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

Committee on Agriculture, Nutrition, and Forestry, United States Senate, One Hundred Fifteenth Congress, First Session

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Mr. Chairman, Ranking Member, and members of the Committee, thank you for the opportunity to address the Committee regarding our implementation of Farm Bill programs. Over the past five decades, the Forest Service has received authorization for numerous valuable programs through the Farm Bill. Throughout the 2014 Farm Bill, particularly in the Forestry Title, there are many authorities and provisions that assist the Forest Service in accomplishing our priority work, particularly ecological restoration, support to communities, and reducing the risk of wildfires. Together, these provisions help us demonstrate our commitment to shared stewardship of national forests, while strengthening relationships with states and local communities. I will specifically highlight the accomplishments achieved through the Insect and Disease Designations, the Good Neighbor Authority, and the permanent authorization of the stewardship contracting authority.

The Insect and Disease provisions (Section 8204) set requirements for designating affected National Forest System areas, enabling streamlined environmental review procedures to expedite projects that reduce the risk and extent of, or increase the resilience of the forest to, insect or disease infestations. Based on requests from States, the Forest Service has designated approximately 45.6 million acres across the National Forest System that are already experiencing, or are at risk of experiencing, insect and disease infestations. I also designated an additional 10.1 million acres based on requests from Regional Foresters, bringing the total acres designated to 55.7 million. So far, the Forest Service is using the Farm Bill Insect and Disease provisions for 94 projects spanning 43 National Forests and 19 States.

The Good Neighbor Authority helps the Forest Service work with States to treat more acres. This authority allows the Forest Service to enter into cooperative agreements or contracts with States and Puerto Rico to allow our partners to perform watershed restoration and forest management services on federal lands. To date, the Forest Service has completed 95 Good Neighbor Agreements in 29 States to accomplish a variety of restoration work. This authority is very helpful to the Forest Service, as it improves our access to State agency expertise to accomplish additional acres of restoration work. This State support provides another tool to augment and potentially add to the federal timber sold. This authority also helps us to learn from the States so we apply innovations broadly on public lands.

The Forest Service received permanent authority for stewardship contracting in the 2014 Farm Bill. Stewardship contracting helps the Forest Service achieve our land management goals while promoting closer public-private working relationships by using the value of timber or other
forest products to offset the cost of restoration activities. In Fiscal Year 2016, the Forest Service entered into 225 stewardship contracts and agreements – treating more than 96,000 acres of hazardous fuels in the Wildland-Urban Interface, selling over 718 million board feet of timber, and restoring or improving over 22,000 acres of wildlife habitat.

In addition to the new authorities in the most recent Farm Bill, Congress also provided authorities to work with States and private forest landowners through previous Farm Bills. Over half of the forestland in the United States is in private ownership, and over 90 percent of domestically-produced wood products come from privately owned forests\(^1\). The Forest Service is invested in protecting all of our nation’s productive rural working lands from threats, including insect and disease, wildfire, drought, and conversion to non-forest uses. The Forest Stewardship Program was originally authorized through the 1990 Farm Bill. This program allows us to help private forest landowners actively manage their land through funding and technical assistance for management plans. Research has shown us private landowners with management plans are 81 percent more likely to actively manage their lands\(^2\), leading to local jobs, timber revenue, and economic benefit to the local community. Currently, the Forest Stewardship Program has 25.8 million acres managed under Forest Stewardship plans, and assists 400,000 landowners each year through a variety of technical assistance and education programs. Forest Stewardship plans enable landowners to access a variety of assistance and programs including USDA landowner assistance programs, State tax abatement programs, forest certification, and emerging ecosystem services and renewable energy markets. In addition, as a result of direction in the 2008 Farm Bill, the Forest Service and State Forestry agencies undertook a new effort to develop State Forest Action Plans, which provide an analysis of forest conditions and trends and delineate priority forest landscape areas in each State. State Forest Action plans are practical, long-term plans for investing State, federal, and other resources where they can be most effective in achieving national conservation goals.

An incredible amount of time and effort goes into drafting a new Farm Bill every five years. I appreciate your efforts and look forward to continuing to work with you and your staff as you frame and develop the 2018 Farm Bill.

Again, I thank you for the opportunity to testify this morning. The Forest Service stands ready to work with you as you craft the next Farm Bill.

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

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

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

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

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

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

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

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

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

Conservation Stewardship Program (CSP)

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

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

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

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

**Agricultural Conservation Easement Program (ACEP)**

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

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

In FY 2016, NRCS used $188 million in ACEP financial assistance funding to enroll an estimated 170,785 acres of farmland, grasslands, and wetlands through 373 new ACEP easements. States are actively utilizing the FY 2017 allocation of ACEP financial and technical assistance to enroll the highest ranking applications in each State.
We are also pleased to report that we are over 65 percent of the way through the approved creation of a national Easement Support Services (ESS) Branch that will perform real estate acquisition functions and the associated administrative tasks for the easement programs administered by NRCS. The ESS Branch will improve the delivery of private lands conservation through NRCS easement programs by centralizing the real estate acquisition functions and associated administrative tasks. The ESS Branch will improve conservation delivery by providing easement administrative and acquisition services to all States and territories. Additionally, NRCS easement acquisition functions will align nationwide under a strengthened, centralized process, with a complimentary oversight role, which will improve accountability, strengthen consistency, strengthen customer service, and increase efficiencies in the delivery of NRCS easement programs.

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

**Regional Conservation Partnership Program (RCPP)**

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

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

With over 70 percent of the lower 48 States under private ownership, RCPP plays a critical role in connecting partners with producers to design and implement conservation solutions that benefit both natural resources and agriculture. The Farm Bill is the largest source of federal
funding for private lands conservation, and RCPP is one of the important Farm Bill conservation programs contributing innovative conservation solutions to America’s communities. RCPP enables NRCS, partners and producers to work together to overcome natural resource challenges, including unhealthy forests, wildfire risks, drought and poor water quality.

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

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

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

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

These initiatives also enhance the locally-driven process to better address nationally and regionally important conservation goals that transcend localities. They build on locally led
efforts and partnerships, and they are based on science. Through the initiatives, NRCS and its partners coordinate the delivery of assistance where it can have the most impact.

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

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

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

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

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

NRCS Landscape Initiatives Update

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

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

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

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

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

The initiative focuses on restoring cold-water stream corridors. Environmental Quality Incentives Program (EQIP) funding helps producers install practices to protect streambanks from erosion, install fish habitat structures, fence livestock out of streams, and implement soil and
water conservation practices on adjacent farm and forest land. By 2017, NRCS aims to help producers restore 25 miles of streams, increase brown trout numbers by 30,000, reduce runoff of sediment by 150,000 tons and improve 20,500 acres of upstream habitat.

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

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

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

Longleaf Pine Initiative
NRCS uses the Longleaf Pine Initiative (LLPI) to support voluntary private lands conservation that restores and reestablishes longleaf pine forest, consistent with the objectives of the public/private America’s Longleaf Restoration Initiative to restore 4.6 million acres of longleaf pine forest. In FY 2016, NRCS invested $12.8 million to support restoration efforts on 107,000 acres. LLPI includes the nine Southeastern states in the longleaf range, and it plays a crucial role in stitching together public and private lands. Overall, more than half of the forests conserved are located near military installations, National Forests, National Wildlife Refuges, state forests or heritage reserves. From 2010 to 2016, NRCS has invested $65 million to help over 4500 forest landowners restore nearly 400,000 acres on private lands. In FY 2017, NRCS is investing $15.6 million to continue restoration efforts.
Mississippi River Basin Initiative (MRBI)
MRBI was initiated in 2009 to accelerate voluntary, private lands conservation investments to improve water quality through a targeted approach, and complements efforts by the Hypoxia Task Force (HTF) states within the Mississippi River basin. Each HTF state has developed a Nutrient Reduction Strategy to reduce agricultural impacts to the Gulf, and MRBI funding is used to help implement these local strategies. From 2010 to 2016, $250 million (EQIP) was obligated for MRBI project contracts providing treatment on over 1.2 million acres. There are currently 72 active projects, with 385 local partners leveraging $8.5 million in financial assistance and providing over $16 million in technical assistance. Partners include state agencies, conservation districts, city governments, private industry, NGOs, and local organizations. Findings from a 2014 report by the USDA’s Conservation Effects Assessment Project (CEAP) show that conservation work on cropland in the Mississippi River basin has reduced the amount of nitrogen and phosphorus flowing to the Gulf of Mexico by 18 and 20 percent, respectively. Since 2009, nitrogen prevented from leaving agricultural fields in MRBI project watersheds could be used to fertilize over 63,000 acres of corn in the basin.

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

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

Funding from the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP) is targeted to focus areas where NRCS and partners work with producers to implement projects that conserve ground water. NRCS provides technical and financial assistance to help producers implement practices that improve irrigation efficiency, manage nutrients, and help producers transition to dryland farming and grazing systems.
This helps maintain the long-term viability of the irrigated agricultural sector and offsets rising water costs and restricted water supplies on producers. By conserving water the useful life of the aquifer may be extended and flow is increased in rivers, benefiting wildlife.

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

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

Water quality is improved through reduced delivery of nutrients and sediments to lakes, streams and rivers. Flood damage is reduced through detention of runoff water within restored wetlands and easement acres, and from improved water infiltration on agricultural land. Restored wetlands benefit migratory waterbirds and other water dependent species.
NRCS Working Lands for Wildlife Initiatives (WLFW) Update

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

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

Gopher Tortoise
Designated as a WLFW target species since 2012, in 2016 WLFW narrowed its priority area focus and released a strategic plan that doubled our previous acreage commitment to recover this species through practices that prioritize timber stand thinning, prescribed burns, invasives control, and management actions. The tortoise is currently listed as threatened under the ESA in the western portion of its range, from Louisiana to central Alabama; from central Alabama to South Carolina it is a candidate for ESA listing. NRCS is working very closely with FWS in hopes that our partnership with state agencies and ag producers might be successful in not only precluding further ESA listing in the eastern portion of its range, but also delisting the gopher tortoise in its western range. Landowners benefit from financial and technical assistance for managing longleaf pine forests, and these practices increase the market value of pine stands. Other benefits include the strong potential to influence a reduction in regulatory risk to working lands across six of the southeastern U.S. States.
Lesser Prairie Chicken
NRCS launched the Lesser Prairie-Chicken Initiative (LPCI) in 2010 to strategically focus conservation efforts to maximize biological benefits to prairie chicken populations. NRCS’ efforts are part of WLFW, through which NRCS provides technical and financial assistance to help ranchers restore and protect habitat for prairie chickens in five Great Plains states to improve habitat for the lesser prairie-chicken and improve sustainability and productivity of grazing lands.

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

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

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

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

Sage grouse
NRCS has worked closely with private landowners, local, state, and federal agency partners since the 2010 launch of the NRCS-led Sage grouse Initiative (SGI) to implement voluntary
rangeland habitat restoration and protection projects on working private lands across eleven western states. Sage grouse occupy 186 million acres of western federal and privately owned lands. NRCS utilizes the Environmental Quality Incentives Program (EQIP) to help producers implement practices addressing habitat threats on their private land. Additionally, voluntary NRCS conservation easements through the Agricultural Conservation Easement Programs (ACEP) ensure private working lands are protected from fragmentation and continue as working lands that benefit Sage grouse.

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

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

Landowners are restoring habitat for southwestern willow flycatcher and other riparian habitat species, aiding in the implementation of its recovery plan and increase landowner confidence that the conservation practices they implement will not harm the species or its habitat. Since 2012, NRCS has assisted about 70 landowners with over 11,000 acres of conservation treatments that have or will make significant progress for the recovery goals of the species.
Testimony of Misty Jones  
Director, Conservation and Environmental Programs Division,  
Farm Service Agency  
United States Department of Agriculture  
before the  
Agriculture, Nutrition, and Forestry Committee  
of the  
United States Senate  
June 29, 2017

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

CRP and the 24 Million-Acre Cap  
The Conservation Reserve Program (CRP) first appeared in the 1985 Farm Bill and is one of USDA’s largest conservation programs. CRP allows USDA to contract with landowners so that environmentally sensitive land can be devoted to conservation benefits. Participants establish long-term, resource-conserving cover and, in return, FSA provides participants with annual rental and other assistance. Contract duration is between 10 and 15 years. CRP improves water quality, reduces soil erosion, and restores habitat for pollinators, ducks, pheasants, turkey, quail, deer and other wildlife. In doing so, CRP spurs hunting, fishing, recreation, tourism, and other economic activity across rural America.

