990s. The water quality project that evolved from that initiative is now paying off for producers and taxpayers—showing that the right mix of programs can empower landowners to achieve environmental improvements voluntarily, improve their "bottom line," and protect valuable natural and cultural resources.

At the outset, a multiagency project team was assembled that also included university extension, the West Virginia Poultry Water Quality Advisory Committee, and two conservation districts. That team's work gained momentum when a subwatershed, the North Fork of the South Branch of the Potomac, was placed on West Virginia's list of impaired waters for fecal coliform. While work began on a TMDL, local citizens organized. With NRCS help, a consultant was hired to complete a watershed study.

Initially, citizens focused on flooding, but were unable to secure funding for dams. They did receive a 319 grant from the state and U.S. Environmental Protection Agency (EPA) aimed at addressing bacteria and sedimentation associated with agriculture, past timber operations, streambank erosion, and road maintenance. A related project, the Potomac Headwaters Water Quality Land Treatment Plan, a USDA public law 534 project, was also initiated to focus on the watershed's upper five counties and 23 subwatersheds experiencing the greatest growth in the poultry industry. Other financing came from an innovative nonpoint-source State Revolving Fund, which offered low-interest loans to help landowners pay for their portion of cost-sharing.

Early attempts to involve the agricultural community in the watershed efforts were disappointing. Area landowners had no history of using government programs; only one landowner attended an early public meeting. But with the North Fork on the state's list of impaired waters, greater controls loomed in the future if improvements were not made. With the help of the watershed association and the combination of financial incentive programs, participation grew to exceptional levels. About 300 landowners signed up in the most highly targeted area—more than 85 percent of the poultry growers and about 70 percent of the beef feeding operations considered to be directly impacting streams.

Those landowners installed a remarkable variety of best management practices (BMPs)—relocating feedlots, installing fences, creating alternative watering facilities, putting roofs over confined feeding areas, improving animal waste storage, planting filter strips along riparian areas, and building composting facilities. Nutrient management plans and manure record-keeping were implemented on more than 2,500 acres of land receiving manure. Farm management changes, such as reducing the amount of phosphorus in livestock feed, also benefited the environment. In many cases, the changes produced economic benefits for the farmers.

Recent water quality monitoring shows significant declines in fecal coliform and nitrate levels. The North Fork River no longer exceeds the state's listing criteria for impaired or polluted surface waters. And improvements continue even though the official watershed projects have ended. NRCS staff members continue to help landowners implement comprehensive nutrient management plans; landowners are still completing cost-share contracts and establishing other BMPs; and the West Virginia Department of Agriculture has initiated a stream monitoring program to document the state's contributions to the larger restoration effort in the Chesapeake Basin.

Table 6: Working framework for a balanced conservation portfolio of programs.

	Working Land Management		
	Management-intensive Systems	**Capital-intensive Systems**	**Land Restoration and Protection**
Base Program	CSP	CSP	General CRP Continuous CRP
Place-based Program	EQIP	EQIP	CREP FWP WRP WHIP FRPP GRP

ment to stewardship.

On top of this base program is the need for a focused program that directs additional resources—above and beyond the base—to place-based projects that secure the critical mass of participation in key locations needed to produce tangible improvements in environmental quality. This approach of balancing a base program with a focused program is nothing new. ACP had its special projects and hydrologic unit areas, for example. Most important, the scale of funding envisioned in FSRI, particularly for CSP and EQIP, should make it much easier to fund both the base program and a focused program at levels sufficient to deal with both scientific and political realities.

Conservation programs would be much more effective if implemented as though they were interdependent components of a mutually supportive portfolio rather than unrelated and autonomously implemented programs. Table 6 presents one picture of what such a framework might look like. To date, there are few indications that USDA conservation programs are being implemented to create such a balanced program portfolio—a missed opportunity. Instead, the programs still appear to be operated independently of one another.

Integrate programs

In addition to seeking a balanced program portfolio, "seeking common ground" workshop participants also told SWCS that they wanted to end the confusion caused by the amalgam of USDA conservation programs and the many different rules those programs operate under, including different sign-up procedures and application deadlines. That confusion, participants said, detracts from the conservation performance of programs. Various solutions to those problems were discussed by participants, including one that called for creation of just two conservation financial assistance programs in USDA—one land-retirement program to protect and/or restore environmentally sensitive land under various contract and easement options and one cost-share and incentive-based program to support conservation treatment of working land. In the end, participants favored taking a more simple first step, that of making a single conservation farm or ranch plan the basic entry point for financial assistance under multiple USDA conservation programs.

The "seeking common ground" report offered three suggestions for how this integration might occur. Blanket eligibility for producers with a conservation plan, for example, could make those willing to implement key conservation practices in EQIP priority areas automatically eligible for EQIP or other program funds. Similarly, those willing to enroll land as conservation buffers in CCRP could become automatically eligible for EQIP funds to install additional practices that would enhance buffer performance. Still another example suggested use of multiple USDA programs in applying a comprehensive conservation plan on land enrolled in the FRPP.

Workshop participants urged additional efforts be taken to integrate programs at the landscape or watershed scale. They pointed to the approaches used at that time to implement CREP or WHIP as models that could be built upon to integrate programs. In response, SWCS recommended authorizing a "Conservation Partner Fund." The idea was to pool funds from multiple USDA conservation financial assistance programs and use those funds to implement state conservation plans that outlined strategic opportunities to use a mix of local, state, and federal programs to achieve state goals for environmental improvement and conservation of natural resources.

In its subsequent "measure-up" report, SWCS noted that FSRI did little to encourage integrated conservation planning and program implementation. The law does, however, require the secretary of agriculture to prepare a report by December 31, 2005, outlining a plan for coordinating conservation programs in ways that eliminate redundancy, streamline delivery, and improve services to farmers and ranchers. The Conservation Partner Fund idea was addressed, albeit obliquely, by the Partnerships and Cooperation section.