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

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

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

CRP Continuous sign-up occurs on a continuous basis throughout the year and does not involve a discrete sign-up period. The 7.3 million acres in enrollment in Continuous sign-up is the result of large demand and strong incentives over the past 8 years and a relatively small acceptance rate during the last General sign-up.
CRP Grasslands sign-up, newly created by the 2014 Farm Bill, is a continuous working lands program that particularly benefits livestock producers. FSA has held three Grasslands ranking periods and 800,000 acres have been approved for enrollment for FY 2018 contracts. Similar to General sign-up, enrolled lands are likely to be larger parcels than associated with Continuous CRP sign-up. The statutory enrollment cap is 2 million acres, which counts against the 24 million-acre overall CRP cap.

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

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

CRP Looking Ahead

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

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

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

**Emergency Assistance through non-Title II Conservation Programs**

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

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

**Enhanced Service through Closer Interaction with NRCS**

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

Again, I want to thank you for allowing me to provide FSA’s perspective on the valuable conservation programs your Committee authorizes. I am happy to answer any questions you may have.
FIGURE 1. Summary of CRP Sign-Up Types

<table>
<thead>
<tr>
<th>General Signup</th>
<th>Continuous CRP</th>
<th>Grasslands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enrollment through periodic competitive signups</td>
<td>Initiated in 1996 and is not based on competitive entry (if a landowner qualifies, the land is approved for enrollment)</td>
<td>New with the 2014 Farm Bill, eligible grassland including land that contain forbs or shrubland for which grazing is the predominant use may be enrolled through continuous enrollments with periodic ranking periods</td>
</tr>
<tr>
<td>USDA announces General sign-up periods—typically no more frequently than once a year—where landowners submit bids and compete for entry.</td>
<td>Environmentally desirable land devoted to certain conservation practices may be enrolled at any time, includes the • Conservation Reserve Enhancement Program (CREP) • Farmable Wetlands Program (FWP) • State Acres for Wildlife Enhancement (SAFE) • Highly Erodible Lands Initiative (HELI)</td>
<td>Similar to general sign-up, enrolled lands are likely to be larger parcels than associated with Continuous CRP sign-up. “working lands” program that particularly benefits livestock producers.</td>
</tr>
<tr>
<td>The most recent General sign-up was held in FY2016. General sign-up enrollment is currently 16 million acres.</td>
<td>Given proximity to the acreage cap, FSA ended continuous enrollment in May 2017 for FY 2017 entry and “paused” entry for FY 2018 (although FY 2018 applications are still being accepted). Current enrollment is 7.3 million acres. Continuous sign-up increased significantly relative to General sign-up enrollment over the past eight years (see figure 2).</td>
<td>FSA has held three Grasslands ranking periods and 800,000 acres have been approved for enrollment for FY 2018 contracts. The statutory enrollment cap is 2 million acres, which counts against the 24-million-acre overall CRP cap.</td>
</tr>
</tbody>
</table>

FIGURE 2. Enrollment trends since 1986
Chairman Roberts, Ranking Member Stabenow, and members of the Committee, thank you for holding this hearing to gather input on past and current conservation programs. I hope my recommendations will provide valuable perspective and be helpful to this committee as you begin the process of writing a new farm bill. I appreciate the opportunity to offer testimony on behalf of Delta Wildlife.

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

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

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

The Environmental Quality Incentive Program or EQIP provides financial and technical assistance to agricultural producers to implement conservation practices on agricultural lands and non-industrial private forestlands. In our region, this program has incentivized many producers to begin using tools that reduce our environmental footprint and enhance wildlife habitat. The incentive is required, as change is not easily embraced when there is uncertainty of success on your farm and a cost associated with that change, even for those who do not meet the programmatic means test. In the Delta it is common for farmers to rent much of their cropland. Renters do not have certainty of
whether they will hold the lease on a piece of ground from one year to the next so it is often not worth the risk to invest significant capital into someone else’s land. Cost-share programs like EQIP to bridge that gap, allowing land-renters to install conservation measures while footing only a portion of the cost.

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

The Conservation Stewardship Program or CSP takes a slightly different approach to advancing environmental stewardship as compared to EQIP. CSP requires a producer to take a comprehensive look at their production system and identify areas for improvement. A plan is developed and specific goals are set for the producer to achieve over a CSP contract period. CSP incentivizes smaller incremental changes as compared to EQIP, but it does so on a broader basis.
While CSP has been successful, the consensus in our region suggests it is not adequately funded. 154 eligible producers, including myself, have unfunded applications in my county and those that surround it. Many more producers have not even applied because of the lack of funds. For those who have been enrolled and are seeking re-enrollment, the list of CSP Enhancements are too limited to offer incremental conservation adoption.

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

Beyond traditional working land conservation programs like EQIP and CSP, there are other valuable conservation programs that could yield greater environmental and economic returns through a renewed focus on active management. This Committee provided additional flexibility to Conservation Reserve Program (CRP) contract holders in the last Farm Bill to more efficiently manage upland and bottomland forests to increase both wildlife habitat and timber quality. This trend towards active management should continue as should the enrollment of new CRP lands restored to appropriate habitat covers including both grasslands and forest. However, similar flexibility has not yet been provided for lands enrolled in Wetland Reserve Easements (WRE) under the Agricultural Conservation Easement Program (ACEP) and its predecessor, the Wetland Reserve Program (WRP).
Demand for WRE is growing, as should funding. Today, there are 2.7 million acres in the U.S. enrolled in WRE and WRP. Much of these lands in southern states have been planted to bottomland hardwood trees with the balance of the acres restored as seasonal and permanent wetlands. Many of these wetland areas are not being managed adequately to provide real benefits to migratory waterfowl and other wetland dependent species. And even less is being done to plan or actively manage these new forests to maximize wildlife habitat and future timber quality.

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

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

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

Respectfully,

Paul D. Dees, Chairman of the Board
Delta Wildlife
Testimony

on behalf of the

National Cattlemen’s Beef Association

with regard to

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

submitted to the

United States Senate
Committee on Agriculture, Nutrition, & Forestry

Pat Roberts, Chairman

submitted by

Barbara Downey
Owner
Downey Ranch
Member
National Cattlemen’s Beef Association

June 29, 2017
Washington, DC
Thank you Chairman Roberts and Ranking Member Stabenow for allowing me to testify today on conservation and the farm bill.

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

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

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

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

The EQIP is improving habitat for grassland-nesting birds, like the lesser prairie chicken we have on our ranch land, which is under consideration for listing as threatened or endangered species. This program is enhancing the health of grazing lands, improving water quality, improving soil quality, and reducing soil erosion. One important feature of EQIP has been its focus on livestock operations, and we would like to see continued funding to preserve this
program in the 2018 Farm Bill. Federal funds spent on conservation are a good investment in our country’s natural resources and the sustainability of agriculture and wildlife.

During the extensive drought in 2011 and 2012, our springs and ponds dried up and we knew we had to change the way we did things. We undertook an effort to improve our drought resilience by adding water storage on our landscape. We also put measures in place to ensure that cattle do not have unrestricted access to the creeks and ponds. A public recreation area is located just 2 miles downstream and thousands of people, including our family, wade and swim in its waters each year. We move our cattle across these creeks via restricted crossings in parts of the creek that have solid rock bottom so little sediment is disturbed. We also installed controlled access drinking points on our stock ponds so cattle can’t erode the banks, and we put terraces around the ponds so that any water from the cattle areas are filtered through the grasses rather than the ponds. These ponds have clear water, and are home to a varied population of fish and lots of wildlife.

We used the EQIP program to install 6 of our 8 controlled access ponds. The success of our ponds led Senator Jerry Moran, other legislators, the state director of the KS NRCS, and others from NRCS in DC to come out to ranch and tour it. The ponds are a cost-effective way to provide beneficial effects for water, wildlife, and cattle.

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

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

The main point I’d like you all to take away from this hearing is that the “voluntary” part of the conservation programs is what truly makes it work for ranchers. We’ve had success using some of these conservation programs, but just because this system works for us does not mean it’s right for everybody. It’s important that we keep these programs funded to safeguard their continued success, and above all else - these programs must stay voluntary. A one-size fits all approach that accompanies top-down regulation does not work in my industry. If these programs were to become mandatory, the rules and regulations that farmers and ranchers would be
subjected to would make it harder for them to utilize the unique conservation practices that help their individual operations thrive.

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

Regarding “Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill”

Submitted by
Adam Sharp, Executive Vice President, Ohio Farm Bureau Federation
Columbus, Ohio

June 29, 2017

Chairman Roberts, Ranking Member Stabenow, Ohio’s own Senator Brown and members of the committee, I appreciate the opportunity to come before you today to discuss the issue of conservation practices in Ohio and the importance of conservation programs in the Farm Bill. My name is Adam Sharp and I have the privilege to serve as the Executive Vice President for the Ohio Farm Bureau Federation, helping represent Ohio’s largest general farm organization and nearly 165,000 members. I also farm in partnership with my two brothers on our dairy farm and row crop operation growing corn, soybeans, wheat and hay in south central Ohio.

The environmental challenges we face in Ohio are well documented, particularly related to nutrient issues and water quality. I am proud of how focused Ohio’s farmers are in working to address nutrient run-off issues and I appreciate the opportunity to share with you the value of our state partnerships supported by federal conservation programs. From what I share with you today, I hope that one key component you take away is that Ohio is unique and successful because our conservation efforts have been an amazing demonstration of all sectors and entities working together as one for the collective good.

The agricultural community is committed to addressing water quality issues through numerous combined and individual measures. There is extensive research being conducted both in the lab and in the field. Farmers have invested tens of millions of dollars of their own money in establishing voluntary conservation practices on their farms. Between 2006 and 2012, they have voluntarily reduced phosphorous applications in the Western Lake Erie Basin (WLEB) by more than 13 million pounds.* As farmers are stepping up to implement conservation practices now, they are committed to finding additional solutions in the future.

Part of those partnerships include working with organizations such as the U.S. Department of Agriculture’s (USDA) Natural Resources Conservation Service (NRCS) with conservation tools provided through the Farm Bill such as the Environmental Quality Incentives Program (EQIP) or through programs such as the Regional Conservation Partnership Program (RCP). As an organization that promotes working lands programs over retirement land programs, programs
like EQIP and RCPP fit right in line with our organizational policy. While we are all aware of the importance of the funding of these programs, let me take a minute to share just how unique this partnership is with USDA-NRCS and Ohio and how critical these programs are to preserving water quality.

Demonstration Farms:
Ohio Farm Bureau is collaborating with USDA-NRCS along with other partners in creating only the second in the nation Demonstration Farms project. This project is located in the heart of the WLEB along the Blanchard River focusing on conservation efforts. The farm organizations involved with this endeavor have voluntarily taken on this project as have the three farmers – two row crop and one swine – whose acreage is being used. This total $1 million, 5-year project, funds EQIP approved practices. Approximately 75% of the funding is from USDA-NRCS and 25% is from Ohio Farm Bureau.

These demonstration farms are serving as models for new innovations that reduce and prevent agricultural runoff and those discoveries will be shared with farmers across the watershed and the region, land management agencies, policy makers, the media and the public. These conservation practices are being implemented by EQIP dollars and display the best models available for other farmers to incorporate on their fields.

Regional Conservation Partnership Program (RCPP):
Ohio’s agriculture and conservation organizations also took an active role in supporting the Farm Bill’s Regional Conservation Partnership Program and committed resources to this public-private partnership. Farmers have been eager to participate in this voluntary program that allows them to implement on-ground conservation practices for sediment and nutrient management. The EQIP programs under RCPP are the perfect combination of allowing farmers to keep land in production while practicing effective conservation measures.

We appreciate that Congress, and this committee specifically, saw the importance of these programs. These dollars were used for critical on-farm needs including animal waste systems and storages, lot covers and roofs, controlled drainage structures, cover crops, drainage water management, nutrient management plans, waterways, crop rotations and multi-year cover crops.

In 2015, USDA awarded $17.5 million to a Regional Conservation Partnership Program (RCPP-Tri State WLEB) in the western Lake Erie watershed. The targeted approach focuses efforts on the 855,000 acres that have been identified as the most critical areas to treat within the larger 7-million-acre watershed within Ohio, Indiana and Michigan. The RCPP project: 1) expands access to public and private technical assistance, 2) supports new and ongoing innovative conservation practices, and 3) provides expertise for modeling and evaluating outcomes to farmers in critical sub-watersheds. The 5-year multi-state project includes more than 40 collaborating public and private sector organizations with representation from Ohio, Michigan, and Indiana, state and local governments, as well as non-profit entities, universities, and private sector businesses committing an additional $28 million to the project.
**Edge-of-Field Research:**

A critical partnership is with the Ohio Farm Bureau, Ohio Corn and Wheat, Ohio Soybean Council, Ohio Agribusiness Association and others that joined together with USDA-NRCS to fund a project of over $2 million to conduct edge of field research throughout the state to better learn how to prevent nutrients from escaping from fields. The combined efforts of Ohio’s agriculture community with the Ohio State University and USDA researchers now have important baseline data, measures, practices and results. The information being collected is invaluable and will be used to modify Ohio’s Phosphorus Risk Index as well as help identify effective management practices.

While the findings are under continuous evaluation, preliminary results about how phosphorous leaves the field include:

- Controlling erosion continues to be important. Particulate bound phosphorus makes up over 73% of the total phosphorus in surface runoff and over 52% of the total phosphorus in tile flow.
- There is a strong relationship between soil test phosphorus levels and the amount of particulate bound phosphorus transported off site in surface runoff.
- Fertilizer application is a high-risk practice – timing and placement are important.
- Incorporation of fertilizer during or after application can result in more than a 90% reduction in phosphorus runoff.

These programs would not have been possible without the financial commitment of Farm Bill dollars along with the significant matching investment by Ohio’s farmers. Some recent data provided by USDA-NRCS highlight that partnership well and the tremendous work taking place to improve nutrient management and water quality.

- Between **2009 and 2014**, NRCS provided almost $57 million to fund over 2,000 conservation contracts on over **435,000 enrolled acres** in the Western Lake Erie Basin.
- During fiscal year **2015**, the Great Lakes Restoration Initiative (GLRI), which provides funding for agriculture through Farm Bill programs, funded **$1.7 million** for nutrient and sediment reduction projects on **over 100,000 acres** in targeted agricultural watersheds in the Great Lakes basin. These projects are estimated to prevent over 160,000 pounds (72.5 metric tons) of phosphorus from entering the Great Lakes annually. Federal agencies and their partners also funded urban runoff projects that are anticipated to capture an average annual volume of more than 37 million gallons of untreated urban runoff per year. These projects reduce flooding, increase green space in urban areas, and return vacant properties to productive use.
- In **FY 2015**, NRCS funded **99 EQIP** contracts for $3,353,195 in the **Ohio WLEB**.
- In **FY 2016**, NRCS launched a new funding **WLEB Initiative** and strategy, with support from Ranking Member Stabenow, Senator Brown and Senator Donnelly, based on the findings of their special study evaluating the impacts of voluntary conservation in the western basin of Lake Erie and conservation treatment needs. The Initiative helps
landowners reduce phosphorus runoff from farms by more than 640,000 pounds (290 metric tons) each year – 175,000 pounds of which is in the form of soluble phosphorus – by effectively doubling the acres under conservation in the western basin of Lake Erie watershed over the course of the 3-year investment.

- In the first year of the WLEB Initiative, $20.7 million in EQIP program funds was allocated; 79 percent of these dollars went to Ohio farms ($16,306,828).
- To date in 2017, Ohio NRCS has contracted over $6 million in EQIP with nearly $1 million additional in approved or pre-approved status. There were 472 applications needing $33.3 million (in fund pool including RCPP EQIP, WLEB EQIP and GLRI).

In addition to the Edge of Field Study, farmers are also committed to coordinating water research and programming through our land grant’s “Field to Faucet” initiative as well as through increased educational opportunities. Ohio Farm Bureau, Ohio Corn and Wheat, Ohio Soybean Council and Ohio Agribusiness Association have also funded four new OSU staff to work with farmers to develop Nutrient Management Plans in the WLEB and one new staff to work with retailer 4R certification.

The industry lead 4R Nutrient Stewardship Certification Program covers nearly 1.9 million acres in the WLEB that are now under guidance of Agriculture Retailers and Nutrient Service Providers that have voluntarily earned certification from the 4R Nutrient Stewardship Certification Program.

I would also be remiss if I did not lift up Healthy Water Ohio. This is an initiative led by the agricultural community that included a voluntary and diverse partnership of stakeholders charged with developing a 20- to 30-year water resource management strategy for Ohio. Healthy Water Ohio has representatives from business and industry, conservation and environment, finance, food and farming, lawn and horticulture, municipal water systems, public health, recreation and tourism, research, education and outreach.

The group conducted multiple information gathering sessions throughout the state and conducted meetings with water quality experts and public officials. The final report from Healthy Water Ohio provides a roadmap of innovative research, policy, education and infrastructure proposals along with an implementation schedule. Voluntary implementation of components of the report has begun including the pursuit of a Water Trust that can fund a variety of water-related needs such as research, monitoring and improvement of gray and green infrastructure.

While the results of the various edge of field studies are beginning to show us possible solutions, we also know that the measures farmers are taking to reduce run-off voluntarily are also showing success. USDA-NRCS produced a Special Study Report titled “Effects of Conservation Practice Adoption on Cultivated Cropland Acres in Western Lake Erie Basin, 2003-06 and 2012” (March 2016). This study was designed to quantify the environmental benefits that farmers and conservation programs in the WLEB provide to society. The report, based on farmer survey data in the Basin, shows that voluntary conservation is making significant
headway in reducing nutrient and sediment loss from farms. Even so, there is opportunity to improve conservation management across the basin and no single conservation solution will meet the needs of each field and farm.

Key findings of the survey on conservation practices in the WLEB include:

- 99% of the cropland acres are managed with at least one conservation practice
- 70% of the nitrogen applied is removed by crop harvest
- 58% of the cropland acres are managed with phosphorus application rates at or below crop removal rates
- The cost of conservation practices in place represents a significant annual investment. Regardless of funding source (federal, state, local or private) the annual regional investment in conservation is $277 million or $56.98 per acre.
- No single conservation solution will meet the needs of each field and farm. WLEB croplands are diverse in terms of soils, farm fields, farming operations and management, which creates differences in conservation needs and potential solutions. Field-scale conservation planning and conservation systems are needed to accommodate different treatment needs within and across farm fields, while maintaining productivity.
- Additional progress in nutrient and erosion control will depend on advanced precision technologies directed to unique zones or soils within field boundaries.

I appreciate the opportunity to address you today and provide just a brief overview of the efforts Ohio’s farmers are making to ensure a long future of clean water in our state. We sincerely value the partnership we have been able to form over the years with USDA-NRCS and appreciate all of your efforts to provide access to federal conservation programs through the Farm Bill. We support the Committee’s efforts to prioritize these working lands conservation programs in the upcoming 2018 Farm Bill. Together we can continue to make a difference.

If you want to learn more about our numerous efforts go to www.farmersforwater.com or www.blancharddemosfarms.org.

* USDA-NRCS Special Study Report titled “Effects of Conservation Practice Adoption on Cultivated Cropland Acres in Western Lake Erie Basin, 2003-06 and 2012”. (March 2016)
Mr. Chairman, Ranking Member Stabenow, members of the Committee, I’m pleased to join you today to provide testimony on the Farm Bill’s forestry and conservation tools from the perspective of a family Tree Farmer, certified by the American Tree Farm System® (ATFS), a Board member of the American Forest Foundation (AFF), which houses ATFS, and an avid sportsman and Diamond Life Member of the National Wild Turkey Federation (NWTF).

My wife Dianne and I own and care for 2,200 acres of forest Conecuh County, Alabama. We are one family out of the 22 million people in America who own forests. When most people think of forests in America they think of our National Forests and other public lands—when in fact, more than one-third of America’s forests are owned by people like Dianne and me. Families and individuals own more of America’s forests than the federal government or private companies.

Both the American Forest Foundation, a non-profit conservation organization that helps families manage our land and provide benefits like clean water, wildlife habitat, and sustainable wood supplies for all Americans, and the National Wild Turkey Federation, a non-profit wildlife conservation organization dedicated to the conservation of the wild turkey and the preservation of our hunting heritage, have been essential to my success as a Tree Farmer.

Unlike some landowners whose land was passed to them through multiple generations, Dianne and I started out by buying 158 acres of forest in 1983 because we wanted a place to enjoy both the outdoors and the wildlife we love to hunt. This dream, what some would call the “American Dream,” was nearly destroyed when Hurricane Ivan made landfall in 2004, wiping out most of our standing pines and leaving only a few older, longleaf pine trees on the land.

After this devastating feeling of loss, Dianne and I made a conscious effort to manage proactively. As we began envisioning the new beginnings of our ruined forest, we also made plans for its future welfare. Many of the loblolly pine trees were either uprooted, twisted, or snapped-in-two due to Ivan. Compared to the other tree species, we were surprised to see that some of the larger longleaf on the property made it through the storm intact. This provided us an opportunity to learn about longleaf, and to change our management plan by incorporating longleaf pine in our restoration efforts.

Dianne and I began the hard work of recovering our forest with the help of the Wildlife Habitat Incentives Program, which has since been merged into the Environmental Quality Incentives Program, which helped us to prepare the site and plant 156 acres of longleaf pine. It is because of the work of this Committee, in its efforts to allow forest owners to participate in these programs, that this was made possible. Today, we have our land enrolled in the Conservation
Stewardship Program, which helps us continuously improve our land. We have also been blessed to have the support of the state service foresters from the Alabama Forestry Commission, some of which is funded through the U.S. Forest Service’s Forest Stewardship Program.

Today we have planted about half of our now-2,200 acres in longleaf pine, with the other half a mix of loblolly, shortleaf, and slash pines, as well as some mixed hardwoods—A diverse array of species that helps us manage for a variety of risks.

We actively manage our land, produce timber that fuels local mills and regularly initiate prescribed burns to maintain the stands in healthy condition. With our forest management alone, we provide jobs to many in our community and, with landowners throughout our state, help fuel $23 billion economy in Alabama alone. I can say, without a doubt, that we would not have been able to get back on our feet were it not for these Farm Bill programs.

As we began learning more about longleaf and managing the ecosystem, we began seeing significant improvements in the habitat for not only deer, turkey, and quail, but also for the gopher tortoise—an at-risk species that could be listed under the Endangered Species Act in my area. The gopher tortoise is already listed as threatened in areas of southwestern Alabama.

I had, of course, heard the worries from other landowners who were afraid of having at-risk wildlife (endangered, threatened, or candidate species under the Endangered Species Act) on their land. Those warnings made me think long and hard about whether I wanted to do more of the proactive management that would eventually bring these species onto my property, and how that would affect our land management plans.

I ended up becoming more excited about the prospect as I learned more about these incredible creatures. I thought not only about how I could get value from my woods from timber and hunting, but also how little ol’ me could be a part of saving species from extinction—how cool is that?

I also learned about the U.S. Fish and Wildlife Service (USFWS), and how I could proactively work with them to reduce the risk of future regulatory restrictions on my land while still performing the management my lands required.