Since enactment of the 2002 farm law, USDA has sought to streamline the processes leading to participation in conservation programs, but little has been accomplished to facilitate program integration at the farm and ranch level—a missed opportunity at best and perhaps even a step back. Each of USDA's conservation financial assistance programs continues to be implemented independently of one another. Conservation planning still occurs largely on a program-by-program basis, and there is little indication in program rules or administrative policy that a unified sign-up, application, and contract process is contemplated.

The Partnerships and Cooperation provi-

sion of FSRI (Section 2003) also creates new opportunities for encouraging program integration and collective action in key locations. This provision authorizes the secretary of agriculture to enter into stewardship agreements with states, Indian tribes, and nongovernmental organizations in carrying out multiple Conservation Title programs, including EQIP, CRP, WRP, CSP, FRPP, WHIP, GRP, and the Grassroots Source Water Protection Program. The special projects are to encourage collective action, achieve cumulative conservation benefits in key locations, and demonstrate innovative conservation measures.

As of April 8, 2004, USDA had not yet implemented the Partnerships and Cooperation section—another missed opportunity—although there was some indication the agency would do so in the current fiscal year.

Improve priority setting

Who sets priorities for USDA conservation programs and what process those individuals use to set those priorities were major issues for "seeking common ground" workshop participants. Those issues were magnified by the under-funded nature of conservation programs prior to 2002.

A federal-state-local partnership was created at the outset of the soil and water conservation movement in this country during the Dust Bowl days of the 1930s. That partnership has proved critical to putting conservation on the ground, but in the process, a continuing tension has existed between local interests, who are called upon to tailor conservation action to site-specific problems, and federal interests, who are directly accountable to taxpayers for the performance of individual conservation programs and overall conservation achievement.

In its "seeking common ground" report, SWCS suggested that federal policymakers could ease this tension by providing greater guidance on national goals and priorities for conservation and environmental management on working land. SWCS emphasized that a process was in place for doing so—the Soil and Water Resources Conservation Act of 1977. That act directs USDA, under the leadership of NRCS, to conduct periodic appraisals of natural resource conditions on nonfederal land and use the resulting data and information—

Multiple partners make conservation work

West central Ohio's Indian Lake watershed project was among the first of USDA's Hydrologic Unit Area Projects. Initiated in 1990, it continues to attract new partners and innovative sources of support to maintain and improve what is described as a "little corner of paradise" in the headwaters of the Great Miami River.

The watershed contains about 63,000 acres, mainly agricultural land. It also includes Indian Lake, a 5,200-acre state park lake built in the 1950s. Once known as the Million Dollar Playground for its amusement park and dance hall, the lake—now surrounded by high-value homes—draws two million visitors annually, including 20,000 watercraft owners.

Indian Lake was always shallow, and as the years passed, sedimentation from upstream soil erosion filled the lake rapidly, further diminishing recreational and property values. A group of concerned landholders, including some farmers, organized first in the mid-1980s to promote the park and raise money for dredging the lake. The Indian Lake watershed project began soon thereafter with a water quality focus. A watershed assessment identified eroding streambanks and conventional tillage as the lake's primary threats. To address those problems, federal, state, and local governmental agencies were recruited, and the involvement of representatives from local political subdivisions and the pollution control district was solicited.

Efforts to clean up Indian Lake focused on agricultural land, with special outreach to Amish farmers. The response was tremendous. Best management practices (BMPs) were applied on about 80 percent of the farmed acreage. The list of BMPs included filter strips, grassed waterways, erosion control structures, tree plantings, fencing to exclude livestock, and constructed wetlands. A number of intensive grazing demonstrations were also initiated, and tillage practices were altered significantly. In 1990, the tillage pattern in the watershed was 80 percent conventional tillage, 14 percent conservation tillage, and 6 percent no-till. By 1998, those figures were reversed: 69 percent no-till, 24 percent conservation tillage, and 7 percent conventional tillage.

The result is a cleaner, clearer lake. Sedimentation in the lake declined from 80,000 tons a year in 1988 to less than 12,000 tons in 2003. Secchi disc/clarity records increased from less than 12-inch average readings in 1990 to more than 23 inches in 1998. Recent readings often exceed 5 feet.

Participation by farmers has been critical, but other groups also have contributed. As information began to reveal improvements on agricultural land, attention turned to development-related impacts on water quality. Three counties now have adopted construction-related sediment control policies. Education and citizen-based monitoring have gained broad public support. Ohio State University has sponsored a Master Watershed Steward program for adults. Local educators have developed an elementary curriculum on water quality, and high school science groups participate in conservation field events. A cadre of residents monitors water quality and reports its findings to the Ohio Department of Natural Resources (ODNR).

Project leaders have creatively sought project funding. Initially, USDA was a major sponsor, and NRCS continues to assist watershed landowners with farm conservation programs targeted to critical areas and highly erodible land. The U.S. Environmental Protection Agency and the ODNR have been major funders through the Clean Lakes Program and a 319 water quality grant, which included an innovative no-till-equipment buy-down program. Private supporters include Pheasants Forever, native son and sausage entrepreneur Bob Evans, and Honda of America, which has a factory nearby.

The Indian Lake watershed project remains a "work in progress." A long-range plan is being developed for the watershed, and an endowment has been established with the help of private partners in urban areas downstream. The first "For a Cleaner Indian Lake" fundraiser in 2003 attracted more than 200 attendees and generated more than $10,000 in project support.

conservation intelligence—to create a National Conservation Plan outlining the actions needed to address the issues identified in the appraisal.

In its "seeking common ground" report, SWCS said that the National Conservation Plan would only achieve the role envisioned for it in the Soil and Water Resources Conservation Act if the secretary of agriculture accorded the plan the importance and significance due a major national strategic document. SWCS then recommended that the secretary provide Congress with a plan and budget for implementing the National Conservation Plan and appraisal process as the nation's primary vehicle for directing conservation work on nonfederal working land.