In July, 2013 we signed a 30-year Memorandum of Agreement (MOA) with USFWS and the Alabama Department of Conservation and Natural Resources (DCNR) that allows me to continue the management I’ve outlined for my land, while also creating more habitat for the at-risk gopher tortoise. In exchange, USFWS gave me two guarantees: First, if I “take” a species during this management, I won’t be held liable; and second, if my management results in additional wildlife on my property, I won’t be responsible for their protection in the future.

While I’ve worked well with USFWS, along with Natural Resources Conservation Service (NRCS) and the state forestry agency, I recognize that I’m very unique landowner. The worry and fear of species listings, and the impact that can have on Tree Farmers’ ability to manage their land,
is a very real fear. Truth be told, if I hadn’t been forced to reforest my land because of the devastation wrought by Hurricane Ivan, I would be in a very different place.

These fears are well founded. AFF’s recent report, *Southern Wildlife At-Risk: Family Forest Owners Offer Solution*, points to the growing number of at-risk wildlife in the South. With 224 forest-dependent species listed today, and the potential for another 293 candidate and petition forest-dependent species to be listed in the future, these species listings are becoming one of the most pressing issues for family Tree Farmers in the South.

But even as landowners are worried, they’re still committed to helping maintain our nation’s forests and associated wildlife habitat. Last year, AFF surveyed family woodland owners asking about their interest in doing more for wildlife on their property and 87% of landowners surveyed in the South say protecting and improving wildlife habitat is a key reason they own land. AFF’s survey, highlighted in the above noted report, also found that landowners who are actively managing their land and harvesting timber are doing more for wildlife than landowners who aren’t.

Forest owners want to do the right thing; they want to help wildlife. This tells us we have an opportunity, but we must find ways to protect landowners from the additional regulatory burdens that penalize them for doing the right thing. If I’m doing all I can to manage for at-risk wildlife, I shouldn’t be saddled with extra regulations that tie my hands.

While USFWS can work with landowners like me to provide regulatory protections, the mechanisms in place now are extremely inefficient. Successfully navigating the labyrinth of federal regulations takes time, and it takes landowners who really know how to work within the system, which prevents many from doing what I did.

This leads me to both AFF and NWTF’s suggestions for the upcoming Farm Bill reauthorization. This Committee has done so much work in the past few Farm Bills to help Tree Farmers like me. As a result of our management, we are helping all Americans by providing not only products, but also the countless non-timber benefits all Americans enjoy every day. Tree farmers play an integral role in stronger rural economies, the forest products industry, hunting and fishing businesses, wildlife habitat, clean water, and many other social benefits.

To continue and build on this great work, I’d like to offer the following recommendations on behalf of AFF, NWTF, and the millions of family forest owners and sportsmen in America these two organizations represent. Many of these recommendations reflect priorities of a broader coalition, the Forests in the Farm Bill Coalition (FIFB) that AFF and NWTF co-lead with the National Association of State Foresters (NASF) and The Nature Conservancy (TNC). While the FIFB Coalition has not yet come to consensus on our recommendations, nor has the coalition endorsed all the recommendations below, we expect to have those ready to share, with input from dozens of organizations, in the near future.

**Maintain Funding and Support for Forest Owners in Forestry and Conservation Programs**
• We know that budgets are tight. For those programs that need reauthorization in the next Farm Bill, we ask that you prioritize funding for the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), and the Conservation Reserve Program (CRP), which provide support for forest owners and wildlife habitat.

• We also ask that you consider funding the Healthy Forest Reserve Program (HFRP) with $12 million in annual mandatory funding, or other strategies to help address the growing at-risk wildlife concerns.

• In the Conservation Reserve Program (CRP), we asked that you continue to support tree enrollment in the program and continue to improve mid-contract management on forested CRP acres to require, where feasible, proper thinning, prescribed fire and other management on CRP acres and continue funding incentives for this management at $10 million annually.

• Additionally, we strongly support the Regional Conservation Partnership Program (RCPP) and authorities that encourage targeted application of conservation program funding to priority landscapes to achieve measurable outcomes. While individual landowners taking action is important, if many landowners in a landscape take action, our individual actions are amplified. For example, if I implement a wildlife habitat practice and my neighbors do the same, our combined action can reduce the need to list species because we’re providing sufficient habitat. This helps all of us.

Improve Technical Assistance and Program Implementation for Woodland Owners
Both the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) should be applauded for making significant progress including forest owners in these programs. However, we still have challenges with forestry technical assistance and program implementation for forest owners. Tackling these challenges will result in more efficient delivery of program resources in ways that increase the benefits produced on issues like at-risk wildlife habitat. To do this we recommend the following:

• Encourage stronger forestry and wildlife agency partnerships with NRCS in implementing working lands programs such as EQIP and the Conservation Stewardship Program (CSP) in states with limited forestry capacity, similar to state forestry agencies’ relationships with FSA.

• Streamline forest management plan requirements for EQIP and CSP by recognizing state approved Forest Stewardship Plans (FSP), developed based on national FSP guidelines, as equivalent to the requirements laid out in the NRCS CPA-52 evaluation form (i.e. when a landowner has an FSP plan, the CPA-52 evaluation would not need to be completed, eliminating duplicative processes.) We also request that landowners who utilize an area-wide or landscape-scale multi-ownership plan, developed by or in partnership with state forestry or wildlife agencies, qualify for EQIP without also needing an individual forest management plan or FSP.
• **Increase ability to use Environmental Quality Incentives Program (EQIP) for “unengaged landowners.”** Currently, because EQIP technical assistance and financial assistance funds are linked, and Conservation Technical Assistance is limited, the tendency of NRCS staff and Technical Service Providers (TSPs) is to work with landowners that are ready to implement conservation practices and ready to sign contracts, as opposed to landowners that might need more coaching or assistance before an EQIP contract can be designed. To address this, and ensure that landowners that need more upfront assistance and are essential to conservation outcomes are engaged, we ask that you encourage NRCS to use technical assistance funds flexibly to support assistance through TSPs and other partners that get landowners “in the pipeline” for EQIP financial assistance and practice implementation.

• **Increase payment limitations on Conservation Title programs** to reflect changing economic conditions in agriculture and forestry and allowing more landowners who contribute to priority conservation objectives to participate.

To solve some of these challenges noted above, AFF and NWTF have been working alongside NRCS and many partners, including state foresters in targeted landscapes, to reach woodland owners, educate them on the need for active forest management, and get them access to technical and planning assistance. The idea is to get landowners engaged, interested in management, and (if and when they are ready) to implement management practices. NRCS can then work with them to develop a contract. This work is highly targeted and focused on lands with the best opportunity to deliver on water, wildlife, or other goals; but this is the exception, not the rule. Funding for this work is limited. Aligning resources with this important up-front work with landowners will enhance the important conservation outcomes achieved through federal financial assistance.

**Provide Support and Regulatory Assurance for At-Risk Wildlife**

In addition to the above mentioned program improvements, there are two important policy improvements that we believe will significantly increase landowners’ ability to manage for wildlife, especially at-risk wildlife, and avoid the need for listing.

• **Increase tools for prescribed burning.** Often to maintain habitat for wildlife, especially in Southern longleaf and shortleaf pine forest ecosystems that are home to significant at-risk wildlife populations, prescribed burning is necessary. Unfortunately, even as we’re seeing increased interest in restoring these habitats, landowners are not conducting the burning that’s needed to maintain and improve the habitat in the long-term. While liability insurance is certainly an issue, the biggest barrier is lack of burning professionals that can do the work. We ask that you consider new approaches to help tackle this barrier.

• **Provide landowners with regulatory assurance.** As I noted earlier, landowners want to do the right thing and manage for wildlife, but often lack the tools and assurances that
we won’t face costly future regulations as a result. The Natural Resources Conservation Service (NRCS) has been working with the U.S. Fish and Wildlife Service (USFWS) to provide landowners in some instances with such regulatory assurances if they are participating in NRCS programs. We see significant opportunities for expansion and improvement in this work to provide landowners who undertake conservation actions, with protection from further regulatory burdens for both listed and at-risk wildlife. The Healthy Forests Reserve Program (HFRP) offers safe harbor protections and could be expanded and other programs could adopt similar protections.

Support Cross-Boundary, Landscape-Scale Efforts to Tackle Forestry Issues

All landowners will be better off if we aren’t the only ones in our landscape that are actively managing our lands. Whether we’re trying to reduce wildfire risk or protect at-risk wildlife populations, because forests are often a patchwork of small parcels and different public and private ownerships, it won’t be enough if just one or two landowners in a landscape are managing. New tools for the United States Department of Agriculture (USDA) agencies are needed so they can more efficiently work across ownerships boundaries, in targeted landscapes and with willing landowners and partners, to address these issues. We ask that the following new tools be included in the next Farm Bill:

- **Landscape-Scale Restoration Program**: currently the U.S. Forest Service (USFS), using a mix of statutory authority, is implementing a Landscape-scale Restoration Program in partnership with various state forestry agencies. This program is targeting landscapes identified in both state forest and wildlife action plans, helping improve management on both public and private land in a way that measurably addresses key outcomes. Rather than just working on one parcel here or there, this is allowing the agencies to scale the work and fully address management problems. We ask that you clarify and create permanent direction and authority for USFS and state forestry agencies to continue this work and to carry it out in partnership with Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA), including with the Regional Conservation Partnership Program (RCPP).

- **Cross-Boundary authority in USFS Hazardous Fuels Program**: currently, the USFS has limited authority to work with nearby landowners, when doing wildfire mitigation work. With the patchwork of public and private lands in the West, for example, to fully protect communities, water supplies, homes, and lives, work is needed on all these lands, not just federal lands. Expanding the USFS’ ability to work with adjacent landowners will better enable the scaled wildfire mitigation that’s desperately needed. Our intention is not to reduce funding for work on federal land but, as funding increases for hazardous fuels, for proportionately more funds to be used on private lands.

- **Continued support for landscape initiatives**. NRCS has developed a number of very successful landscape initiatives, like the Longleaf Pine Initiative and the Working Lands
for Wildlife Program. We ask that you support continuation of these landscape scale efforts, especially in partnership with organizations like AFF and NWTF.

Support a Strong, Diverse Forest Products Industry

As noted above, markets are essential for landowners, good forest management, and growing rural jobs and economies. Landowners need a diversity of markets to sell their wood into: markets for both high quality trees and for low-grade pulp wood as well as residual tops and limbs.

Markets can be one of the biggest tools for tackling issues like wildlife management. As noted above, not only can harvesting timber help landowners stay on their land and afford good management, but the harvest itself can help create the types of habitats needed for a variety of species, including wild turkey!

To strengthen markets for forest products:

- **Support the Timber Innovation Act (S.538).** Many of you have already agreed to cosponsor the Timber Innovation Act, and thank you. This legislation clarifies authority and directs the U.S. Forest Service (USFS) to conduct research and development into new and improved forest products, such as products for building tall buildings out of wood. New and improved forest products mean more landowners can sell their wood and afford good stewardship.

- **Modify and expand the Community Wood Energy Program (CWEP),** with $50 million in annual mandatory funding to focus on not just community facilities but enabling capital investment in both public and private facilities that use wood, especially low value wood.

- **Ensure Rural Development programs sufficiently support forestry businesses:** Maintain funding for rural development business, housing, and utilities programs and make the programs more accessible to forest-related entities and businesses by broadening the categories of eligible matching funds and clarifying that logging equipment is eligible for loan guarantees.

Federal Forest Management

While I’m not an expert in federal forest management by any means, both AFF and NWTF support better federal forest management and reforms that enable more active management:

Like this committee and the House Committee on Natural Resources next door, we place a very high priority on better management of the National Forests. We know good management reduces wildfires, generates revenue for counties, greatly improves wildlife habitat, and creates early successional habitat that wild turkeys love. In fact, NWTF is the 18th largest purchaser of federal timber, a testament to NWTF’s focus on collaboration and better management. But
management of National Forests has been in decline for far too long. We support legislation to require better management of these forests.

The Natural Resources Committee continues to try and move Congressman Westerman's legislation, the Resilient Federal Forests Act of 2017 (H.R. 2936), which NWTF strongly supports. AFF does not get directly involved in federal forest management legislation, but overall believes improved management is essential.

The Senate has been active as well, having worked on comprehensive bills before both the Committees on Agriculture, Nutrition, and Forestry and Energy and Natural Resources that would improve federal forest management. I won't go into detail about all of the bills, as each is different, but all would improve management compared to the current approach. Again, while AFF does not get directly involved in federal forest management legislation, NWTF urges all stakeholders to do what it takes to merge the best or most palatable elements of those bills into something that can gain bipartisan support and address forest management, improve collaboration, increase prescribed fire, improve wildlife habitat, generate local revenue from a renewable resources, and reduce wildfires.

**Wildfire Funding Fix**

In addition to enacting the above recommendations in the upcoming Farm Bill, there is one other policy issue that we ask for your support on. Although largely outside the jurisdiction of the Agriculture Committee, if not addressed, this issue could impact the success of improvements you enact in the Farm Bill.

As you all know, wildfire fighting is literally consuming the U.S. Forest Service budget. While it may seem tangential to today’s hearing discussion, it is far from it. As more and more of the USFS budget is used for wildfire fighting, less funding is available for the needed land management, technical assistance, and research that USFS delivers. This support is fundamental to successfully implementing the Farm Bill programs. We respectfully ask that you continue to work with the relevant committees and enact a wildfire funding fix that stops the erosion of the agency’s budget and stops the persistent “borrowing” that USFS must do when they run out of funds for firefighting.

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

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

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

The 2014 Farm Bill was the most significant Forest Service reform legislation at least since the passage of the Healthy Forest Restoration Act in 2003. Among other provisions, the 2014 Bill included:
Permanent reauthorization for Stewardship Contracting, including reforms that protected contractors from unlimited fire liability;

- Expanded Good Neighbor Authority from a two-state pilot to a nation-wide program;

- Authority to use Designation by Prescription and Designation by Description, streamlining timber sale preparation and reducing costs; and

- Creation of new Categorical Exclusions and streamlined Environmental Analyses to implement forest insect and disease treatments on certain national forest acres.

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

As you well know, millions of acres of National Forests have been affected by insect epidemics and catastrophic fires, and the Forest Service estimates that over 82 million acres of National Forests are at elevated risk of catastrophic wildfires, insect, or disease outbreaks. Last month, the Colorado State Forest Service estimated there are 834 million dead trees in the State, mostly from devastating insect epidemics. California is dealing with a large and rapidly growing mortality event, with as much as 10 billion board feet dead on just two of their overcrowded National Forests. Large scale wildfires cost billions annually to suppress, and cities such as Denver have been forced to spend tens of millions of dollars restoring damaged watersheds.

In other National Forests, such as those in the Lake States and New England, passive management has allowed forests to develop into closed canopy stands where little sunlight reaches the forest floor. These forests have limited value as wildlife habitat and are susceptible to fire and insects, while populations of species that require early successional habitat, such as the ruffed grouse and Kirtland’s Warbler, continue to decline.

The extent of the problem is not in doubt. The Government Accountability Office recognized the urgency of the need to reduce hazardous fuels way back in 1991. The Forest Service acknowledges that over 73 million acres of their lands are a high priority for management and that “one time treatment of all high fire risk areas would not fully address the fuels problem, as landscapes continue to change over time and fuels would build up on many lands currently in historic condition, without periodic maintenance treatments.” The Western Governors’ Association this week issued a report urging rapid legislative and administrative action to address the hazardous conditions on our National Forest.

These problems are often the most severe in States which have lost most of their wood using industries due to constrained supplies from Forest Service lands. We’ve learned through painful experience that rebuilding the industry infrastructure in such places is a slow, laborious process. Efforts to increase the pace and scale of management are often stymied by this classic chicken-or-egg problem. The Forest Service must demonstrate it
will reliably offer viable projects to attract investment, and it’s difficult for the Forest Service to offer these projects under current authorities.

Current Forest Plans allow for roughly twice the current level of harvest from our National Forests. Increasing the pace and scale of management to meet the roughly 6 Billion Board Feet called for in current plans will not only create American jobs in frequently hard pressed rural areas; it will reduce fire hazards and improve wildlife habitat coast to coast.

Current authorities do not allow the Forest Service to plan and implement needed management projects in a timely fashion. Badly needed projects to thin hazardous fuels can take years to plan, at which point groups opposed to management file lawsuits that cause further delays. Many National Forests are woefully behind on meeting forest plan objectives, particularly those associated with young forests. At best, it takes the Forest Service at least a year to plan and begin implementing salvage projects. Worse yet, the Forest Service has, in our view, been slow to implement streamlined authorities provided in the 2014 Farm Bill.

The Insect & Disease Treatment Areas authority created by the 2014 Bill is a case in point. The authority allowed States to petition the Secretary of Agriculture to designate certain NFS lands as “Insect & Disease Treatment Areas,” where the Forest Service would then be allowed to use expedited NEPA tools – including Categorical Exclusions of up to 3,000 acres – to reduce fuel loads and increase stand health. 37 States petitioned for the inclusion of over 56 Million acres of National Forest lands. Since the petition process ended in May of 2014;

- 41 Categorical Exclusions have been decided in 12 States, covering a grand total of about 78,000 acres of treatments, including 26,000 acres of timber harvest.
- An additional 28 projects – using Categorical Exclusions and focused Environmental Assessments & Environmental Impact Statements – covering an additional 127,000 acres – are in the works.

This May, it will be 3 years since the close of the designation period. At this rate, the Forest Service is treating just over 26,000 acres per year. If we assume that the additional 127,000 acres will be decided entirely in this fiscal year, that would represent a significant ramp up. However, even at that higher rate, **it will take over 440 years to treat all 56 million acres designated in 2014.**

We are flummoxed at the low rate of use of these new authorities in regions that have had significant forest mortality events. Region 1, where my businesses are, has only used the new authorities on 12,000 acres, despite the fact that we’ve had millions of acres of damage from Mountain Pine beetles and Spruce Beetles. Oregon, for another example, had over 6.5 million acres designated as treatment areas, yet has completed only had two projects covering a few thousand acres, with only 5,100 acre in progress.
Likewise, we are concerned that Good Neighbor Authority Master Agreements are only in place in 18 States (Alabama, Alaska, Arizona, California, Colorado, Florida, Idaho, Indiana, Louisiana, Michigan, Minnesota, Montana, New Hampshire, Ohio, Oregon, South Dakota, Tennessee, Texas, Vermont, Wisconsin and Wyoming). The Forest Service should have Master Agreements with every State that includes NFS lands.

Moreover, we are concerned that implementation of the current Good Neighbor Authorities has exposed limitations which are hampering program effectiveness. Overlapping and conflicting authorities present this committee with the opportunity to fix problems we didn’t foresee in 2014.

**Why More Relief Is Needed:**
The Forest Service faces many challenges, including an aging workforce, loss of key skill sets, a large infrastructure backlog, and a broken system for paying wildfire suppression costs. We do not expect the Farm Bill to address all of these challenges. But the Committee must understand – rampant litigation and the ripple effects it creates are a serious problem for the Forest Service.

In Region 1 where I work, 38 timber sales are under litigation, and 23 of these are enjoined. Over 17,000 acres of needed management – fuels reduction, creation of habitat diversity, and watershed protection are currently being blocked by the court, and another 11,500 acres could be delayed. More than 171 Million Board Feet of timber – timber that could be putting loggers, truckers, and mill hands to work – is currently being delayed by legal action.

While it’s true that the Forest Service conducts many minor projects using streamlined authorities, in general in our region when they are trying to execute larger projects they tend to use Environmental Impact Statements. It seems that any size project is subject to challenge, especially the larger landscape analysis that makes the most sense – even in a region that takes great pains to avoid controversial areas. At one point in 2015, 80 percent of the acres the Forest Service was trying to manage pursuant to an EIS was under litigation.

Example after example of litigation against collaboratively developed projects can be cited in Region 1. Here are just a few:

The East Reservoir Project on the Kootenai: After more than 4 years of strong local collaborative work on a project designed to improve wildlife habitat and reduce fire danger, the project has been in an out of court for the last few years, thanks to one of our frequent flyer litigants. It was enjoined last year and will remain so at least until this fall.

The Colt Summit Project on the Lolo – 7 years from scoping to final court clearance in order to do just over 3,200 acres of thinning in a fire prone forest. The lawsuit was filed by people who did not participate in the collaborative
The Lonesome Wood Project on the Gallatin National Forest – scoping began seven years ago. Extremist groups have won yet another injunction – on a 2,500 acre project.

The Telegraph Project on the Helena National Forest – a 5,700 acre fuels reduction effort – has taken seven years and five months to go from scoping to the filing of a lawsuit.

The Stonewall Project on the Helena National Forest – a collaborative project first proposed in 2008 – remains under injunction today, even after years of support from a local collaborative.

Because they know they will be sued, the Forest Service tends to propose less management then they should – and then to analyze it to death in the hopes of prevailing in court. Even in Regions with fewer active litigants, the effort to bulletproof NEPA saps resources, delays projects, and prevents efficiencies.

**Recommendations for the Next Farm Bill:**
The Farm Bill is a viable vehicle for meaningful reforms of our National Forest System. We urge you to continue this bi-partisan commitment to ensuring better management of the 191 million acres of National Forests, working closely with your counterparts on the Natural Resources Committee and, of course, your colleagues in the other chamber.

In order to address the continuing forest health crises these Federal lands are experiencing, we urge you to take the following steps in the next Farm Bill:

**Create Additional Categorical Exclusions:** Additional CE authority through new categories or expansion of existing categories would mean fewer projects would require detailed NEPA analysis. In adopting new CE’s, Congress should specify that the Forest Service has the discretion to determine when and how to apply “extraordinary circumstances” reviews to the projects, and clarify that projects conducted pursuant to new and existing CE’s do not require documentation of cumulative impacts. We recommend the following new or expanded CE’s:

- Early Seral Habitat Creation on up to 10,000 acres
- Expansion of Insect & Disease Treatment Area CE’s to 10,000
- Improve wildlife habitat on up to 10,000 acres.

**Allow the FS to conduct projects consistent with the Insect & Disease CE:** The existing Insect & Disease CE’s could be improved by (1) allowing the Forest Service to move forward with projects on lands that it determines meet the criteria for designation; (2) expand its application to all acres outside of designated wilderness, roadless, or on which removal of vegetation is prohibited by law; and (3) making the authorities permanent; and (4) authorizing projects in lands in Fire Regime IV.

**Clarify NEPA Responsibilities at the Forest Service:** GAO has found that the Forest Service does more NEPA compliance, produces more EIS’s, and takes longer to do so than most other Federal agencies whose projects have inherently more lasting impacts on the
landscape, for instance through creation of permanent infrastructure. Congress should clarify that at the Forest Service:

- Application of NEPA should be restricted to truly “major” actions, not routine land management: Thinning of forests in general forest or “suited for timber production” acres under existing forest plans should presumptively not be considered a major action. Taking steps to rapidly address hazard trees after wildfires, ice storms, or wind throw events should not presumptively be considered “major.”
- Clarify that (1) environmental impact statements only require an agency to analyze the proposed action and a no action alternative, and that consideration of additional alternatives is solely at the discretion of the Forest Service; and (2) environmental assessments done by the Forest Service do not require analysis of a no action alternative.

**Clarify Problems Restricting Use of Good Neighbor Authority:** Due to a rapidly unfolding series of events, Congress enacted two different Good Neighbor Authorities during 2014. Unfortunately, both of these authorities contain language that, as explained in Forest Service guidance, limits the applicability of these authorities. In our view, an effective, single National Good Neighbor Authority is needed to strengthen the Forest Service relationships with the States, create program efficiencies, and maximize program effectiveness. A single new Good Neighbor Authority should:

- Allow the Forest Service to use GNA for projects anywhere on the National Forest System, not just those that meet abstract and poorly defined adjacency requirements; and
- Remove restrictions on road repair and rehabilitation. Current practice defines road reconstruction so broadly that even limited road work triggers concern when the Forest Service uses GNA. This leads to poorly designed timber sales and precludes some projects altogether.