SWCS also highlighted the importance of state technical committees as the bridge between national and local priorities and the entity best suited to reach consensus at state and local levels on the implementation of USDA's conservation programs. SWCS urged Congress to strengthen and reform state technical committees in the farm bill by expanding their authority to recommend modifications in rules, funding allocations, and priorities for all USDA conservation programs.

While policymakers in Congress did nothing in FSRI to encourage preparation by USDA of a National Conservation Plan, authority exists for USDA to take the initiative in preparing such a plan. To date, it has not done so—a missed opportunity. Likewise, Congress failed in FSRI to enhance the stature of state technical committees and USDA, to date, has not issued a revised program rule that, given existing authorities, might clarify and strengthen the role of state technical committees in meshing state and local conservation priorities with national priorities—another missed opportunity.

Setting clear priorities promotes conservation action

An ambitious project to conserve water, enhance fish and wildlife habitat, and improve agricultural production has been initiated along two tributaries—Cottonwood and Gooseberry creeks—of Wyoming's Big Horn River. The project could serve as a model for others in the West, but it will require perseverance among landowners and sustained support from USDA conservation programs. Two invasive shrubs—salt cedar and Russian olive—grow so dense along the two creeks that they curtail regeneration of native woody plants.

The two invasive species were introduced in the late 1800s as ornamentals. Both became abundant along perennial and seasonal streams below 7,000 feet, where they often grow in dense monocultures, crowding out cottonwoods, willows, and other native riparian vegetation. This severely reduces an area's value for wildlife habitat and livestock grazing. Salt cedar can also increase the salinity of surface soil and lower the water table, drying up springs, wetlands, and riparian wetlands.

The situation caused the state's Department of Environmental Quality to designate the 400,000-acre watershed as a priority for improving terrestrial and aquatic habitat. Invasion by the non-native plants also raised concerns about the impacts on water quality in the Big Horn River. To address these threats, a multiyear project is underway to eradicate salt cedar and Russian olive, replacing them with more desirable grasses, forbs, trees, and shrubs. The goal is to restore the riparian zone's proper functioning condition.

The project will benefit a long list of game and nongame wildlife species, including mule deer, pronghorns, moose, mink, bobcat, porcupine, and birds, like the northern flicker, brown creeper, and tree swallow. Ranchers should see an increase in palatable forage for livestock, and improved water quality and quantity should enhance recreational use of the streams and adjacent land.

More than 40 landowners live in the project area, and all must participate if the project is to succeed. Most have expressed interest; some have already started implementing changes. A variety of partners are lined up to help, including federal, state and local governmental agencies and private organizations. The project will take 5 to 10 years to complete and cost more than a million dollars. Herbicides will be applied to kill salt cedar and Russian olive foliage. The remains of the invasives must then be removed. In many areas, grasses and forbs will need to be reseeded. Plantings will supplement natural regeneration of native trees and shrubs. Permanent electric fence will be installed along the main channel of most of the two creeks to manage livestock grazing.

Financial assistance will come mainly from the CCRP. Other farm conservation programs will also be important, including EQIP, which cost-shares practices to improve irrigation efficiency and convey water to cropland and livestock. A 319 grant from the U.S. Environmental Protection Agency provides support to help prevent the watershed from becoming impaired. Funding is also coming from county weed and pest budgets, landowner cost-share, and the Bureau of Land Management. Other funding partners are being recruited as well.

The infant project, if fully funded and implemented, will result in a watershed that looks and functions like a different place. The place it was meant to be.

Recommendations

5. *USDA must increase funding for place-based projects to achieve a critical mass of conservation action that will result in tangible environmental improvements.*

Achieving critical mass is the only way to produce tangible improvements in environmental quality. Implementing programs to support place-based projects designed to enhance specific environmental objectives that are both important to local communities and advance state and national priorities is the best way to achieve critical mass. Increased funding for place-based projects is among the most important opportunities to enhance the environmental performance of USDA's conservation programs.

That opportunity is so promising that NRCS should allocate $400 million in EQIP funds in fiscal year 2005—about one-third of the FSRI $1.2 billion funding level—to place-based initiatives driven by watershed or other place-based strategies to achieve specific targets for enhancing soil, water, air, and/or fish and wildlife habitat. The balance of EQIP funds—about $800 million or two-thirds of the

FSRI funding level—could then be allocated to a base conservation program, available in every county across the nation, that addresses a broad set of national priorities, driven by local needs.

In the meantime, CSP should be swiftly and thoughtfully ramped up so it becomes the primary base conservation program in the United States. As CSP ramps up, more EQIP funding should be allocated to place-based initiatives.

6. *USDA should implement its financial assistance programs in a way that creates a balanced conservation portfolio of programs.*

Recommendation 5 should be implemented immediately as a down payment on the creation of a balanced conservation program portfolio. CSP should be ramped up as swiftly and thoughtfully as possible to become the primary base conservation effort in the United States. As CSP ramps up, additional EQIP funds should be allocated to place-based projects.

The increased funding and multiple programs authorized by FSRI also create an opportunity for a more comprehensive review of how those conservation programs relate to one another. Such a review should result in a balanced portfolio of conservation programs. A conservation program portfolio should reduce duplication of effort and stress the synergies between and among programs to ensure that the nation's conservation and environmental management needs are addressed effectively and efficiently.

National program rules, regulations, and policy guidance for programs should reflect a clear vision of the role that particular program plays in a balanced portfolio. Most important, the strategies used by states to implement programs should be guided by a framework that ensures all three functions of a conservation effort are working together.

7. *NRCS should take full advantage of the Partnerships and Cooperation provision of the Farm Security and Rural Investment Act of 2002.*

The Partnerships and Cooperation provision provides an opportunity to focus human and financial resources on place-based projects, create a balanced conservation program portfolio, and integrate programs simultaneously. USDA should take full advantage of those opportunities.