**Clarify Congressional Intent on Stewardship Contracting:** Stewardship Contracting is one tool for achieving land management goals; in many cases, the same land management results can be – and are currently being – achieved with traditional timber sale contracts. Congress recognized this when they made the authority permanent in the 2014 Farm Bill, saying that Stewardship Contracting authorities is not intended to replace or supplant other contracting tools.

The Forest Service and BLM can achieve greater program efficiency and transparency in the use of Stewardship Contracts, while ensuring local support for the projects performed using this important tool. These reforms will also help attract a broader variety of potential partners who want to support and participate in Stewardship Contracting projects. The next Farm Bill should:

- Make retention of existing wood products infrastructure a co-equal objective with other goals of Stewardship contracts and agreements.
- Provide clearer criteria to help the Forest Service determine when to use Stewardship Contracts, Stewardship Agreements, or other contracting mechanisms.
In general, if a project is located in the suitable timber base and can be a viable, commercial timber sale, it should be offered as such.

- Clarify the Forest Service and BLM ability to use “best value” or “lowest cost, technically acceptable” criteria when making contract awards.
- Where Stewardship contracts or agreements result in payments to the Forest Service, 25% of those gross payments should be directed to the County where the project is being performed.
- Congress must remind the Forest Service that funds collected under the Knutson-Vandenberg Act may be used beyond the sale area boundary, and direct the Forest Service to reduce overhead costs charged against K-V collections.

**Provide Greater Certainty for Project Level Decisions:** This Committee played a key role in providing some of the judicial review relief for certain Forest Service decisions in the Healthy Forest Restoration Act of 2003. In addition to creating a streamlined “objection” process (expanded to all Forest Service projects in 2011), HFRA encouraged courts to provide deference to the Forest Service for a narrowly defined set of projects, required participation in the administrative objection process in order to be eligible to file suit, required courts to consider the “balance of harms” from a proposed project versus the harms that could be caused if a project wasn’t done, and provided that injunctions be limited to 60 days. In the next Farm Bill, the Congress should:

- Expand HFRA judicial review provisions to all Forest Service vegetation management projects, except on acres where timber management is prohibited by law or the Forest Plan;
- Provide for alternative dispute resolution mechanisms, including “baseball” style arbitration, for some projects on a pilot basis.
- Restrict EAJA payments to reasonable limits for hourly reimbursement, and provide stricter controls to ensure that payments do not go to losing plaintiffs or organizations which have substantial financial resources.

**Conclusion:** The Federal Forest Resource Coalition is extremely grateful for the work this committee did in the 2014 Farm Bill. We continue to encourage the Forest Service to more fully utilize the authorities provided in that landmark bill. However, we’ve also become aware of some key missing elements and unforeseen challenges as the Forest Service has worked to implement these authorities. The above recommendations would allow the Forest Service to rapidly propose, analyze, and implement needed forest management projects across the landscape. Doing more work, better, and faster will result in lower costs, more community support, and potentially higher returns to the Treasury.

If we fail to act, however, the alarming trends in declining forest health, loss of forest industry jobs, continued catastrophic fires, destroyed watersheds and degraded wildlife habitat are a virtual certainty. While the Congress has consistently provided streamlined authorities since 2003, we’ve seen that they have yet to succeed in moving the Forest Service far enough, fast enough to address its many and serious problems.
We urge you to take the opportunity offered by the next Farm Bill to help move the trend towards more, better, and faster management.
Statement of Christopher Topik, Ph.D.
Director, Restoring America’s Forests
The Nature Conservancy
June 29, 2017

“Collaborative Forestry Improvements for the 2018 Farm Bill that enhance the benefits of America’s forests”

Senate Committee on Agriculture, Nutrition, and Forestry hearing on:
Conservation and Forestry: Perspectives on the Past and Future Direction for the 2018 Farm Bill.

Chairman Roberts, Ranking Member Stabenow and members of the Committee, thank you for the opportunity to participate in this important hearing about the past and future Farm Bill direction on conservation and forestry. My name is Christopher Topik and for the past 6 years I have been the Director of the Nature Conservancy’s Restoring America’s Forests Program. The Nature Conservancy is an international, non-profit conservation organization working around the world to protect ecologically important lands and waters for people and nature. Our mission is to conserve the lands and waters upon which all life depends. Prior to this job I worked as a forest ecologist at the USDA Forest Service for 16 years (10 years in support of forest management in the Washington and Oregon Cascades) and then 15 years as majority professional staff for both parties on the House Interior and Environment Appropriations subcommittee, responsible for the budgets and oversight of important natural resource and science agencies, such as the USDA Forest Service.

The Nature Conservancy

We at The Nature Conservancy (TNC) are proud to be part of the conversation today since the Farm Bill is the nation’s largest single investment supporting voluntary and successful conservation, restoration and management of America’s private lands. We have a long history of working directly with farmers, ranchers and private forest landowners, as well as states, Tribes and federal agencies, to improve the condition of America’s lands and waters, and improve economies for citizens and communities. We strongly believe that the best conservation outcomes arrive when communities are directly involved and directly benefit from the wealth that nature blesses us through agriculture, forestry and land management. In the past, and
hopefully the future, the Farm Bill provides farmers, ranchers and forest landowners with the tools necessary to protect and conserve not only the land, but also the rural way of life.

The Nature Conservancy is a large and decentralized organization with over 3700 employees, including over 500 scientists, working in all 50 states, territories and the District of Columbia, as well as 70 nations. Guided by science, we collaborate with local landowners, communities and businesses to implement practical conservation solutions that benefit people and nature. We are supported by almost a million members and by boards of trustees made up of local leaders in each of the states and countries where we work. We are nonpartisan, and our trustees, members, and staff come from across the political spectrum. Our recommendations are drawn from the hands-on experience of over 60 years working with people from all walks of life, with businesses and industries, and with governments from the local to the national level. We seek opportunities to advance solutions that work for people and nature, and we stand ready to defend our core values and bedrock environmental laws. We own and operate a lot of land, including over 2 million acres directly and easements on another 3 million; our preserve management includes many active forestry, farming and ranching operations so we know what it is like to be a producer. We are also very active in communities in many ways, for instance, last year we conducted controlled burns to conserve landscapes on 154,577 acres and assisted on another 306,000 acres.

I. Forests

Today my testimony will focus on just one aspect of our interest and experience on the Farm Bill: forestry. I attach a short summary of our overall Farm Bill priorities at the end of this statement. We will provide additional detailed recommendations and experiences on other Farm Bill agriculture and conservation issues in other forums.

Our country’s forests are a vital natural resource, and a strong Farm Bill ensures our national and private forests remain healthy and productive. Our forest lands—whether federal, state, tribal or private—are huge economic drivers in many communities. We all benefit from healthy forests and the clean air and water, habitat, recreation, timber and other forest products they provide. The Conservancy’s work across North America is guided by an ambitious vision that involves developing nature-based solutions to some of humanity’s most pressing global challenges. Among our primary North American priorities is our Restoring America’s Forests program, through which we aim to foster a dramatic increase in the proactive, science-based restoration of our nation’s federal forests, thereby reducing the tremendous human and environmental costs associated with unnaturally large and damaging megafires.

A specific example of the way we use science and timber harvest for conservation is our 23,800 acre Two-Hearted River Forest Reserve in the Upper Peninsula of Michigan. Like many
hardwood forests in the Lake States, this reserve has been managed for a century to maximize the production of a few commercially valuable tree species. The result is a forest that is 80% hard maple of about the same age. If our next forest pest or disease attacks hard maple, the economic and environmental impacts will devastate millions of acres of forests and the communities that depend on those forests. TNC is actively harvesting in the Two-Hearted River Reserve to develop and demonstrate management regimes that increase age and species diversity to reduce pest and disease risk while maintaining economic returns to landowners, timber supply to forest dependent communities and clean water and recreational opportunities for all of us. 

https://www.nature.org/ourinitiatives/regions/northamerica/unitedstates/michigan/explore/forest-to-floor.xml).

Our Farm Bill views are based on detailed internal assessments that have involved all of our state chapters, and are informed by science and interactions with a host of forest landowners, industries and entities that benefit from healthy and productive forests. We are also active in several relevant coalitions working on Farm Bill matters, such as the Forests in the Farm Bill coalition and the Agriculture and Wildlife Working Group. Some of our suggestions today will be consistent with coalition positions that are still being developed.

Forests are vital to America for many reasons so forest health is important to landowners, industries and over half of Americans that get their water from forested water sources. Forest threats are real, including climate related stresses of drought and fire, and also land use conversion to non-forest uses. America’s forests are 56% privately owned, so the work of the Senate Agriculture, Nutrition and Forestry Committee is especially vital to support technical assistance and provide economic assistance for meritorious practices that improve production and enhance environmental quality, allowing nature’s benefits to continue to flow to society. We believe these core functions of the Farm Bill need to be our primary focus on this legislation. We realize that the Farm Bill legislation is also a chance to affect other related matters, such as specific federal forest management issues, so we will comment on some of those past Farm Bill items and suggest some for the next Farm Bill. Yet, the core conservation and forestry assistance and research functions are so important in the long run that we hope other side-bar issues do not distract too much from the need to continue commendable past Farm Bill programs and activities.

II. Forestry- Comments on the past Farm Bill

We believe that the 2014 Agricultural Act had many outstanding aspects that enhanced private landowner’s abilities to manage forests and to do so in a way that helped their work roll-up with others and with public forests to have large scale, lasting impacts, while benefitting the landowners and supporting rural jobs. You will see below that it is essential to maintain key conservation funding that was provided in the 2014 Farm Bill. We also commend and support
the inclusion of forestry practices in a variety of Farm Bill programs since the production of wood and fiber are vital to the nation and to the forest landowners who facilitate the production. These practices are also essential to maintain or enhance water supply and flow, water that we can’t live without and water that is absolutely essential to cities as well as to American agriculture.

The last Farm Bill also should be commended for allowing and encouraging strategic application of technical and funding assistance to large landscape efforts that really add up. Specifically, the Regional Conservation Partnership Program (RCPP) has provided the authority to bring many projects together that increase the impact of federal funding by partnering with a whole host of landowners, industries, and NGOs to bring more money and talent to bear on vital forestry and watershed projects. The NRCS landscape conservation initiative has been successful at forging benefits to water, wildlife and to forest landowners. TNC staff in many states are directly involved with science, collaboration and technical assistance in these landscape projects.

The Farm Bill funding and authorities, such as EQIP and RCPP, also aided the Joint Chiefs Landscape Restoration Partnership to create a whole new cross boundary conservation effort in which private forests, through the NRCS, and the National Forests can work together to improve conditions on both public and private forests, and in the process, create many jobs, increase forest product harvest, and secure wildlife and water benefits. TNC has been involved in at least twenty of these projects. We see this as an important way to increase the buying power of federal money by partnering with many groups and private landowners to get larger projects done, faster.

The 2014 Farm Bill included essential support for science, research and forestry universities. We also believe the Farm Bill easement programs are important to both conservation and to private landowners who need assistance to make the most of their properties.

The 2014 Farm Bill also included some provisions that aid better management of federal forests. I want to call out in particular the Good Neighbor Authority and the Stewardship Contracting Authority. The Good Neighbor Authority provides for greater state participation in federal forest stewardship and has improved work in a number of places. This authority gets larger projects done that can cross boundary lines and therefore be more efficient and have greater benefit to neighboring communities.

We remain pleased that stewardship contracting was given permanent authorization in the last bill. Stewardship contracting has now been in force since the fiscal year 1999 Interior and Related Agencies Appropriations Act, and is having many positive results. This administrative tool is used to achieve key land-management goals on Federal land that improve, maintain or restore forest or rangeland health through a trade of goods (timber value) and services
(stewardship activities). Simply stated, more work gets done on the ground, more jobs are provided locally to improve communities and local tax revenues, and the funds and projects stay local.

We attach in an appendix short example case studies showing how TNC staff and partners are using the stewardship contracting and agreement authority to improve forest health and local community resilience. TNC is just one of a great number of institutions and forest product companies using these authorities. Please see appendix for more on these projects that demonstrate the importance of stewardship contracting and agreements:

- Florida and Longleaf Pine on the Osceola National Forest:
- Michigan and Ottawa National Forest
- Oregon, Ashland Forest Resiliency Stewardship Project (Southern Oregon fire risk reduction)
- Arizona Four Forest Restoration Initiative (4FRI)
- Oregon, Klamath Tribal and Forest Service Partnership effort with a Master Stewardship Agreement since 2011

The Insect and Disease Infestation provision in the last Farm bill (Section 8204) was a good attempt to provide for better interaction between counties, states and the federal management of national forests. We remain hopeful that its implementation will go faster and accelerate accomplishments of the desired treatments. TNC recommends that such proposals are selectively utilized, and recommend emphasizing collaborative, science-based restoration to address large forest landscapes challenges.

III. Forestry- Comments on the next Farm Bill

As we stated above, we see the Farm Bill as a vital tool for America, providing needed assistance and authority to improve the vast agricultural, range and forest lands of our nation, and provide the food, fiber and nature we all depend on. First, we are very concerned that funds are already being cut disproportionately for our critical working lands. The Farm Bill must provide adequate resources for conservation so our farmers, ranchers and forest landowners can ensure our food security and economic stability, and bolster rural economies in the process. Voluntary conservation works: The Farm Bill is essential to keep our people and our nature healthy. The Forestry community should focus on these important needs and public services and not get sidetracked with contentious efforts to alter US Forest Service public land decisions by eliminating environmental reviews.

Principles to consider with respect to Forestry

*Bolster Conservation Rewards and Incentives.*
The bill needs to continue to encourage best practices as well as provide funds for investments that improve stewardship practices, technical assistance and cost-share programs on working private forest lands.

**Prioritize Key Resource Issues.**
The bill should be strategic and direct higher percentage of resources to conservation issues of special significance using the Regional Conservation Partnership Program (RCPP) and through the continuation of National NRCS Landscape Initiatives such as Longleaf Pine to achieve local and landscape-scale environmental benefits.

**Forest Service land management- Environmental Safeguards**
The Congress should resist the temptation to use the Farm Bill as a way of preventing public participation and review of federal forestry projects by short cutting the National Environmental Policy Act procedures that allow transparency and local participation in decision making. We firmly believe that better forestry decisions are made when public discourse, collaboration and participation are encouraged through the NEPA process. The NEPA process ensures that local citizens, counties and others, as well as the best available science, are used to inform decisions that can have lasting impact on our forests.

**Forest Service land management - Negotiated Agreements**
Similarly, if legislation is considered that encourages the use of arbitration to determine US Forest Service forestry decisions, the process must allow the deciding officers to engage the participants in negotiations to come up with new and better decisions than those that may have been previously offered by proponents or the agency. Negotiation, especially when built on collaboration, can allow for better decisions, and these decisions may be able to span much larger forest areas to increase efficiency.

**Encourage Conservation of Significant and Sensitive Habitat.**
Maintain conservation compliance to prevent conversion of significant and sensitive habitats.

**Improve Water Quality and Supply.**
Encourage forest practices that reduce the amount of pollutants entering our waterways and promote sustainable water management for people and nature, especially in drought-prone areas.

**Promote Climate Action.**
Forests are vital for so many purposes, and that includes the natural carbon sequestration and water filtering that are vital to mitigate climate stresses. Maintaining productive and profitable forests helps our Nation keep forests as forests, so they are not converted to other purposes that lose these properties. Such investments provide many benefits to landowners, to water and
wildlife users, and are cheaper than other forms of climate mitigation.

*Improve Conservation Outcomes.*
Strengthen conservation outcomes of Farm Bill programs by refining implementation of those programs based on monitoring results and science-based assessment methods.

*Maintain Healthy and Resilient Forests.*
Increase the long-term protection of forest resources and their benefits from threats such as catastrophic wildfire, insects, and diseases, and promote the use of fire as an important forest management tool with the goal of maintaining healthy and resilient forests.

*Support Research and Science*
The Farm Bill provides some essential forest science support, and it also has programs and practices that rely on good science to foster efficient and useful forestry. Science support is a vital federal function.

*Private Forests – Specific Recommendations:*
1. Create incentives for increasing prescribed burning and other forest management on state and private forests and grasslands by formally addressing challenges to using prescribed burning. Prioritize projects that use prescribed burning and other forest management activities funded through Conservation Title programs, including EQIP, HFRP, CRP, among others.

2. Enhance water sources by enhancing forest health and resilience:
   - There are many federal departments and agencies, as well as other governmental levels, many industrial sectors, and more, that all have a role to play in improving water sources. Provision of water quality and quantity are two critical benefits provided by well-managed forests, and are thus a key justification to keeping forests on the landscape. There is need for dedicated programs and policy to be built around combining federal and bringing non-federal financial resources to bear in assisting those who manage forested water resources that impact the public at large. The overarching goal would be to incentivize maintenance of forest cover on the landscape, including implementation of silvicultural best management practices, while reducing potential impacts to water resources through fire and disease risk reduction. We believe that the Farm Bill should require the Secretary of Agriculture to establish a federal government-wide technical and policy working group, with key science, economics, industry and citizen participation, to produce a plan within 18 months that identifies existing, and recommends additional, federal and private sector funding and cost share efforts that provide forest land owners resources to implement management actions that protect downstream water quality and enhance regulated flows of flood waters. The report will evaluate costs and benefits of forest treatments, and evaluate potential impacts on water users, including agricultural producers and municipal consumers.
- Amend Farm Bill authorities to allow aggregation of landowners or municipal water organizations to participate in forestry that enhances water sources. We recommend amending conservation program authority, including RCPP, to allow NRCS to pilot test concept of aggregating financial assistance payments in priority landscapes to a landowner cooperative or similar non-governmental entity, where the aggregation allows leveraging of non-governmental organization and/or water utility funds for practices that enhance or maintain water quality and quantity from forested landscapes.

- Investigate ways to enhance Rural Development authorities to include improvements to forest practices and stimulate forest related business that are a major part of many rural economies. Practices that improve water quality and delivery, and increase rural jobs, should be encouraged.

- Develop a Forest and Water Fund (modeled off RCPP) to support forest watershed restoration and conservation projects with the objective of protecting drinking water and mitigating the risks of water extremes (flooding/drought) for downstream users. Funding can be made available with support from the Conservation, Forestry, Rural Development, and Research Titles and leveraged from non-federal funding sources. This fund could additionally support outreach, education and enrollment of targeted landowners, and for community planning to identify high-priority watersheds for investment.

3. Reauthorize HFRP and amend the program to 1) dedicate mandatory annual funding, 2) allow third party easements, 3) allow donated easements to serve as matches, 4) expand to include threatened and endangered species, and 5) identify water protection as a specific objective for HFRP funding.

4. Develop a 5-year dedicated National Reforestation Initiative to incentivize reforestation within priority areas experiencing forest loss.

5. Include an LWCF provision allowing third parties to receive Forest Legacy grants to purchase, hold and manage conservation easements within federally-designated project areas. This new approach will create efficiencies in collaborating with third parties, by reducing costs for easement management and monitoring, and enhance states’ role in federal conservation efforts, among many other benefits.

6. Fully consider commercially viable forest land within the NRCS Agricultural Conservation Easement Program (ACEP) and the Healthy Forest Reserve Program. Forest products are an important use that should be encouraged, so we support removal of the 2/3 forested acreage limitation that currently exists for the ACEP program, which has limited forest enrollment.
**National Forests -- Specific Recommendations:**

While the intent of the Farm Bill is to primarily focus on non-federal land policies, the bill also can be used to advance national forest policy. The Conservancy supports the following:

1. Create an Accelerated Landscape Scale Restoration authority through a pilot program that would accelerate the pace of forest and watershed restoration, improve the resiliency of forest ecosystems, and better manage the threat of large fires in fire-prone western forests and address other forest challenges.

2. Extend and expand the Collaborative Forest Landscape Restoration (CFLR) program. There are 23 signature CFLR restoration projects in 14 states covering over 17 million acres. The Conservancy would like to see this program extended to 2024 and expanded to allow up to 5% of funds for planning, encourage private investments, encourage coordination with opportunities for cross-boundary impact (possibly by leveraging the Good Neighbor Authority or other cross-boundary authorities) where appropriate, and increase the authorized funding level to $80 million.

3. Improve the U.S. Forest Service Good Neighbor Authority, by allowing road access, and Stewardship Contracting authority, by allowing at least 5% of retained receipts for planning and NEPA for future stewardship projects within the same region/forest, with an appropriate tracking mechanism.

4. Any fire funding solution in a Farm Bill package must be comprehensive by including the following three criteria: 1) address the continued erosion of agency budgets that results from the increasing ten-year average, and stabilize the level of funding for suppression within the agencies; 2) access disaster funding for extraordinarily costly fires, including those that may be calculated as part of the ten-year average; and 3) significantly reduce the need to transfer from non-suppression accounts and programs.

TNC additionally supports a legislative remedy to disconnected and isolated parcels of land in Georgia’s Chattahoochee-Oconee National Forest, by including the Chattahoochee-Oconee National Forest Land Adjustment Act (S. 571, H.R. 1434) to establish a “modified land exchange,” whereby the USFS can sell these isolated parcels (30 totaling 3,841 acres; as identified in the legislation). Proceeds from the sale of these parcels will go into a federal account that the agency may use only to buy critical inholdings from willing sellers. The funds could only be spent inside the existing USFS proclamation boundary in Georgia – they could not be used to “grow” the forest beyond that boundary.
IV. Conclusion

We greatly appreciate the opportunity to participate in this hearing and in the open, thoughtful legislative process the Committee has provided. We know that investments in conservation provide the Nation with many benefits. Nature’s solutions are important for nature, but they are also fundamental to our agricultural, ranching and forest industries and cultures.

Summary of TNC main points regarding Forestry:

1. Maintain funding for conservation and related programs that help forests and forest landowners, as well enhance the lasting benefits that forests provide, including rural jobs, quality water, fish and wildlife habitat, and open space that helps mitigate climate change.

2. Allow forest landowners continued and enhanced participation in Farm Bill programs like other producers.

3. Support strategic programs that can provide large landscape scale benefits through focused activity, especially the Regional Conservation Partnership Program and related landscape efforts, including the Joint Chiefs Landscape Restoration Partnership.

4. Maintain and enhance vital forestry research and science capacity and their roles in sound management of America’s lands and waters.

5. Support legislative provisions that enhance collaborative forestry, maintain NEPA and other bedrock environmental legal procedures, and provide for continued and enhanced participation of the public, industries, and local governments.

6. Pass a comprehensive federal fire suppression funding fix that includes 3 critical properties: (a) addresses the continued erosion of agency budgets that results from the increasing ten-year average; (b) accesses disaster funding for extraordinarily costly fires; (c) end the need to transfer funds from non-fire suppression accounts and programs.
Appendix

Stewardship Contracting and Agreements

Case Study Examples TNC use of Stewardship Contracting and Agreements:
We attach short example case studies showing how TNC staff and partners are using the stewardship contracting and agreement authority to improve forest health and local community resilience. TNC is just one of a great number of organizations and institutions using these authorities.

Florida and Longleaf Pine:
In a landscape where industry attitudes have considered federal lands as inaccessible and merely “in the way” of their route to private lands with a stable wood supply, contractors and loggers are beginning to have a different view in Florida. The Nature Conservancy’s Stewardship agreements on the Osceola National Forest have resulted in multiple active logging crews working simultaneously throughout each of the past four years. Use of stewardship has allowed the forest to reach its annual board feet targets, while at the same time concentrate on areas most vulnerable to wildfire on the forest. Stewardship agreements have been a tool that have assisted wildfire mitigation programs such as the Collaborative Forest Landscape Restoration (CFLR) program, with the most highly vulnerable areas being prioritized for stewardship and wildfire mitigation activities.