USDA should issue a rule and regulations to implement this provision as quickly as possible. USDA should also hold back a minimum of five percent of all program funds to support special projects proposed by states. In addition, USDA should ask Congress to remove the arbitrary limit placed on EQIP funding that can be used to support special projects. Funding for special projects should be driven by demand rather than arbitrary limitations on supply. Program funding should be made available to accommodate all high quality proposals received from states and organizations.

8. *USDA should create a unified planning, contracting, and sign-up process for all conservation financial assistance programs.*

USDA should make it a priority to unify planning, contracting, and sign-up processes for all conservation programs. That unified process should be based on (a) a single, program-neutral comprehensive conservation plan that meets the requirements for all USDA conservation programs and eliminates the need for multiple, program-specific conservation plans; (b) a single, comprehensive contract that meets the requirements for all USDA conservation programs and enables the consolidation of payments from multiple USDA programs into a single payment; and (c) a unified and continuous sign-up and application process for all USDA conservation financial assistance programs.

USDA should encourage integrated and comprehensive approaches to conservation by making those farmers and ranchers who obtain a comprehensive conservation plan automatically eligible for financial assistance under all USDA conservation programs that make up the base conservation effort described above. In addition, USDA should respond to the congressional mandate by creating a blue ribbon panel of individuals who can recommend, by the December 31, 2005 deadline, innovative ways to coordinate, integrate, and simplify delivery of USDA conservation programs to farmers and ranchers across the country.

9. *USDA and NRCS should work to improve conservation intelligence as a basis for establishing clear, achievable conservation goals for the nation's working land.*

Despite the increased funding for conservation programs, setting priorities and allocating funding among competing objectives continues to be contentious and divisive. Programs would be more effective and the process of making choices more informed if all interests had access to scientifically sound data, information, and analysis regarding the nature, distribution, and severity of natural resource conservation and environmental problems and if all interests could participate in a process leading to a plan of action to address those problems.

Using existing authorities, the secretary of agriculture should begin immediately to reallocate the financial and human resources necessary to analyze the natural resources appraisal data and information available and prepare the next iteration of a National Conservation Plan, for public release prior to any action by Congress reauthorizing the farm bill. Congress and the administration should use that national appraisal and planning process to establish clear and achievable conservation goals for the nation's working land. The lack of such goals creates substantial difficulties for program administrators and USDA employees who must work with conservation leaders at state and local levels to mesh state and local objectives with federal goals.

A new vision for agriculture

Top priorities among the "seeking common ground" workshop participants were to strengthen the conservation technical services infrastructure, double funding for existing conservation programs, and reform those programs in ways we have discussed earlier in this report. But participants wanted to go well beyond strengthening and reforming traditional approaches to encouraging conservation on working land. They wanted instead to create innovative approaches that make "conservation pay" for farmers and ranchers.

Participants identified two flaws in the traditional cost-sharing approach to conservation. The first flaw they identified is that the traditional approach tends to reward "bad actors" rather than "good actors." Conservation financial assistance tends to flow to producers who need to change their operations in order to do "the right thing." Producers who are already doing the right thing, at their own expense and initiative, are usually ineligible for financial assistance. The second flaw identified was that the traditional approach is not well suited to address today's conservation and environmental management needs. The traditional cost-share model worked well when the primary objective of conservation was to enhance the productivity and operability of farms and ranches—an objective that produced shared benefits for both producers and taxpayers. The cost-share model works less well when the environmental benefits producers create largely benefit the taxpayer.

Steps forward, steps back, missed opportunities

FSRI creates two opportunities to make conservation pay. The first is CSP, which makes conservation pay by marrying environmental enhancement and income support in a publicly funded program that augments or replaces elements of current commodity subsidy programs. The second is the Conservation Innovation Grants Program that could make conservation pay by spurring innovation in securing market-based incentives for producers to do the right thing.

The Conservation Security Program

Participants in the "seeking common ground" workshops favored creation of a new option in farm policy that would base taxpayer support on conservation rather than on commodity production—a policy that would be available to all producers of all kinds of crops and livestock, including those producers who were already investing in conservation and producing environmental benefits. Based on that input, SWCS recommended creating a "new vision" stewardship-based farm and ranch program in the 2002 farm bill that would be open to all producers and would invest a minimum of $3 billion annually. This level of support would be large enough to create a credible alternative to traditional commodity-based subsidy programs.

While the SWCS "measure-up" report indicated that FSRI largely missed the opportunity to create a secure and unambiguous home for such a new program in farm policy, it outlined the potential for the new CSP to evolve into such a program if operated at a large enough scale to create a viable option to commodity-based subsidies. The structure for CSP envisioned in the law, as an entitlement program on the same footing as commodity-based subsidy programs, closely resembles that recommended in the "seeking common ground" report.

FSRI mandated implementation of CSP beginning in fiscal year 2003. That goal was not met—a missed opportunity. USDA published a proposed rule for CSP in January 2004 and has pledged to get the program up and running in the current fiscal year—a step ahead. The president's budget for 2005 envisions significant future funding for CSP—also a step ahead. In addition, the Omnibus Budget Act of 2004 lifted the funding cap imposed on CSP in earlier appropriation action—a major step ahead.

The provisions of USDA's proposed rule, however, will create a missed opportunity unless they are substantially modified. SWCS recommended that USDA take a very different approach to ramping up CSP than envisioned in the proposed rule. Those recommendations are summarized below and can be found on the SWCS website (www.swcs.org). At this point it is unclear whether CSP will fall far short of the vision articulated by workshop participants or will be ramped up thoughtfully and swiftly to achieve its full potential as a new vision for farm programs.

Briefly, SWCS recommended that USDA issue a supplemental rule that achieves two ends:

- Provides the secretary with sufficient flexibility and authority to set criteria, standards, and priorities for annual sign-ups in order to match participation with available technical and financial resources and achieve an orderly and effective ramp up to full implementation of CSP. Such an approach might be somewhat comparable to the process used currently to manage CRP—using a general rule implemented through detailed annual policies.