In summary, stewardship has:

- Allowed for increased harvest and thus access for the private forestry sector to federal timberlands
- Increased employment for loggers, timber contractors, road construction, and other contractors that are performing vegetation management and other services that are part of the stewardship agreement.
- Allowed for accelerated restoration of longleaf pine as well as fish habitat enhancement and erosion control activities.
- Supported the development of a job training program that recruits underserved youth to implement management activities on the Osceola.
- Expanded the footprint of prescribed fire and supporting mechanical vegetative activities
- Increased habitat for targeted endangered and species of conservation concern such as red-cockaded woodpecker and gopher tortoise

These activities have been possible due to the approval of a forest-wide NEPA and without the need for additional federal appropriations due to use of revenue from stewardship sales

Michigan and Ottawa National Forest
The Nature Conservancy’s Michigan Chapter entered into its first Stewardship Agreement with Ottawa National Forest in July 2016. The largest project is aimed at larger scale restoration and planting of 1200 acres of degraded riparian areas along cold and cold transitional streams to
protect cold water refugia for cold water species like brook trout, this project that TNC plans to complete in three years would take the Forest Service 20 years to complete in house. Other projects include natural regeneration of a Jack Pine stand, maintenance and rehabilitation of 7.5 miles of wilderness area trails, and the replacement of a foot bridge stream crossing along the North Country Trail.

**Ashland, OR Forest Resiliency Stewardship Project (Southern Oregon fire risk reduction)**

Use of the Stewardship Authority on the Ashland Forest Resiliency project, through the Rogue River – Siskiyou National Forest has fostered a high functioning partnership with the City of Ashland, Lomakatsi Restoration Project, and TNC. Early collaborative implementation successes helped attract an additional $7.5 million in Forest Service investments, along with a designation as a Joint Chiefs Landscape Restoration Partnership which leveraged $4 million in funding from the Natural Resources Conservation Service to create a public-private partnership working cross boundary. More recently, the partners secured an award of $6 million from the Oregon Watershed Enhancement Board, taking the all-lands project to nearly 14,000 acres of treatment to reduce forest land community risks across the 54,000-acre planning area. The City of Ashland has also delivered an ongoing annual commitment of $175,000 in City restoration funds from a new water service surcharge spent on the USFS lands. The project has treated 6600 acres to date, delivered 14 MMBF of timber to mills, generating $5.9 million in wood value, while sustaining ~17 FTE jobs, and as many as 100 FTE annually considering indirect and induced work supporting restoration and milling.

**Arizona Four Forest Restoration Initiative (4FRI)**

The stewardship contracting authority is being used to implement the largest restoration effort in Forest Service history – The Four Forest Restoration Initiative, a project funded under the Collaborative Forest Landscape Restoration Program. Over 500,000 acres of ponderosa pine forest have been cleared for thinning in Arizona through the NEPA process, and another 1.2 million acres will be cleared within two years. The project enjoys considerable public support with more than 40 stakeholder groups collaboratively developing recommendations to the Forest Service.

Continued losses of forest from large, catastrophic fires will have real economic and ecological impacts on water supplies and jobs. There is an urgent need to increase the pace and scale of restoration. The stewardship contracting authority provides the certainty and flexibility needed to attract private investment, which is critical for rebuilding industry, creating jobs, and accelerating restoration.

Under a 20,000-acre stewardship agreement signed in March of 2017, The Nature Conservancy, Forest Service, and industry are working to catalyze fundamental change. We are bringing
together strategic partnerships, advanced technology, and new business practices to attract new investment, sustain existing investments in wood products, and create a more reliable flow of wood at a reasonable cost and at a scale large enough to make a difference. We are working to develop technological innovations that increase agency capacity; remove agency disincentives to innovation that reduce costs and streamline processes; and are working with industry to reduce costs so that small-diameter wood can be removed economically. There is an urgent need to modernize the agency model for managing our forests. Tools such as CFLR and Stewardship Contracting authority provide unique and valuable vehicles for collaborative innovation and developing a new model of forest management that leverages strategic partnerships to increase the pace and scale of forest restoration.

**Klamath, OR Tribal and Forest Service Partnership effort with a Master Stewardship Agreement**

Through established strategic partnerships with The Klamath Tribal, and Lomakatsi Restoration Project (Lomakatsi) and The Nature Conservancy (TNC), have initiated a strategic collaboration to restore forested ecosystems in south-Central Oregon, is building additional capacity within the Tribes Natural Resources Department, creating sustainable job opportunities with a focus on tribal members, and engaging in ecological forestry and ecosystem restoration on the Klamath Reservation Forest and ancestral lands. The Master Stewardship Agreement, executed in September of 2011, put into place a ten-year framework for landscape restoration activities through the planning and development of Supplemental Project Agreements. The area of focus is the approximate 1.7 million acres of the Fremont-Winema National Forest which includes the 1.1 million acres of former reservation land and ancestral lands.

Since the spring of 2011 through the spring of 2017, 29 Klamath tribal workers have been involved in a variety of ecological restoration training and employment opportunities working across private and federal lands. Over the past five years, tribal workers have engaged in peer and mentor training, learning the skills to conduct a variety of ecological restoration prescriptions – forest thinning, prescribed fire application, native grass seeding, tree and shrub planting, riparian restoration, cultural monitoring, and project layout, marking and design. The partnership has leveraged over 2.2 million dollars to support this training and employment program across private, municipal and federal lands.
Seventy percent of the land in the lower 48 states is privately owned. Nearly 900 million acres (roughly half of the land in the contiguous United States) are cropland, rangeland or pastureland and eligible for Farm Bill programs.

The Farm Bill is the most important legislation for conserving private lands in America. It provides farmers, ranchers and forest landowners with the tools necessary to protect and conserve not only the land, but also their way of life. These practices result in cleaner water, healthy soils, enhanced wildlife habitat, outdoor recreation opportunities and increased flood control.

Our country’s forests are a vital natural resource, and a strong Farm Bill ensures our national and private forests remain healthy and productive. Our forest lands—whether federal, state, or private—are huge economic drivers in many communities. We all benefit from healthy forests and the clean air and water, habitat, recreation, timber and forest products they provide.

The Nature Conservancy has a long history of working directly with farmers, ranchers and private forest landowners. We partner together across America to create conservation opportunities to build safer local communities and stronger rural economies.

**Conservation in the Farm Bill**

**WORKING TOGETHER TO PROTECT LAND AND IMPROVE WATER AND HABITAT**

The Farm Bill is the nation’s largest investment supporting the voluntary and successful conservation, restoration and management of America’s private lands. These activities are critical to a strong economy, healthy and productive rural lands, and thriving communities.

---

**Farm Bill Funding**

Funding for America’s critical working lands has already been disproportionately cut. The next Farm Bill should increase funding so that the Conservation Title can continue meeting the needs of our farmers, ranchers, and forest landowners to ensure our country’s food security and economic stability.

It is critically important that we restore the baseline funding for easement programs—the Agricultural Lands Easement (ALE) program and Wetlands Reserve Easement program (WRE)—to at least $500 million a year.

Farm Bill conservation programs account for just 6 percent of Farm Bill funding. Congress should create and pass a Farm Bill that increases funding to the Conservation Title and avoids further cuts to the Forestry and Research Titles.

With more than $6 billion already cut from conservation programs compared to authorized funding, conservation has already answered the call with more than its fair share for meaningful deficit reduction. Further cuts would gravely compromise the ability of conservation programs to accomplish their objectives and deliver multiple economic, conservation, and quality of life benefits to every region of America. Voluntary conservation works, and the results speak for themselves as the Conservation Title helps landowners maintain their legacy as stewards of America’s working lands.
The Nature Conservancy’s Top Farm Bill Priorities

Bolster Conservation Rewards and Incentives. Encourage farmers to conserve wetlands, grasslands and private forests. Congress can further incentivize these practices by increasing funding for the Agricultural Conservation Easement Program (ACEP), Healthy Forest Reserve Program (HFRP) and Regional Conservation Partnership Program (RCPP), and by maximizing investments in those programs through more efficient program delivery. Congress should also increase the acreage cap for the Conservation Reserve Program (CRP), and improve stewardship practices, technical assistance and cost-share programs on working agricultural and private forest lands.

Prioritize Key Resource Issues. Direct a higher percentage of Farm Bill resources to conservation issues of special significance via the Regional Conservation Partnership Program (RCPP) Program and the National NRCS Initiatives such as the Sage Grouse Initiative (SGI) and the Mississippi River Basin Initiative (MRBI) to achieve local and landscape-scale environmental benefits.

Encourage Conservation of Significant and Sensitive Habitat. Maintain conservation compliance to prevent conversion of significant and sensitive habitats, with a special emphasis placed on removing incentives to convert native prairie or grasslands to cropland.

Improve Water Quality and Supply. Reduce the amount of pollutants entering our waterways and promote sustainable water management for people and nature, especially in drought-prone areas.

Promote Soil Health. Create incentives for producers to adopt soil health practices that mutually benefit farmers, resource production and the ecosystems on which such productivity depends.

Improve Conservation Outcomes. Strengthen conservation outcomes of Farm Bill programs by refining implementation of those programs based on monitoring results and science-based assessment methods.

Maintain Healthy and Resilient Forests. Increase the long-term protection of forest resources and their benefits from threats such as catastrophic wildfire, insects and diseases, and promote the use of fire as an important forest management tool.
TESTIMONY OF
STEVEN HORNING
HORNING FARMS

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

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

THURSDAY JUNE 29, 2017
261 HART SENATE OFFICE BUILDING
WASHINGTON, DC
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<th>State</th>
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<th>Number Accepted (%)</th>
<th># Offers Not accepted</th>
<th>Acres Offered</th>
<th>Acres Accepted</th>
<th>Acres Accepted (%)</th>
<th># Acres Not accepted</th>
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**US**

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<tr>
<th>Number Offers</th>
<th>Number Accepted</th>
<th>Number Accepted (%)</th>
<th># Offers Not accepted</th>
<th>Acres Offered</th>
<th>Acres Accepted</th>
<th>Acres Accepted (%)</th>
<th># Acres Not accepted</th>
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USDA Farm Service Agency - CRP Signup #49
Good morning chairman Roberts, ranking member Stabenow, and members of the committee. My name is Steve Horning. I am a Certified Public Accountant and owner of Horning Farms in Watertown South Dakota. Because of my love of hunting pheasants, I started to buy farmland in 1990. I now own ten thousand acres of farmland. I produce corn, soybean, and wheat and rent out my pasture to local farmers. I follow the model of “farm the best and conserve the rest”. Before I would consider purchasing land, I would see what I could do to improve the land for conservation. If I could not improve it, I would not buy it.

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

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

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

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

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

Another area I’d like to address is crop insurance. Since most of crop insurance claims come from marginal ground, I have taken this out and put into CRP programs. Marginal ground either burns up or is to wet, thereby, creating the most crop insurance claims.
I have switched from optional unit (where you account for each unit separately) to enterprise crop insurance (where each crop in the county is treated as one crop) by taking my marginal ground out. I have reduced my claims to zero for 2014, 2015 and 2016. I have been on Enterprise crop insurance since 2014, where the premium is approximately 30% of the optimal unit.

Below are my crop insurance results:

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<th>Year</th>
<th>Total Premium</th>
<th>Subsidy</th>
<th>Steve’s Premium</th>
<th>Acres</th>
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<td>$46,000</td>
<td>$12,000</td>
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I also like Senator Thune’s new Soil Health & Income Protection Plan (SHIPP). This program allows for shorter contracts. This will appeal to most farmers as they are reluctant to put it into a 10 or 15 year CRP contract.

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

Thank you and I look forward to any questions.