- Ramps up CSP, first, by giving priority for participation initially to producers who are currently meeting the minimum eligibility requirements for Tier III and who are willing to do more to enhance the environmental benefits produced on their operations; second, limiting payments by (a) emphasizing installation and maintenance payments for management-intensive annual practices, (b) reducing or eliminating installation and maintenance payments for structural practices, and (c) reducing the number of enhanced payments offered to those directly tied to the level of environmental performance achieved by the participant; and, third, adding additional components and avenues for participation in succeeding years on the basis of available funds, technical resources, and what was learned about potential workload and participation from prior years.

Such an approach would emphasize the unique contributions CSP brings to the conservation portfolio—rewarding good actors, encouraging conservation systems rather than single-practice solutions, and emphasizing management-intensive rather than structural solutions—while simultaneously managing budget exposure.

Conservation Innovation Grants

FSRI authorized the secretary to award competitive grants to governmental and nongovernmental organizations to encourage the conduct of innovative projects that involve producers eligible for EQIP payments. Such projects could include efforts to use market-based systems for pollution reduction; to promote market-based incentives that produce environmental benefits, such as carbon storage in soil; and to

leverage EQIP funds with matching investments by state and local governments and private organizations. The innovation grants must be matched with contributions of at least 50 percent from nonfederal partners.

SWCS strongly supported the law's language directing USDA to use the innovation grants to help create practical models for using market-based approaches to making conservation pay. Rather than looking to the federal government to play an intermediary role between consumers and producers of environmental goods and services, EQIP innovation grants could be used to explore systems or technologies that more closely resemble the markets in which traditional commodities are produced and sold. EQIP innovation grants could expand the application of such approaches to agricultural settings.

USDA took a critical step forward in March 2004 when it released an interim final rule for the Conservation Innovation Grants Program, along with a request for proposals—a step ahead. But it allocated only $15 million to fund the program's first year—a missed opportunity unless the funding made available for innovation grants is increased substantially in coming years.

Recommendations

10. *NRCS should quickly and thoughtfully ramp-up CSP in a way that emphasizes the program's unique features and integrates CSP into the conservation program portfolio as the primary source of financial assistance for a base conservation effort.*

CSP should—using a practical and orderly approach to ramping up the program—quickly grow into the base conservation program that is accessible to every producer in every county of the United States. Indeed, CSP's status as an entitlement program makes it difficult to imagine a role for CSP other than that as a base program. EQIP rather than CSP should become the driving force for place-based initiatives in priority watersheds or other landscape units, while CRP, WRP, WHIP, and GRP should become the driving force for restoration and protection of sensitive landscapes or habitats. Each program thus plays a tailored role in the balanced portfolio of conservation programs.

11. *NRCS should take full advantage of the Conservation Innovation Grants Program in the Farm Security and Rural Investment Act of 2002.*

SWCS had not had the opportunity to carefully review the interim final rule for the Conservation Innovation Grants Program when this report went to press. In general, however, we think the most effective niche for such grants is to create practical models for using market-based approaches to making conservation pay. Conservation innovation grants should be well funded, and the lessons learned from the experiments in innovation should be assembled, analyzed, and used to shape the conservation provisions of the 2007 farm bill.

APPENDIX A

Executive Summary from the Report "Seeking Common Ground for Conservation, A Farm Bill Proposal: Responding to the Grassroots

The next farm bill must be about more than the price of corn—or wheat, or cotton, or rice, or any other agricultural commodity. It must be about caring for the land and keeping the people who work the land on the land. That, in brief, is what the Soil and Water Conservation Society (SWCS) heard in five workshops that brought members of the agricultural, water resource, and fish and wildlife communities together to develop conservation provisions for the 2002 farm bill.

Policymakers face fundamental choices as they begin reauthorizing the farm bill. Those choices go to the heart of what should be expected from conservation and farm policy. There is growing public skepticism about how well traditional commodity-based subsidies work to keep people on the land—and to care for it. Conservation could and should become the basis for a new vision of agricultural policy, a policy that is truly open to all of agriculture and built upon a solid foundation—the unique status and responsibility of farmers and ranchers as the caretakers of this nation's land, water, and wildlife.

At a minimum, conservation policy and programs must be strengthened to continue their traditional service to agriculture and updated to address the environmental challenges that now confront farmers and ranchers. But settling for the minimum would be a mistake at this juncture. Instead, reforms to conservation policy and programs should be coupled with a new vision for farm policy itself. Traditional farm subsidies should be balanced with a new option based on land stewardship—an option that pays producers to invest their land, labor, and capital to produce a better environment.

Workshop participants mapped out a continuum of reforms to move conservation to the center of farm policy. SWCS took that map and developed specific recommendations that, in our best professional judgment, hold the most promise for addressing the hopes and concerns of the workshop participants.

Reforming conservation policy and programs

Conservation has traditionally served agriculture by developing and managing soil and water resources as a means of enhancing production. Now, conservation needs to serve agriculture by managing and mitigating its effect on the environment. Environmental performance is already a key determinant of commercial viability for producers operating animal feeding operations or irrigating cropland or pasture. Most producers will face similar challenges in the future. At a minimum, legislative action in the next farm bill must strengthen U.S. Department of Agriculture (USDA) conservation policy and programs enough to ensure that commercial viability and environmental quality become compatible goals.

Funding

Funding for existing USDA conservation technical services and financial assistance programs should be doubled to about $5 billion annually—an increase, in percentage terms, comparable to what was accomplished in the 1985 farm bill. That investment produced dramatic reductions in soil erosion, protection of wetlands, and enhancement of fish and wildlife habitat. Since 1985, however, conservation funding has been flat in constant dollars. The farm bill must make a major new investment in conservation to meet the needs of agriculture and taxpayers in 2002.

Balance among tools

There are three basic compartments in the conservation tool box: (1) technical services—research, education, and technical assistance; (2) financial assistance for conservation on working land—integrating conservation into the food and fiber production systems used by farmers and ranchers; and (3) financial assistance for land retirement and restoration—shifting the primary focus on working land from food and fiber production to habitat restoration or protection of critical natural resources. Today, the toolbox is unbalanced. In 2000, land retirement and restoration accounted for 85 cents of every financial assistance dollar spent by USDA, and most of that assistance went to crop producers in the Great Plains. Most of the new investment in conservation should be used to reach those producers who want to keep working the land, rather than retire it. Funding for technical services should be doubled to about $1.75 billion a year, and financial assistance for conservation on working land should be tripled to about $1 billion annually. The $5 billion conservation budget we recommend could thus strike a better balance and still leave room to increase funding for land retirement and restoration programs by about 30 percent.

Technical services

Weakness in the nation's technical services infrastructure is the single greatest impediment to meeting the conservation needs of producers and the public's desire for environmental quality. Technical assistance and advice must be recognized as the most important conservation program in and of itself—not merely a cost of delivering conservation financial assistance to producers. Congress should reaffirm the central role of technical services in the conservation enterprise and ask the Secretary of Agriculture for a detailed plan of action and budget to ensure that all agricultural producers have access to timely and effective technical assistance and advice from the public and/or private sectors.

Flexibility

Conservation is a national interest, but like health care and education, it depends on local leadership. State and local taxpayers, in several states, invest more resources in conservation than USDA does. State and local leaders, whether they work in the private sector or in federal, state, or local government agencies, need greater authority over the way USDA programs operate in their states. The state agreement approach currently used to implement the Conservation Reserve Enhancement Program (CREP) and the Wildlife Habitat Incentive Program (WHIP) should be expanded to cover all USDA conservation financial assistance programs. States that put together a comprehensive conservation plan should have greater flexibility and more money to tailor USDA programs to their plans. Those additional dollars should come from a Conservation Partner Fund created by pooling a portion of the funds appropriated each year for all USDA conservation financial assistance programs. Such an

approach would provide much greater flexibility while maintaining the integrity and accountability of existing conservation programs.

Reforming farm policy and programs

Reform of conservation programs is not enough to realize the new vision of American agriculture workshop participants created. Room should be made in farm policy itself for a program that supports farmers and ranchers in upon their unique role as caretakers of most of the land in this nation, rather than upon the kind or amount of selected commodities they produce.

New vision program

Congress should authorize a minimum of $3 billion dollars annually for a stewardship-based farm and ranch program that rewards producers for utilizing their land, labor, and capital to enhance the environment. This new program should reward good actors through technical services and maintenance fees to keep existing conservation systems and habitat in place on their farms and ranches. It should also pay farmers and ranchers who want to do more by installing new conservation systems. USDA state technical committees, local communities, and producers themselves should play a key role in seeing that this new stewardship program achieves key conservation objectives by determining which conservation systems and opportunities would make the greatest contribution to environmental enhancement at state and local levels.

Mesh with commodity and risk management programs

Farm policy needs more balance and more options both for producers and taxpayers. Traditional farm subsidies have concentrated in fewer hands and on fewer acres as production of subsidized commodities has concentrated in fewer hands and on fewer acres. In 1999, for example, about 47 percent of farm subsidies went to the 8 percent of farms that produced 68 percent of crop sales while operating only 32 percent of farm acres. In 2000, about 20 percent of the value of agricultural sales was produced by sales of subsidized crops, and about 36 percent of all farms received government payments. As a result, serious questions have been raised about the equity and performance of traditional approaches to supporting commodity production and farm income.

A farm program based on stewardship rather than commodity production is ideally suited to bring more balance to farm programs. Conservation could legitimately reach those 92 percent of farms operating 68 percent of farm acres, but producing only 31 percent of the value of food and fiber products. Stewardship contracts should provide the same certainty of payments for land stewardship that production flexibility contracts currently provide for commodity production. Producers with production flexibility contracts could opt for a stewardship contract if that works better for them. More importantly, stewardship contracts would help keep those farmers and ranchers on the land who currently do not get much support from traditional farm subsidies.

Mesh with conservation programs

The new vision stewardship program should be designed to take advantage of five key opportunities to complement existing conservation programs: First, it should be broadly available to all producers, based on their willingness to make a commitment to conservation, rather than on their location in a priority area, impaired watershed, or other eligibility requirements of existing conservation programs. Second, it should prevent conservation problems before they require more expensive treatment. Third, it should go beyond rehabilitation of the land to achieve widespread enhancement of the environment. Fourth, it should emphasize a transition to production systems that enhance, not just protect, the environment. Fifth, it should emphasize development, field-testing, and demonstration of innovative production systems that integrate conservation directly into food and fiber production systems.

SUMMARY OF RECOMMENDATIONS

Our recommendations map out a continuum of reform ranging from more funding for existing conservation programs to creating a new vision of farm policy based on land stewardship. Those recommendations are listed below.

They are listed under two main headings that follow the organization of the report itself. Under the first heading, Conservation Program and Policy Reform, are our recommendations for funding and reform of existing conservation programs and policy. Under the second heading, Farm Program and Policy Reform, are our recommendation for reforming farm policy.

The recommendations listed here and discussed in more detail in the report do not represent a consensus arrived at through the workshops or the deliberations of the policy advisory committee with whom we consulted. Throughout this process, SWCS staff sought advice, counsel, ideas, and understanding, rather than consensus. The recommendations represent our best judgment of the policy reforms that hold the most promise for addressing the hopes and concerns raised in our workshops.

Conservation program and policy peform

Conservation funding

Recommendation 1:

Double funding for USDA's existing agricultural conservation programs to $5 billion annually, with most of the new money going to technical services and financial assistance for working land—double funding for technical services, triple funding for financial assistance on working land, and increase funding for land retirement and restoration by 30 percent.

Conservation technical services infrastructure

Recommendation 2:

Recognize and affirm technical assistance as the most important conservation program in and of itself—not merely a cost of delivering conservation financial assistance to producers. Congress should ask the Secretary of Agriculture for an action plan and budget needed to ensure that all producers have access to timely and effective technical assistance from the public and/or private sectors.

Recommendation 3:

Fix the so-called Section-11 cap constraint that limits the use of Commodity

Credit Corporation (CCC) funds for the delivery of technical services, and mandate that CCC funds be provided for technical and educational assistance as part of every CCC-funded conservation financial assistance program.

Recommendation 4:

Offer comprehensive training and certification programs to build the capacity of for-profit and not-for-profit groups in the private sector to provide technical services. Allow farmers and ranchers themselves to use financial assistance provided through USDA conservation programs to participate in such training and certification programs.

Conservation program reform

Fairness and flexibility

Recommendation 5:

Expand the state agreement approach used in CREP and WHIP to cover all USDA conservation financial assistance programs. Provide states that complete an approved comprehensive state conservation plan greater flexibility and more money to tailor USDA programs to their plans. Fund implementation of state plans in part by pooling a portion of the funds appropriated each year for all USDA conservation financial assistance programs into a Conservation Partner Fund administered by USDA.

Recommendation 6:

Recognize good actors by giving them credit for existing conservation practices when determining their eligibility or priority for participation in USDA conservation programs and by cost-sharing maintenance of existing or newly installed conservation systems or habitat.

Recommendation 7:

Expand the number of producers and acreage of agricultural land benefiting from CRP by permitting enrollment of environmentally sensitive acres of rangeland, pasture, or other land without a cropping history, at appropriate rental rates, and modify or eliminate all cropping history requirements for all practices eligible for the continuous CRP sign-up and all practices and habitat types specified in comprehensive state conservation plans.

Recommendation 8:

Mandate at least a 5-million-acre goal for conservation buffers within the CRP, and encourage participation through higher financial incentives and greater flexibility in practice requirements.

Improving priority setting

Recommendation 9:

Direct the Secretary of Agriculture to provide to Congress a plan and budget for implementing the National Conservation Plan and appraisal process as the nation's primary vehicle for directing conservation on nonfederal working land.

Recommendation 10:

Strengthen and reform state technical committees and expand their authority to recommend modifications to rules, funding allocations, and priorities for all USDA conservation programs.

Recommendation 11:

Encourage producers to create their own priority areas by offering bonus points or higher financial incentives in USDA conservation programs to producers who work collectively along or around a water body, within a watershed, or within an important habitat type.

Balance land treatment and land retirement

Recommendation 12:

Integrate economic use more fully into land retirement and restoration programs—offer the option of converting CRP contracts to grassland easements as part of a transition to grazing-based production systems; allow managed haying, grazing, or other compatible economic uses at reduced rental or easement payment rates; and integrate land management and conservation measures into the Farmland Protection Program.

Simplify programs

Recommendation 13:

Emphasize conservation-driven farm or ranch planning rather than program-driven planning, and make farmers and ranchers who complete an approved comprehensive farm or ranch plan automatically eligible for financial assistance simultaneously under multiple USDA conservation programs for appropriate practices included in their plan.

Recommendation 14:

Create unified sign-up, application, and contract processes by (a) providing for a continuous sign-up for all USDA conservation financial assistance programs under terms of a comprehensive state conservation plan or (b) coordinating sign-up periods for all programs, for example, during an annual conservation fair.

Recommendation 15:

Streamline EQIP by (a) eliminating the bid process and substituting a ranking process that bases program participation on a conservation index and (b) providing blanket eligibility for producers participating in the continuous CRP sign-up, proposing to implement conservation systems or practices designated as high priority, and/or operating within designated geographic priority areas.

Regulatory assurance

Recommendation 16:

Encourage states to develop and implement a "one-plan" approach to conservation on farms and ranches—make the one-plan approach an optional element of the comprehensive state conservation plan, and make additional technical and financial assistance available from the USDA Conservation Partner Fund to states using the one-plan approach.

Farm program and policy reform

Commodity and risk management program reform

Recommendation 17:

Reaffirm and strengthen conservation compliance, sodbuster, and swampbuster laws by reinstating the super sodbuster provision; extending compliance provisions to all commodity and risk management programs, including crop insurance; and extending the soil erosion control provisions to non-highly erodible cropland eroding above T.

Recommendation 18:

Authorize a minimum of $3 billion annually for a stewardship-based farm and ranch program that rewards producers for using their land, labor, and capital to enhance the environment.

Calculating payments for environmental goods and services produced

Recommendation 19:

State technical committees and conservation districts or other appropriate local institutions should determine which conservation practices/systems should receive priority for funding, based on the relative contribution of those practices/systems to environmental enhancement.

Recommendation 20:

Establish initial payment rates on "level of effort" as measured by the cost and comprehensiveness of practices—pay a "maintenance fee" for existing and newly installed practices and habitat, and pay an "installation fee" for new practices and restoration of new habitat.

What taxpayers should pay for?

Recommendation 21:

Create a minimum "bar" of generally accepted conservation practices, acknowledged by local producers and citizens, as an elemental expectation for land stewardship, and require those practices as a condition of eligibility for the new vision stewardship program.

Meshing the new vision program with existing conservation programs

Recommendation 22:

Design the new vision stewardship program to complement existing conservation programs in five key ways—be available to all producers based on their willingness to make a commitment to conservation; prevent conservation problems before they require more expensive treatment; spur widespread enhancement of the environment rather than damage control; emphasize a transition to production systems that enhance, not just protect, the environment; and emphasize development, field-testing, and demonstration of innovative production systems that integrate conservation directly into food and fiber production.

APPENDIX B

Report Card (Table 1) and "FSRI 2002 in Sum" Text from the Report "How Conservation Measures Up in the Farm Security and Rural Investment Act of 2002

FSRI 2002 IN SUM

The 22 recommendations in the "Seeking Common Ground" report sought to achieve three primary objectives. First, SWCS recommended that existing U.S. Department of Agriculture (USDA) conservation programs be funded at $5 billion a year—roughly double current funding. Further, the new $2.5 billion investment in conservation should be used primarily to expand the reach of programs directed at improving the management of working land—the cropland, rangeland, and pasture that we depend upon to produce food and fiber, but which also provide important environmental goods and services.

Second, SWCS recommended that technical services—research, education, and technical assistance—be recognized as the most important conservation program in and of itself, not merely a cost of delivering conservation financial assistance to producers. In addition, SWCS recommended that funding for technical services be guaranteed, along with financial assistance, when conservation programs were authorized.

Third, SWCS recommended that traditional farm subsidies be balanced with a new $3 billion annual farm and ranch stewardship option that would help all farmers and ranchers, not just producers of the eight major subsidized crops.

FSRI 2002 falls short of achieving the vision articulated by workshop participants as outlined in the "Seeking Common Ground" report. The failure to make a secure and certain home for a stewardship-based option to the fixed-payment portion of crop subsidies—an option large enough that most farmers and ranchers really have access to it and receive benefits comparable to those provided by traditional commodity-based subsidies—is the law's most

TABLE 1: SEEKING COMMON GROUND RECOMMENDATIONS	STEP BACK	MISSED OPPORTUNITY	STEP AHEAD
CONSERVATION PROGRAM AND POLICY REFORM			
Funding			
Double funding for technical services			✔
Triple funding for conservation financial assistance on working land			✔
Increase funding for land retirement by 30 percent			✔
Technical Services Infrastructure			
Ask USDA for action plan and budget for delivering technical assistance to all producers		✔	
Remove cap on use of CCC funds for technical assistance and mandate use of CCC funds for technical and educational assistance in all CCC-funded conservation programs		✔	
Provide training and certification programs to build capacity for delivery of technical assistance by private-sector interests, including producers			✔
Conservation Programs			
Fairness and flexibility			
Expand use of state agreements, like CREP and WHIP, to achieve greater state and local flexibility			✔
Create a Conservation Partner Fund that allows states to tailor USDA programs to fit state needs and access more funds			✔
Give producers credit for past conservation efforts in determining program eligibility		✔	
Make all agricultural land eligible for CRP and eliminate cropping history requirement for the continuous CRP sign-up			✔
Mandate a 5-million-acre goal for buffers and pay higher financial incentives		✔	
Improve priority setting			
Request USDA to provide a plan and budget for ongoing use of the national conservation plan and appraisal process			✔
Strengthen state technical committees and allow greater flexibility in use of USDA conservation programs at state level		✔	
Reward producers who work collectively on a landscape or watershed basis		✔	
Balance land treatment and retirement			
Allow managed, compatible economic use of CRP acres at reduced rental rates			✔

serious flaw. The law also under funds conservation programs and misses the opportunity to address a number of key policy reforms to those programs.

Despite these shortcomings, FSRI 2002 creates the greatest opportunity for conservation on private land since 1985. The $17.1 billion additional investment in conservation is an 80 percent increase over current investment. As important, 82 percent of the additional investment is in programs designed to enhance the management of working land. The law also mandates Commodity Credit Corporation (CCC) funding for technical assistance for all CCC-funded conservation programs. This additional investment in financial and technical assistance, coupled with the emphasis on working land, means conservation programs could reach hundreds of millions of acres annually instead of the tens of millions of acres a year those programs currently reach.

The policies, priorities, and initiatives that guide implementation of the conservation provisions in FSRI 2002 will determine what taxpayers and agricultural producers harvest from this opportunity. The decisions made by USDA officials during implementation could be as important as the decisions members of Congress made in passing FSRI 2002.

Implementation of FSRI 2002 offers a multitude of specific opportunities to affect the results achieved by individual programs and authorities. Five cross-cutting opportunities, however, stand out as a result of a preliminary analysis by SWCS of the conservation provisions in FSRI 2002:

- Build an effective technical services infrastructure.
- Encourage collective action in key locations.
- Link EQIP with conservation buffers.
- Ensure that conservation drives programs rather than programs driving conservation.
- Ground-truth the next generation of farm and conservation programs.

TABLE 1: (CONT.) SEEKING COMMON GROUND RECOMMENDATIONS	STEP BACK	MISSED OPPORTUNITY	STEP AHEAD
Require implementation of a comprehensive conservation plan as part of the Farmland Protection Program		✔	
Simplification			
Emphasize conservation-driven farm and ranch planning and use plan as fast track to financial assistance under all programs		✔	
Provide continuous sign-up for all USDA financial assistance programs or provide coordinated sign-up period for all programs		✔	
Eliminate the bid process in EQIP and rank applications using a conservation index			✔
Provide automatic EQIP eligibility for key practices and/or priority areas		✔	
Regulatory assurance			
Encourage states to use a "one-plan" approach to working land conservation and make additional USDA funds available to those that do		✔	
FARM PROGRAM AND POLICY REFORM			
Conservation Compliance			
Reaffirm the swampbuster policy			✔
Reinstate the super sodbuster provision		✔	
Attach all farm program benefits, including crop insurance, to the compliance provisions		✔	
Extend the soil conservation provisions to non-highly erodible cropland		✔	
New Vision Program			
Create a new stewardship-based farm and ranch program, with at least $3 billion in annual funding			✔
State technical committees, conservation districts or other local institutions should determine what conservation practices or systems are needed to earn payments			✔
Payments should be made to install new practices and maintain existing or new practices			✔
A minimum set of conservation practices should be required as a condition of eligibility for the stewardship-based program			✔
The new stewardship-based program should complement and not replace existing USDA conservation programs			✔

Soil and Water Conservation Society
945 Southwest Ankeny Road ▮ Ankeny, Iowa 50021-9764
Telephone: 515-289-2331 ▮ Fax: 515-289-1227
www.swcs.org